

2015 Regular Session

SENATE BILL NO. 162

BY SENATOR GARY SMITH

Prefiled pursuant to Article III, Section 2(A)(4)(b)(i) of the Constitution of Louisiana.

PUBLIC CONTRACTS. Authorizes construction management at risk pilot program.  
(8/1/15)

1 AN ACT

2 To amend and reenact R.S. 38:2225.2.4(A)(3), (F)(5), and (G)(5), relative to public  
3 contracts; to authorize a construction management at risk pilot program; to provide  
4 for selection of a construction management at risk contractor; to provide for entry  
5 into a construction management at risk contract by an owner; and to provide for  
6 related matters.

7 Be it enacted by the Legislature of Louisiana:

8 Section 1. R.S. 38:2225.2.4(A)(3), (F)(5), and (G)(5) are hereby amended and  
9 reenacted to read as follows:

10 §2225.2.4. Construction management at risk; public entity

11 A. \* \* \*

12 (3) CMAR shall not be used for any project that is estimated to cost less than  
13 twenty-five million dollars: **except for any project in the CMAR pilot program.**  
14 **A pilot program is hereby established that authorizes a public entity to use**  
15 **CMAR for only one project which is estimated to cost three million dollars or**  
16 **more, provided that the CMAR pilot program is limited to no more than ten**  
17 **projects on a first-come, first-served basis. Prior to proceeding to use CMAR,**



services to build the project. Use of CMAR is limited to projects estimated to cost \$25 million dollars or more.

Proposed law establishes a CMAR pilot program that is limited to ten projects, each estimated to cost three million dollars or more. Pilot projects must be submitted by name for review and approval by the House and Senate committees on transportation, highways, and public works. A public entity is allowed only one CMAR pilot project.

Present law requires the owner to select the CMAR contractor either before, but not later than, when design is not more than 30% complete if the benefits of the CMAR method reduce as the design process progresses.

Proposed law declares that the benefits of using the CMAR method reduce as project design progresses and provides that determination of the design completion percentage is based on the professional opinion of the owner's design professional.

Present law provides that, if the owner and CMAR contractor are able to negotiate, establish, and agree upon a guaranteed maximum price for rendering construction services for the project, the owner may authorize the CMAR contractor to undertake construction services. Further provides that an owner may determine and authorize a CMAR contractor to undertake specific items provided such undertaking is beneficial to the project, including but not limited to items that require a long lead time, further understanding of unknown site conditions, or other issues.

Proposed law changes "authorize" to "contract with".

Effective August 1, 2015.

(Amends R.S. 38:2225.2.4(A)(3), (F)(5), and (G)(5))

#### Summary of Amendments Adopted by Senate

##### Senate Floor Amendments to reengrossed bill

1. Makes technical changes.