

RÉSUMÉ DIGEST

ACT 163 (SB 162)

2015 Regular Session

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Prior law authorized an owner who is a public entity to use the construction management at risk (CMAR) project delivery method. The owner engages a design professional for pre-design or design services, or both. The owner contracts separately with a CMAR contractor to engage in the preconstruction phase who may also provide construction services to build the project. Use of CMAR is limited to projects estimated to cost \$25 million dollars or more.

New 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.

Prior law required 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.

New 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.

Prior law provided 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.

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

Effective August 1, 2015.

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