Senate Bill (SB) 914: Local Agency Contracts Construction Manager at-Risk

WHAT:Before the passing of SB 914, Section 20146 of the Public Contract Code authorized counties to use the Construction Manager at-Risk (CMAR) alternative project delivery method for contracts, exceeding $1M, for the erection, construction, alteration, repair, or improvement of any building owned or leased by the County.

SB 914 expands Section 20146 by authorizing:
- a county or public entity, with the approval of its governing body, to utilize CMAR contracts for the erection, construction, alteration, repair, or improvement of infrastructure owned or leased by the county or the public entity, including, but not limited to:
  - buildings
  - utility improvements associated with buildings
  - flood control
  - underground utility improvements
  - bridges
- SB 914 does not authorize the CMAR delivery method for road projects.

WHY: With SB 914 becoming law, counties and public entities have these benefits:
- expanded utilization of Construction Manager at-Risk contracts
- required design support services by the contractor during the pre-construction phase and general contractor services during the construction phase
- greater cost predictability for the public entity as the contractor assumes the responsibility for the construction of a project under a guaranteed maximum price and the risk for cost-overruns
- enhanced project schedule controls
- improved communication among contractors throughout the project schedule
- a method for procuring contracts through a qualifications-based selection

WHEN: SB 914 was introduced 1/22/18, chaptered 7/16/18, and takes effect 1/1/2019.