

## 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.**



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