State of Arkansas

As Engrossed: H3/18/19 S4/5/19

A Bill

92nd General Assembly
Regular Session, 2019

By: Representatives Wing, Payton
By: Senator M. Pitsch

For An Act To Be Entitled

AN ACT TO AMEND THE CONSTRUCTION MANAGER-GENERAL CONTRACTOR METHOD OF PROCUREMENT PILOT PROGRAM; AND FOR OTHER PURPOSES.

Subtitle

TO AMEND THE CONSTRUCTION MANAGER-GENERAL CONTRACTOR METHOD OF PROCUREMENT PILOT PROGRAM.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF ARKANSAS:

SECTION 1. Arkansas Code § 19-11-1402 is amended to read as follows:

19-11-1402. Legislative findings.

The General Assembly finds that:

(1) An efficient transportation system is critical for Arkansas’s economy and the quality of life of the state’s residents;

(2) Transportation projects are costly and the revenues currently available for highways and local roads are inadequate to preserve and maintain existing infrastructure and to provide funds for highway improvements;

(3) The State Highway Commission has developed an alternative, cost-effective, procurement procedure for transportation projects performed by the commission and the Arkansas Department of Transportation;

(4) Other states have begun to explore the utilization of a construction manager-general contractor method as a cost-effective and

Stricken language would be deleted from and underlined language would be added to present law.

Act 1019 of the Regular Session
efficient option for constructing transportation projects, including the
State of California, which applies the construction manager-general
contractor method when it is anticipated that the use of the construction
manager-general contractor method will reduce transportation project costs or
expedite transportation project completion in a manner that is not achievable
through the design-bid-build method;

(5) A construction manager-general contractor method allows the
commission to engage a construction manager:

(A) To assist during the design and development process of
the transportation project, including without limitation to provide input
concerning the transportation project’s:

(i) Design;

(ii) Scheduling;

(iii) Pricing; and

(iv) Phasing; and

(B) Who may subsequently become the general contractor and
construct the transportation project if the parties agree on a guaranteed
maximum price; and

(6)(5) The cost-effective benefits are achieved by shifting the
liability and risk for cost containment and transportation project scheduling
to the construction manager, which leads many states to call this method the
“construction manager at-risk method”.

SECTION 2. Arkansas Code § 19-11-1404(b), concerning the creation of
the Construction Manager-General Contractor Method of Procurement Pilot
Program, is amended to read as follows:

(b)(1) During the term of the program the commission may select a
total of three (3) five (5) transportation projects on which to utilize the
construction manager-general contractor method.

(2)(A) The sum of the construction cost estimates prepared as
required under § 19-11-1407 of all three (3) five (5) construction manager-
general contractor method transportation projects shall not exceed two
hundred million dollars ($200,000,000).

(B) The construction cost estimate of the first
construction manager-general contractor method transportation project shall
not exceed seventy million dollars ($70,000,000).
(C) The sum of the A construction cost estimates estimate of the remaining two (2) of a construction manager-general contractor method transportation project project shall not exceed one hundred million dollars ($100,000,000).

SECTION 3. Arkansas Code § 19-11-1404(d), concerning the creation of the Construction Manager-General Contractor Method of Procurement Pilot Program, is amended to read as follows:

(d) A The program established under this subchapter shall terminate no later than June 30, 2022 2024.

SECTION 4. Arkansas Code § 19-11-1405 is amended to read as follows:


(a) The Arkansas Department of Transportation shall not initiate another construction manager-general contractor method transportation project until after a contract for construction of the first construction manager-general contractor method transportation project has been awarded.

(b) If the department Arkansas Department of Transportation determines that a construction manager-general contractor method of procurement is appropriate for a transportation project, the department shall establish a procedure for awarding the contract for construction of the construction manager-general contractor method transportation project using the criteria listed in § 19-11-1406.

/s/Wing

APPROVED: 4/15/19