

1 State of Arkansas *As Engrossed: H3/18/19 S4/5/19*

2 92nd General Assembly

A Bill

3 Regular Session, 2019

HOUSE BILL 1693

4

5 By: Representatives Wing, *Payton*

6 By: Senator M. Pitsch

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For An Act To Be Entitled

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AN ACT TO AMEND THE CONSTRUCTION MANAGER-GENERAL

10

CONTRACTOR METHOD OF PROCUREMENT PILOT PROGRAM; AND

11

FOR OTHER PURPOSES.

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13

14

Subtitle

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TO AMEND THE CONSTRUCTION MANAGER-GENERAL

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CONTRACTOR METHOD OF PROCUREMENT PILOT

17

PROGRAM.

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

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

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19-11-1402. Legislative findings.

24

The General Assembly finds that:

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(1) An efficient transportation system is critical for

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Arkansas's economy and the quality of life of the state's residents;

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(2) Transportation projects are costly and the revenues

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currently available for highways and local roads are inadequate to preserve

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and maintain existing infrastructure and to provide funds for highway

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improvements;

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(3) The State Highway Commission ~~is interested in developing~~ has

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developed an alternative, cost-effective, procurement procedure for

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transportation projects performed by the commission and the Arkansas

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Department of Transportation;

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(4) ~~Other states have begun to explore the utilization of a~~

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~~construction manager-general contractor method as a cost-effective and~~



1 ~~efficient option for constructing transportation projects, including the~~
2 ~~State of California, which applies the construction manager-general~~
3 ~~contractor method when it is anticipated that the use of the construction~~
4 ~~manager-general contractor method will reduce transportation project costs or~~
5 ~~expedite transportation project completion in a manner that is not achievable~~
6 ~~through the design-bid-build method;~~

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

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

- 12 (i) Design;
13 (ii) Scheduling;
14 (iii) Pricing; and
15 (iv) Phasing; and

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

19 ~~(6)~~(5) The cost-effective benefits are achieved by shifting the
20 liability and risk for cost containment and transportation project scheduling
21 to the construction manager, which leads many states to call this method the
22 "construction manager at-risk method".
23

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

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

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

34 (B) ~~The construction cost estimate of the first~~
35 ~~construction manager-general contractor method transportation project shall~~
36 ~~not exceed seventy million dollars (\$70,000,000).~~

1 ~~(C) The sum of the~~ A construction cost ~~estimates estimate~~
2 ~~of the remaining two (2) of a~~ construction manager-general contractor method
3 transportation ~~projects~~ project shall not exceed one hundred million dollars
4 (\$100,000,000).

5
6 *SECTION 3.* Arkansas Code § 19-11-1404(d), concerning the creation of
7 the Construction Manager-General Contractor Method of Procurement Pilot
8 Program, is amended to read as follows:

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

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12 *SECTION 4.* Arkansas Code § 19-11-1405 is amended to read as follows:
13 *19-11-1405. Project selection.*

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

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

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26 /s/Wing