



Assemblymember Tom Daly

69th Assembly District

AB 1932 – Construction Manager at Risk Construction Contracts

Summary

This bill deletes the January 1, 2023 sunset date on a state law authorizing counties to utilize the “Construction Manager At-Risk” method for specified public works projects.

Background

Legislation in 2018 (SB 914, Dodd) authorized counties to use the “Construction Manager At-Risk” (CMAR) method for qualifying public works contracts exceeding \$1 million. CMAR was authorized for the construction, alteration, repair, or improvement of infrastructure, such as buildings, utility improvements associated with buildings, flood control and underground utility improvements, and bridges.

Under this method, the CMAR entity acts as the general contractor during the construction phase and retains the responsibility for monitoring design changes under a guaranteed maximum price contract.

In the traditional Design-Bid-Build method of construction procurement, the design and contracting phases are sequential, with no direct collaboration process. The cost impact for county public works agencies to procure each individual board-approved contract can amount to as much as \$100,000.

Proponents of this bill say the CMAR method facilitates the completion and delivery of complex public works projects efficiently and cost effectively.

Problem

Without new legislation, the authorization for counties to use CMAR sunsets (expires) on January 1, 2023.

Solution

This bill would extend county CMAR authorization indefinitely.

Support

California State Association of Counties (CSAC)

Oppose

None

For More Information

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