

SS SCS HCS HB 2376 -- CONSTRUCTION MANAGEMENT

CONSTRUCTION MANAGERS AT-RISK (Section 67.5050, RSMo)

The bill creates the construction manager-risk method which political subdivisions are permitted to use when engaging in civil-works projects in excess of \$2 million and non-civil works projects in excess of \$3 million. When entering into contracts for the services of a construction manager at-risk for such construction projects, political subdivisions are required to follow the procedures set forth in this bill.

Political subdivisions are required to select both a construction manager at-risk and an engineer or architect who will prepare the construction documents for the project. The engineer is not permitted to serve as the construction manager at-risk.

Construction managers at-risk are required to publicly advertise and receive bids or proposals from trade contractors or subcontractors. In the event that the political subdivision has a preference for a subcontractor or trade contractor that differs from the construction manager at-risk, the political subdivision is required to compensate the construction manager at-risk by the change in price, time, or guaranteed maximum cost for any additional cost and risk incurred by the construction manager at-risk.

A political subdivision is required to publish a request for proposal or qualifications in a newspaper of general circulation for a period of two weeks prior to opening the submitted proposals or qualifications. Within 45 days, the political subdivision shall evaluate each proposal and interview at least two of the top bidders. The political subdivision is required to select the proposal that offers the best value, as determined by the political subdivision.

This provision does not apply to constitutionally-established metropolitan sewer districts, special charter cities, charter counties, or charter cities that have adopted the construction manager at-risk method via ordinance, rule, or regulation. This provision will sunset on September 1, 2026.

DESIGN-BUILD CONTRACTS (Sections 67.5060 and 227.107)

The bill further creates new provisions of law relating to design-build contracts entered into between a political subdivision and a design-builder. A design-build contract is one that is entered into for the purpose of furnishing architectural, engineering, and related design services and the labor, materials, supplies,

equipment, and other construction services required for a design-build project. Specifically, the bill sets forth the process to be followed in requesting proposals for design-build contracts. The political subdivision shall solicit proposals in a three-stage process: Phase I shall be the solicitation of qualifications of the design-build team; Phase II shall be the solicitation of a technical proposal including conceptual design for the project; and Phase III shall be the proposal of the construction cost and include non-civil works projects in excess of \$7 million and civil works projects which do not have a price threshold.

In addition, this bill authorizes any political subdivision to use a design-build contractor for waste water and water treatment projects and prohibits the Department of Economic Development from rejecting waste water or water treatment projects solely for using design-build when disbursing certain grants and loans.

These provisions do not apply to constitutionally-established metropolitan sewer districts, special charter cities, charter counties, or charter cities which have adopted the design-build method via ordinance, rule, or regulation. This provision will expire on September 1, 2026.

Currently, the authority for the State Highways and Transportation Commission to enter into highway design-build project contracts expires on July 1, 2018. This bill removes the expiration date.