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Senate Bill 1056, An Act Streamlining Certain Processes at the Department of Construction Services Concerning Construction Manager-At Risk Project Delivery Contracts, the Hiring of Consultants and Contracts for the Installation of Prefabricated Building.

March 25, 2013

Public Hearing, Committee on Government Administration and Elections

Connecticut Construction Industries Association, Inc. (CCIA) represents the commercial construction industry in the state and seeks to advance and promote a better quality of life for all citizens in the state. Formed over 40 years ago, CCIA is an organization of associations, where all sectors of the commercial construction industry work together to advance and promote their shared interests. CCIA is comprised of more than 300 members, including contractors, subcontractors, suppliers and affiliated organizations representing many sectors of the construction industry. CCIA members have a long history of providing quality work for the public benefit.

AGC of Connecticut is the building division of CCIA, representing 150 commercial, industrial, and institutional construction contractors, construction managers, subcontractors, material suppliers and professionals serving the Connecticut construction industry. AGC is a chapter of AGC of America.

Senate Bill 1056 would, in part, allow a construction manager-at risk on state renovation projects to prepare the construction site prior to completion of the guaranteed maximum price (GMP) and to allow the GMP to be determined in phases. The bill specifies the project elements which may be prepared prior to the submittal of the GMP, which are: site preparation, demolition, public utility installation and connections, and building envelope components, including the roof, doors, windows and exterior walls. The bill further stipulates that project elements involved in the pre-GMP work would have to have been previously put out to bid and awarded.

We support the concept of allowing certain elements of the project to begin prior to the final submittal of the guaranteed maximum price as it can help accelerate the construction process, save time, and avoid delays to the project. The advantage of this approach is that the contractor can proceed with site work and other preliminary matters prior to receiving final drawings. Depending on many variables, including the complexity of the project, preparing and finalizing the GMP can require much time and preparation which, under the state's current rules, can result in unnecessary upfront delays. These delays can be avoided where such rules are not in place – in private sector construction, for example – where it is common for the CM at-risk to proceed without final drawings. We believe construction management at risk can operate in this way in the public sector as well, and, therefore, support the intent behind S.B. 1056.

We would like to comment, however, on one provision in the bill that is confusing. On lines 32-34, the bill provides that “the project element or elements involved in such early work have been previously put to bid and awarded.” Since no contracts, except site preparation, may be awarded



prior to the guaranteed maximum price – per lines 23-26, which reflect current statute – we believe the bill should be amended to delete the words on line 34, “and awarded.”

For more information, please contact John Butts at 860-529-6855. Thank you for your consideration and for the opportunity to present our views.