



DESIGN-BUILD INSTITUTE OF AMERICA | Western Pacific Region

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May 18, 2023

The Honorable Cecilia Aguiar-Curry, Chair  
Assembly Committee on Local Government  
1020 N Street, Room 157  
Sacramento, CA 95814

**RE: SB 706 Public Contracts: Progressive Design-Build: Local Agencies - SPONSOR**

Dear Assemblymember Aguiar-Curry:

On behalf of the Design-Build Institute of America – Western Pacific Region (DBIA), we are writing in support of SB 706 (Caballero). DBIA is proud to sponsor this measure with the Design-Build Institute of America – Western Pacific Region, California State Association of Counties (CSAC), County of San Diego, and League of California Cities to allow counties, cities, and special districts to use the Progressive Design-Build (PDB) project delivery method for construction contracts.

The Design-Build Institute of America is the true authority on Design-Build Done Right®. Comprised of architectural, engineering, and construction professionals, as well as academics, students, and project Owners, its members collaborate and innovate to deliver some of America's most successful projects.

CSAC proudly represents all 58 counties before the California Legislature, administrative agencies and the federal government. CSAC places a strong emphasis on educating the public about the value and need for county programs and services. CSAC's long-term objective is to significantly improve the fiscal health of all California counties so they can adequately meet the demand for vital public programs and services.

Based on prior legislative efforts, supported by the successful execution of multiple design-build projects, SB 706 will help Design-Build (DB) delivery become more readily available and accepted by multiple public and private agencies throughout the State of California.

Prior legislation efforts included SB 785 (Wolk), co-sponsored by DBIA. Enacted during the 2013-2014 legislative session, SB 785 streamlined years of DB statutes in various codes for the design-build community. It included uniform provisions which authorized most local agencies to use the DB procurement process for specified public works projects within Public Contract Codes Sections 22160-22169. This legislation excluded roads but included buildings, utility improvements associated with buildings, flood control, underground utility improvements, and bridges.

Because of this legislation, many local governments including counties, cities, and special districts, have authority to use Design-Build (DB), however the DB statute does not specifically allow for Progressive Design Build. Public Contract Code (PCC) §22164(f)(1)(a) mandates that a local agency may only use the Design-Build project delivery method if its selection criteria include a “price,” which some agencies interpret to mean the price for the entire DB project. Under this interpretation, the contract must be awarded on a lump sum or stipulated sum basis, while a Progressive Design-Build (PDB) approach requires award in advance of development of the design to a level allowing a fixed price bid, thus allowing agencies to gain additional benefits from input from the design and construction team at early stage of project development, optimizing the design, and maximizing the cost and schedule advantage.

Limited use of Progressive Design-Build as a delivery methodology has been allowed for water, wastewater, recycled water, advanced treated water, and supporting facilities. Authority is provided in PCC §22170 et seq. for specified CALFED surface storage projects (reservoirs) that receive funding from Proposition 1 in PCC §20928 – 20928.4. Due to the limitations of current PDB legislation, it would be in the public interest to expand the authority to additional agencies and different types of projects because PDB allows public agencies to complete public works projects more quickly and at a lower cost; thereby allowing public dollars to provide greater benefits to the public - especially federal dollars with strict use-it-or-lose-it timelines - without sacrificing important protections that the public expects. Progressive Design-Build entails use of a two-part award system allowing for confirmation of full scope of work, with fewer ambiguities, less time and cost in procurement, and more competitive pricing from trades.

SB 706 will allow local agencies throughout the state to attract more proposers for their projects by significantly reducing the cost of responding to RFPs compared to other contracting methods. In addition to offering the advantage of a reduced project schedule and cost, it also increases partnering between the agency and contractor through the design process during the initial phase leading to more predictable project outcomes.

California State has shown great leadership in the Design-Build space over the past 30 years and Design-Build is no longer an alternative form of project delivery, it is becoming the norm. Per the most recent FMI report, a projected 47% of all construction in the western region will use some form of design-build delivery by 2025, based on dollar value. Progressive Design-Build is the logical next step and will give local governments a proven option to expand and deliver.

For these reasons, we support SB 706 and request your “AYE” vote.

Respectfully,



Marianne O'Brien  
President DBIA-WPR  
FAIA, DBIA, LEED AP



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