

Date of Hearing: April 5, 2021

ASSEMBLY COMMITTEE ON TRANSPORTATION

Laura Friedman, Chair

AB 1499 (Daly) – As Introduced February 19, 2021

**SUBJECT:** Transportation: design-build: highways

**SUMMARY:** Removes the January 1, 2024 sunset date for Department of Transportation (Caltrans) and regional transportation agencies (RTPAs) to use the design-build (DB) procurement method for transportation projects in California.

**EXISTING LAW:**

- 1) Conveys to Caltrans full possession and control of all state highways and requires Caltrans to perform all improvement and maintenance work, unless that responsibility is otherwise delegated to another entity by statute.
- 2) Provides, within the State Constitution, that all government agencies must be allowed to contract with qualified private entities for architectural and engineering services for all public works of improvement.
- 3) Authorizes Caltrans to utilize design-build procurement for up to 10 projects on the state highway system, based on either best value or lowest responsible bid.

**FISCAL EFFECT:** Unknown.

**COMMENTS:** DB refers to a procurement process in which both the design and construction of a project are procured from a single entity. DB stands in contrast to the traditional design-bid-build contracting method whereby work on a project is divided into two separate phases: design and construction. Under design-bid-build, the government agency is responsible for the design of the project, either by designing it itself or by contracting with a private entity to do so. When designs are completed, the agency solicits bids from the construction industry and hires the responsible low bidder to build the project. DB combines these two phases into a single, comprehensive contract.

AB 401 (Daly), Chapter 586, Statutes of 2013, authorized Caltrans to use DB procurement for up to 10 projects on the state highway and expressway system, and provided specified regional transportation agencies with unlimited authority to use DB procurement for projects on or adjacent to the state highway system including related non-highway portions of the project. Projects that have been awarded or approved under this program include:

Project Title	Project Status	Project Description	Project Cost
US 50 HOV/Rehab in Sacramento County: US 50 Multimodal Corridor Enhancement Project	Awarded: Target completion date winter 2023	Construct HOV lanes from I-5 to 0.8 mile east of Watt Avenue, construct sound walls from Stockton Blvd to 65th St, rehabilitate pavement from I-5 to Watt Ave and	\$392.1 million

		increase vertical clearance at seven overcrossings between I-5 and Watt Ave.	
Route 210 ADA	Approved: In Procurement	Construct/upgrade existing pedestrian facilities to meet ADA standards on Route 210 corridor.	\$6.6 million
Fontana Maintenance Station	Approved: In Procurement	Construct a new maintenance facility in Fontana	\$15 million
I-405 Improvement	Approved: Request for Qualifications Target Early 2022	I-405 improvement project from I-5 to Harbor Boulevard including extend pavement life, improve safety, enhance traffic operation, and incorporate Intelligent Transportation Systems (ITS).	\$134 million
I-10 Pavement Rehabilitation	Approved: Request for Qualifications Target April 6, 2021	Restore and extend the service life of existing pavement and construct a truck climbing lane in the eastbound direction.	\$157 million

Use of DB as a project delivery tool has demonstrated significant schedule and cost savings by allowing sponsoring transportation agencies to combine design and construction activities, and streamline resources more efficiently, while saving time and limited funding resources.

This bill eliminates the sunset in current statute authorizing the use of DB procurement methodology for construction projects on state highways. Major construction projects, especially those involving state highways and expressways, are typically planned years in advance due to funding requirements and other obligations. Without an extension of the existing authorization, neither regional transportation agencies nor Caltrans would be able to consider DB as an available option for future construction projects.

According to the author, “AB 1499 will provide certainty and potential cost savings for future highway construction projects by eliminating the sunset date and thus extending design-build authorization permanently.”

In support, the Professional Engineers in California Government (PECG) writes, “PECG believes it is appropriate for Caltrans to continue to be able to utilize the existing design/build procurement authorization created by AB 401 in 2013, when the department believes it will be beneficial when constructing or rehabilitating projects on the State Highway System.”

*Previous Legislation:*

AB 401 (Daly), Chapter 586, Statutes of 2013 authorizes Caltrans and RTPAs to use DB procurement method for 10 transportation projects in California, while requiring Caltrans, to oversee construction inspection of these projects on the state highway system.

AB 2098 (Miller), Chapter 250, Statutes of 2010 authorizes the Riverside County Transportation Commission (RCTC) to use the design-build method of procurement for its SR 91 Corridor Improvement Project.

SB 4XX (Cogdill), Chapter 2, Statutes of 2009 authorizes Caltrans to utilize DB procurement for ten state highway, bridge, or tunnel projects, and it authorizes a local transportation agency to utilize DB on five local street or road, bridge, tunnel, or public transit projects within the jurisdiction of the local agency, if approved by the California Transportation Commission (CTC).

**REGISTERED SUPPORT / OPPOSITION:****Support**

American Automobile Association of Northern California, Nevada & Utah  
Apex Group; the  
Automobile Club of Southern California  
Professional Engineers in California Government (PECG) (Sponsor)  
Self-help Counties Coalition

**Opposition**

None on file

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