



DESIGN-BUILD INSTITUTE OF AMERICA | Western Pacific Region

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September 1, 2023

The Honorable Governor Gavin Newsom  
Governor of the State of California  
1020 N Street, Room 8220  
Sacramento, CA 95814

**RE: RE: SB 706 (Caballero) Public Contracts: Progressive Design Build – REQUEST FOR SIGNATURE**

Dear Governor Newsom:

On behalf of the Design-Build Institute of America – Western Pacific Region (DBIA-WPR), California State Association of Counties (CSAC), County of San Diego, and League of California Cities (Cal Cities) write to respectfully urge your signature of Senate Bill 706, which would allow counties, cities, and special districts to use the Progressive Design-Build (PDB) project delivery method for construction contracts. Having received a unanimous “yes” vote in both Senate and Assembly Committee hearings as well as a unanimous “yes” vote from the Senate and Assembly, we are excited about the support and visibility that SB 706 has received.

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 (DB) projects, SB 706 will help 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 DB 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 DB, however the DB statute does not specifically allow for PDB. Public Contract Code (PCC) §22164(f)(1)(a) mandates that a local agency may only use the DB 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 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 PDB 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. PDB 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 Request for Proposals (RFP) 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 DB 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. PDB 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 therefore request your signature in support of this bill.

Respectfully,



Marianne O'Brien  
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