



METROPOLITAN
TRANSPORTATION
COMMISSION

Agenda Item 3c

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Memorandum

TO: Legislation Committee

DATE: May 2, 2014

FR: Executive Director

W. I. 1131

RE: SB 1433 (Hill) Expansion of Design Build Authorization for Transit Projects

Background

SB 1433 repeals the January 1, 2015 sunset date on the statutory authority for transit operators to use the design-build (DB) procurement method for transit projects, and expands the authority to use DB to any local or regional agency responsible for the construction of transit projects. The bill also eliminates the minimum cost thresholds (\$25 million for a rail project and \$2.5 million for a non-rail project) and deletes legislative reporting requirements that were imposed when the authorization was first granted to transit agencies.

Recommendation: Support

Discussion

Design-build is no longer a new concept in California. In 2000, the Legislature enacted AB 958 (Scott), which originally authorized transit operators to use DB procurement. At the time, DB was relatively new in California, and therefore that initial bill included reporting requirements and a sunset date of January 1, 2005. That authorization was extended twice, first in 2006 by AB 372 (Nation) and again in 2009 by AB 729 (Evans) extending it to January 1, 2015.

According to the Senate Transportation and Housing Committee analysis of the bill, state and local experiences using DB for project delivery in California have been generally favorable. For example, in a recent report, the Legislative Analyst's Office found that the DB projects reviewed were generally successful at staying on budget and schedule. In the San Francisco Bay Area, the Santa Clara Valley Transportation Authority took advantage of the option to use DB in awarding a \$900 million DB contract to extend the Bay Area Rapid Transit system to Berryessa. The project is reportedly currently 10 months ahead of schedule and \$100 million under budget.

To assist transit operators in their efforts to deliver projects as efficiently as possible, it makes sense to provide them with a range of contracting tools that have been proven effective in achieving cost savings and shortening project delivery schedules. For this reason, we recommend a support position on this bill.

Known Positions

Support

California Transit Association (sponsor)

Support (cont'd)

Support (cont'd)

Associated General Contractors

Santa Clara Valley Transportation Authority

Orange County Transportation Authority

Peninsula Corridor Joint Powers Board (Caltrain)

San Mateo County Transit District

San Mateo County Transportation Authority

California Transit Association (sponsor)

Oppose

None on file



Steve Heminger

SH: RL