Introduction to California SB 991 and Progressive Design-Build





## Welcome to the California SB 991 Story

Providing direct access to one of collaborative delivery's most successful methods – how Progressive Design-Build might work for you



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#### Who We Are

Mission: To transform the water industry by advancing successful collaborative delivery methods through education, research, and advocacy



The Water Collaborative Delivery Association is a leading professional association dedicated to advancing successful collaborative delivery solutions for the water and wastewater industry. Through education, research, and advocacy, we empower practitioners and owners with the knowledge, tools, and resources to collaborate and innovate effectively, lead change, and achieve successful project outcomes.

Founded in 2006 by a small group of the nation's leading water and wastewater design-build firms, WCDA has since grown to become a leading professional association serving a diverse array of industry experts, practitioners, suppliers, and owners.

## The SB 991 Story

How public agencies and industry *worked collaboratively* to make Progressive Design-Build (PDB) available to all CA Water Agencies

• State statute SB 785 limits DB to wastewater infrastructure and did not explicitly allow PDB. A limited number of California Charter Cities implement PDB via local referendum and local code.		ent PDB ode.	June 2021 An idea is born by a small group of passionate advocates for collaborative delivery to open the use of collaborative delivery methods to all CA Water Agencies. The WCDA is recognized as the best facilitator to gather all collaborative delivery advocates to implement the idea.			September 2022 SB 991 passes and is ultimately signed by the Governor for implementation starting in 2023.
	The Challenge	The Idea	The WCDA Coalition	Th Forms Bil	e I is Drafted	The Bill is Law
December The WCD integratin supply ch to turn a g		er 2021 A Coalition forms, ag engineers, contractors, public agencies, aain partners, and advocacy experts great idea into reality.	February 2022 A bill is drafted, reflecting industry best pr with flexibility for qualifica or qualifications plus price best-value selection .	ractice for PDB, ations-based selection e/fee for	January 1, 2023 PDB now allowed for local water agencies to deliver water production, storage, supply, treatment, or distribution projects.	



## **Key Elements of SB 991**

Progressive Design-Build Now Available to Local California Water Agencies

Newly signed into law, CA SB 991 allows local water agencies to use the collaborative project delivery method of progressive design-build to deliver water production, storage, supply, treatment, or distribution projects in a more efficient and cost-effective manner.



#### A Milestone for California Water Agencies

During this critical time of extended drought, local agencies in California are now better equipped to **deliver essential water projects more efficiently and cost effectively** using progressive design-build. Beginning January 1, 2023, local agencies, defined as any **city, county, city and county, or special district** authorized to provide for the production, storage, supply, treatment, or distribution of any water from any source can now use the progressive design-build (PDB) process for **up to 15 public works projects estimated to cost more than \$5 million each.** These changes are in effect until January 1, 2029.



## **Key Elements of SB 991**

Progressive Design-Build Now Available to Local California Water Agencies

Water production, storage, supply, treatment, or distribution service agencies can leverage the progressive design-build (PDB) process.

- Agencies can use PDB for up to 15 public works projects
- Projects must be estimated to cost more than \$5 million each
- Effective January 1, 2023 to January 1, 2029

#### A Milestone for California Water Agencies

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## **Key Elements of SB 991**

Significant Changes and Flexibility in Project Procurement and Delivery



#### **Understanding Progressive Design-Build** Key Benefits



- Shorter overall project schedule with early cost and schedule certainty
- Quicker procurement process
- Faster decision making through collaboration

#### **Balanced Risk Allocation**

- Transparent risk discussions early and often
- Assignment of risk to party best able to manage it
- Active mitigation or management prior to construction



## **Comparison of Delivery Methods**



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## **Comparison of Delivery Methods**

Design-Bid-Build

- Traditional "cast" of participants
- Widely accepted, well established linear development process
- Distinct milestones that create expected results
- Design is completed prior to bidding
- Bidding is completed prior to construction



The traditional project delivery method for public entities under which the owner holds **separate contracts** with a designer followed by a contractor



#### **Comparison of Delivery Methods**





**Progressive Design-Build** 

- New cast of participants
- Concurrent activities can shorten schedule – construction start before design is complete
- Selection based on quals and (optional) price/fee, but not a bid or fixed price
- "Design to budget" via design/estimate iteration
- GMP, Lump Sum, and shared savings options
- "Off-ramp" option



A single entity or purpose-built team to deliver both design and construction via a single contract

Design detail and construction estimate is developed **progressively** 

Construction starts upon mutual **Contract Price** agreement







**Fixed Price Design-Build** 

- Variable "cast" of participants, depending on project complexity
- Two-step selection is common
- Can require a lengthy procurement process
- The proposal may be a "design competition" for "best value"
- Uses performance or prescriptive criteria – or a balance of both
- Price is fixed at selection



A single entity or purpose-built team to deliver both design and construction via a single contract

Design detail and construction approach and price developed for a **fixed-price** proposal

Construction can start **quickly** after selection





#### **Deep Dive:** Is Progressive Design-Build Right for Your Project?



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## **Understanding Progressive Design-Build (PDB)**

Potential Benefits and Risks





Shortens the overall project schedule and provides schedule certainty earlier in the project

and design-builders

**Encourages collaboration between owners** 



Increases transparency of project cost and provides cost certainty earlier in the project



Streamlines the procurement process

#### Key PDB Risk Mitigation



Gives owners flexibility to move forward with the project using a different procurement method if they cannot reach an agreement with the design-builder

#### Potential Risks



Requires significant owner engagement and timely decisionmaking during the design process

Complexity of new procurement process,

collaborative processes and attitudes

contract documents, and cultural alignment for



Initial costs may appear higher early in the project, and costs may fluctuate during progressive cost estimating



May add complexity to align permitting timeline with PDB procurement



## How SB 991 Empowers Progressive Design-Build

#### What is CA SB 991?

SB 991 is a state bill that is now law in California. Under this new law, local water agencies (defined under the bill as any city, county, city and county, or special district authorized to provide for the production, storage, supply, treatment, or distribution of any water from any source) can now use the progressive design-build (PDB) delivery method for up to 15 public works projects estimated to cost more than \$5 million each from January 1, 2023 - January 1, 2029.

#### What will be different under CA SB 991?

Under the new law, all local agencies can now use the progressive design-build (PDB) delivery method as noted above without the need to request approval at the state level so long as the agency has put policies in place to meet the California Public Contract Code. Local approvals may still be required.

#### What kinds of projects are eligible under the new law?

Any project that provides for the production, storage, supply, treatment, or distribution of any water from any source is eligible to use the progressive design-build delivery method. Each project must be estimated to cost more than \$5 million. The project must be under contract by January 1, 2029.





## Information, Resources, and Training Available Now

#### **Resources You Can Use**

We are a trusted source for field-tested resources designed to support CMAR and design-build delivery in the water and wastewater sector. Our goal is to equip you with knowledge, skills, and confidence to procure, manage, and execute successful collaborative delivery projects.

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Comprehensive **Procurement Guides** that provide everything you need to know to follow best practices and efficiently procure PDB projects. *Includes RFQ, RFP, and contract templates that you can customize at no charge.*  Water and Wastewater Wa Collaborative Delivery HANDBOOK

 Coming soon, new sixth edition: to be released at 2023 Design-Build for Water/Wastewater Conference, March 15 in Seattle The industry-recognized Water and Wastewater Collaborative Delivery Handbook, a comprehensive guide to all things collaborative delivery

#### Download your copy today:

Water Collaborative Delivery Association

https://watercollaborativedelivery.org/procurement-guides/

#### Training based on the revised handbook starts Tuesday, April 4, 2023:



Scan for more information and to register

# Thank You



