
SENATE COMMITTEE ON EDUCATION

Senator Connie Leyva, Chair

2019 - 2020 Regular

Bill No: AB 695 **Hearing Date:** June 5, 2019
Author: Medina
Version: April 4, 2019
Urgency: No **Fiscal:** Yes
Consultant: Ian Johnson

Subject: Community college facilities: design-build contracts.

SUMMARY

This bill extends the authority for community college districts to enter into design-build public works contracts.

BACKGROUND

Existing law:

- 1) Allows community college districts, until January 1, 2020, to enter into design-build contracts, according to a specified process.
- 2) Specifies that for school district, state agency, or local government design-build projects, a design-build entity shall not be prequalified or shortlisted absent a commitment by that entity and all subcontractors to meet “skilled and trained workforce” requirements.
- 3) Stipulates that the skilled and trained workforce requirements do not apply if any of the following requirements are met:
 - a) The public entity has entered into a project labor agreement (PLA), as specified.
 - b) The design-build project is being performed under the extension or renewal of a PLA entered into prior to January 1, 2017.
 - c) The design-build entity has entered into a PLA binding the entity and all its subcontractors to use a skilled and trained workforce.

ANALYSIS

This bill:

- 1) Extends from January 2020 to January 2030 the authority for community college districts to use the design-build method for construction projects.
- 2) Applies the existing provisions regarding the use of a skilled and trained workforce on state, school district, and local government design-build projects to

community college design-build contracts advertised for bid or awarded on or after July 1, 2020.

STAFF COMMENTS

- 1) ***Need for the bill.*** According to the author, "The current statute is set to expire January 2020, placing at risk long-term plans and a valuable tool California Community Colleges (CCC) districts use to save money and time in the construction process."
- 2) ***What is design-build?*** There are two primary construction delivery systems used in the public and private sectors, "design-bid-build" and "design-build."

Current law requires that school districts award construction contracts over \$15,000 to the lowest responsible bidder. Current law also allows contracts for architectural services to be awarded on the basis of demonstrated competence and professional qualifications to be performed at a fair and reasonable price (not necessarily lowest bidder). These laws have meant that schools (and most public construction work) have been built using a "design-bid-build" methodology wherein a separate contract is awarded for the design work by an architect and another contract is awarded to the lowest responsible bidder for the construction.

In the 1990's, the state began the enactment of various legislation authorizing state and local entities to use a "design-build" system under specified circumstances. Under this approach a single contract is awarded to a professional team, a "design-build" entity, to conduct both types of work. The contract may be awarded on other than a lowest responsible bidder basis.

In 2007, CCC districts were given statutory authority, until January 1, 2014, to undertake design-build projects. This authority was subsequently extended until January 1, 2020. This bill extends this authority for an additional ten years, until 2030.

- 3) ***What is a skilled and trained workforce?*** Current law stipulates that for any school district, state agency, or local government with a design-build project, a design-build entity shall not be prequalified or shortlisted absent a commitment by that entity and all subcontractors to meet "skilled and trained workforce" requirements. Skilled and trained workforce means that all workers performing work in an apprenticeable occupation in the building and construction trades are either skilled journeymen or apprentices registered in an approved apprenticeship program.

For work performed after January 1, 2020, at least 60 percent of the skilled journeymen employed to work on a design-build contract must be graduates of an apprenticeship program for the applicable occupation, except for specified occupations. This bill would apply these training requirements to community college design-build projects, effective July 1, 2020.

- 4) ***Arguments in support.*** Supporters of this measure state that design-build is a significant tool in the delivery of community college construction projects. It can

reduce the risk of cost increases resulting from change orders once construction begins by establishing a guaranteed maximum price for each project.

- 5) ***Arguments in opposition.*** The Associated Building and Contractors have expressed general opposition to the exemption provided in the skilled and trained workforce provisions for project labor agreements.

SUPPORT

California Community Colleges Chancellor's Office
California State Association of Electrical Workers
California State Pipe Trades Council
Community College Facility Coalition
Foothill-De Anza Community College District
International Union of Elevator Constructors
Kern Community College District
Peralta Community College District
San Bernardino Community College District
San Diego Community College District
State Building and Construction Trades Council
Western States Council Sheet Metal Workers

OPPOSITION

Associated Builders and Contractors, Northern California Chapter

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