Give Design-Build a Chance

It's no secret that good legislation is often killed because of special interests. But when that good legislation will save taxpayers money and expedite the delivery of needed public projects, something needs to change.

A bill by Assemblymember Roger Niello, R-Sacramento, is one such measure that has potential benefits but faces opposition. AB 2025 would provide Caltrans with the authority to enter into design-build contracts that will speed project delivery and improve efficiency in state contracting. This method of contracting allows a single entity to design and construct a project. It reduces administrative costs, increases flexibility and allows for more innovative design and construction techniques, while improving accountability.

Instead of a local agency going out to bid for an architect to design a project, and then out to bid again to for a construction firm, a combined bid would be sought. Those that bid would typically be teams consisting of an architectural firm and construction firm who will jointly design and build the facility for a fixed maximum price. With only one bidding process, the projects are built quicker and in less time—saving money by avoiding increased labor, material and delay costs. Also when the architect and contractor team up on a project, there is usually less confusion and arguments over project details, eliminating the need for costly change orders.

Federal and local governments in California utilize this approach, which results in faster project completion and more efficient use of taxpayer dollars. Also, the legislature has granted design-build authority to the University of California, the California State University System and local school districts.

But it doesn't seem to be good enough for Caltrans—mainly because of union opposition. Unions have opposed granting Caltrans the authority to contract out design services, even though there is plenty of design and construction to go around for everyone—both public and private sectors. What's truly a shame is that the infrastructure projects arguably in most need of attention are under Caltrans' jurisdiction. Meanwhile, Niello's bill is stalled in committee, and it appears that there are not enough votes—Democrats hold the majority on the committee—to get it passed to the Assembly floor.

It will be a disservice to taxpayers, and to all Californians, if the legislature does not pass this measure. We need to give government all of the best-practice tools available to put projects on the ground as expeditiously and cost effectively as possible.

Passing AB 2025 will be a great start.

And that's The Business Perspective.

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