

Memorandum

To: CHAIR AND COMMISSIONERS

CTC Meeting: June 27, 2012

Reference No.: 3.17
Action

From: BIMLA G. RHINEHART
Executive Director

Subject: **DESIGN-BUILD DEMONSTRATION PROGRAM – MIDTERM REPORT TO LEGISLATURE**

ISSUE:

The Commission is required to establish a peer review committee to conduct an evaluation and comparison of the projects selected to utilize the design-build method of procurement. The Commission is further required to submit by June 30, 2012, a midterm report to the Legislature on its findings related to the peer review committee evaluation. None of the design-build projects authorized by the Commission has completed construction and there is no data for a peer review committee to evaluate and compare. Therefore, the peer review committee has not been established and the Commission has no findings to report.

RECOMMENDATION:

Staff recommends that the Commission inform the Legislature that insufficient data exists to evaluate the authorized design-build projects and as soon as enough meaningful data is available a peer review committee will be established and preliminary findings will be reported to the Legislature.

BACKGROUND:

Senate Bill 4 (Second Extraordinary Session of 2009) allows certain state and local transportation entities, if authorized by the Commission, to use a design-build process for contracting on transportation projects. This bill also requires these transportation entities to report to the Commission no later than June 30 of each year after a design-build contract is awarded on the awarded project's progress. The first such progress report will be presented to the Commission at its June 2012 meeting. The Commission is required by the bill to submit a midterm (no later than June 30, 2012) and final report to the Legislature, regarding the design-build process.

The Commission's midterm and final report to the Legislature are tied to the bill's requirement that the Commission establish a peer review committee to conduct an evaluation of the projects selected to utilize the design-build method of procurement. The bill further requires the peer review committee to examine the procurement method, comparing those projects using low bid and best value, and also to compare the design-build projects to similar transportation projects that used the design-bid-build method of construction procurement.

Under the demonstration program, the Legislature allowed 16 design-build transportation project slots. To date, the Commission authorized nine transportation projects to utilize the design-build procurement method (all projects that have requested such authorization). Of the nine authorized projects six projects have been awarded. None of the awarded projects have finished construction. Since there are no completed design-build projects for a peer review committee to evaluate the Commission has not yet established such a committee. When a meaningful number of completed projects and sufficient data to evaluate are available the Commission will establish the required peer review committee.

Attachment

JOSEPH TAVAGLIONE, Chair
JAMES C. GHIELMETTI, Vice Chair
BOB ALVARADO
DARIUS ASSEMI
YVONNE B. BURKE
LUCETTA DUNN
JAMES EARP
DARIO FROMMER
CARL GUARDINO
FRAN INMAN
JAMES WARING

STATE OF CALIFORNIA

EDMUND G. BROWN Jr., Governor



SENATOR MARK DESAULNIER, Ex Officio
ASSEMBLY MEMBER BONNIE LOWENTHAL, Ex Officio

BIMLA G. RHINEHART, Executive Director

CALIFORNIA TRANSPORTATION COMMISSION

1120 N STREET, MS-52
SACRAMENTO, CA 95814
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June 30, 2012

Mr. Gregory Schmidt
Secretary of the Senate
Office of Secretary of the Senate
State Capitol, Room 3044
Sacramento, CA 95814

Dear Mr. Schmidt:

As required by Section 6 (d) (1) of Senate Bill 4 (Second Extraordinary Session of 2009), the California Transportation Commission (Commission) is to submit a midterm report of its findings regarding the design-build demonstration program to the Legislature no later than June 30, 2012.

Under the design-build demonstration program, the Legislature allowed 16 design-build transportation project slots. To date, the Commission authorized nine transportation projects to utilize the design-build procurement method (all projects that have requested such authorization). Of the nine authorized projects six projects have been awarded. None of the awarded projects have finished construction. The Commission's midterm report to the Legislature is tied to the bill's requirement that the Commission establish a peer review committee to conduct an evaluation of the projects selected to utilize the design-build method of procurement. The bill further requires the peer review committee to examine the procurement method, comparing those projects using low bid and best value, and also to compare the design-build projects to similar transportation projects that used the design-bid-build method of construction procurement.

Since none of the Commission authorized design-build projects has completed construction there is no data for a peer review committee to evaluate and compare. Therefore, the peer review committee has not been established and the Commission has no findings to report. As soon as sufficient data is available a peer review committee will be established and preliminary findings will be reported to the Legislature.

If you need additional information, please contact the Commission at (916) 654-4245.

Sincerely,

BIMLA G. RHINEHART
Executive Director

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June 30, 2012

Ms. Diane F. Boyer-Vine
Legislative Counsel
Office of Legislative Counsel
State Capitol, Room 3021
Sacramento, CA 95814

Dear Ms. Boyer-Vine:

As required by Section 6 (d) (1) of Senate Bill 4 (Second Extraordinary Session of 2009), the California Transportation Commission (Commission) is to submit a midterm report of its findings regarding the design-build demonstration program to the Legislature no later than June 30, 2012.

Under the design-build demonstration program, the Legislature allowed 16 design-build transportation project slots. To date, the Commission authorized nine transportation projects to utilize the design-build procurement method (all projects that have requested such authorization). Of the nine authorized projects six projects have been awarded. None of the awarded projects have finished construction. The Commission's midterm report to the Legislature is tied to the bill's requirement that the Commission establish a peer review committee to conduct an evaluation of the projects selected to utilize the design-build method of procurement. The bill further requires the peer review committee to examine the procurement method, comparing those projects using low bid and best value, and also to compare the design-build projects to similar transportation projects that used the design-bid-build method of construction procurement.

Since none of the Commission authorized design-build projects has completed construction there is no data for a peer review committee to evaluate and compare. Therefore, the peer review committee has not been established and the Commission has no findings to report. As soon as sufficient data is available a peer review committee will be established and preliminary findings will be reported to the Legislature.

If you need additional information, please contact the Commission at (916) 654-4245.

Sincerely,

BIMLA G. RHINEHART
Executive Director