

## Assembly Bill No. 405

### CHAPTER 378

An act to add and repeal Article 6.5 (commencing with Section 217) of Chapter 1 of Division 1 of the Streets and Highways Code, relating to highways, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor September 15, 1999. Filed  
with Secretary of State September 15, 1999.]

#### LEGISLATIVE COUNSEL'S DIGEST

AB 405, Knox. Highways: construction: contracts.

Existing law authorizes the Department of Transportation to make and enter into, in the manner provided by law, any contracts required for the performance of its duties.

This bill would authorize the department to conduct a pilot project to let design-sequencing contracts, as defined, for the design and construction of no more than 6 transportation projects, to be selected by the Director of Transportation. The bill would require the department to prepare a yearly status report on its contracting methods, procedures, costs, and delivery schedules and, upon completion of all design-sequencing contracts, to establish a peer review committee for preparation of a report for submittal to the Legislature that describes and evaluates the pilot project. The bill would require the design-sequencing contracts to be awarded in accordance with specified procedures.

The bill would specify that its provisions shall become inoperative on July 1, 2004, and as of January 1, 2005, would be repealed.

The bill would declare that it is to take effect immediately as an urgency statute.

*The people of the State of California do enact as follows:*

SECTION 1. The Legislature finds and declares all of the following:

(a) Under the traditional means of contracting for the construction of highway improvements, construction of any portion of the project cannot be commenced until the Department of Transportation has developed complete plans and specifications for the project, placed the contract out for bid, and awarded the contract.

(b) Recent construction practices have shown that there is potential for faster performance and cost savings if commencement of construction is not dependent upon completion of plans and



specification for the entire project, but only completion of plans and specifications for each construction phase. This form of contracting is commonly known as design-sequencing contracting.

(c) To test whether the design-sequencing form of contracting would be beneficial to California in the administration of its highway improvement program, the Director of Transportation should be authorized to implement a pilot program of no more than six highway improvement projects using design-sequencing design to permit concurrent construction activities.

SEC. 2. Article 6.5. (commencing with Section 217) is added to Chapter 1 of Division 1 of the Streets and Highways Code, to read:

Article 6.5. Design-Sequencing Demonstration and Evaluation  
Program

217. For purposes of this article, the following terms have the following meanings:

(a) “Design-sequencing” is a method of contracting that enables the sequencing of design activities to permit each construction phase to commence when design for that phase is complete, instead of requiring design for the entire project to be completed before commencing construction.

(b) A “design-sequencing contract” is a contract between the department and a contractor that requires the department to prepare a design and permits construction of a project to commence upon completion of design for a construction phase.

(c) “Design” is a plan completed to a level of 30 percent.

217.2. (a) Notwithstanding Chapter 1 (commencing with Section 10100) of Part 2 of Division 2 of the Public Contract Code, except Section 10128 of that code, and Chapter 10 (commencing with Section 4525) of Division 5 of Title 1 of the Government Code, the department may conduct a pilot program to let design-sequencing contracts for the design and construction of no more than six transportation projects, to be selected by the director. For the purpose of this article, these projects shall be deemed public works.

(b) In selecting projects for the pilot program authorized under subdivision (a), the director shall attempt to balance geographical areas among test projects as well as pursue diversity in the types of projects undertaken.

(c) To the extent available, the department shall seek to incorporate existing knowledge and experience on design-sequencing contracts in carrying out its responsibilities under subdivision (a).

217.4. Not later than July 1 of each year for which the design-sequencing contracts are underway, the department shall prepare a status report on its contracting methods, procedures, costs, and delivery schedules. Upon completion of all design-sequencing



contracts, notwithstanding Section 7550.5 of the Government Code, the department shall establish a peer review committee to prepare a report for submittal to the Legislature that describes and evaluates the outcome of the contracts provided for in this article, stating the positive and negative aspects of using design-sequencing as a contracting method.

217.6. Design-sequencing contracts shall be awarded in accordance with all of the following:

(a) The department shall advertise design-sequencing projects by special public notice to contractors.

(b) Contractors shall be required to provide prequalification information establishing appropriate licensure and successful past experience with the proposed work.

217.8. This article shall become inoperative on July 1, 2004, and, as of January 1, 2005, is repealed, unless a later enacted statute, that is enacted before January 1, 2005, deletes or extends the date on which it becomes inoperative and is repealed.

SEC. 3. This act is an urgency statute necessary for the immediate preservation of the public peace, health, or safety within the meaning of Article IV of the Constitution and shall go into immediate effect. The facts constituting the necessity are:

In order to assist in alleviating, as soon as possible, the loss of productivity caused by the continuing traffic gridlock and delay on the state's system of highways, it is necessary that this act take effect immediately.

