



April 19, 2022

The Honorable Josh Newman  
California State Senate  
1021 O Street, Room 6520  
Sacramento, CA 95814

RE: SB 991 (Newman): Public Contracts: progressive design-build: local water agencies -  
SUPPORT

Dear Senator Newman:

Metropolitan Water District of Southern California (Metropolitan) is writing to express our support of SB 991, which will allow local water and wastewater agencies to contract with entities that use the progressive design-build (PDB) method to execute a public works project, that will benefit Southern California water agencies.

Metropolitan is a regional wholesaler that delivers water to 26 member agencies in a service area of about 19 million people living in Los Angeles, Orange, Riverside, San Bernardino, San Diego and Riverside counties. Our mission is to provide our 5200-square-mile service area with adequate and reliable supplies of high-quality water to meet present and future needs in an environmentally and economically responsible way.

Metropolitan recently conducted a survey of Southern California water agencies to identify shovel-ready water infrastructure projects for Southern California. The effort resulted in a list of over 750 shovel-ready projects at a total cost of \$14.5 billion. Southern California water agencies have an unprecedented need invest in upgrades to existing water infrastructure and new supplies. For example, recent technological developments have opened the door to new opportunities to convert wastewater into drinking water. However, to do so, Southern California water agencies will need to invest in new infrastructure to utilize cutting-edge treatment methods. California statute, however, limits the types of contracts public agencies may use for infrastructure projects. This means that water agencies must be granted legislative approval to contract with an entity that uses the PDB method to develop public works projects.

Senate Bill 991 allows local water agencies the option to use the PDB contracting method for public works projects estimated to cost more than \$5 million through January 1, 2029. PDB has grown in popularity in recent years and offers the agency the opportunity to add the design-builder to the project team earlier in the design phase than traditional design-build. The PDB

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approach affords the agency and contractor more opportunities to collaborate during the project's design phase to reduce overall risks, costs, and schedules. Agencies will also have a better understanding of the project's scope before negotiating a final price - typically referred to as a "Guaranteed Maximum Price" (GMP) – and the ability to competitively bid the project's construction phase if a GMP cannot be agreed upon.

Metropolitan is sponsoring AB 1895 (Calderon) to authorize alternative delivery methods including design-build, progressive design-build and construction manager/general contractor for the design and construction of our Regional Recycled Water Program and a select number of drought mitigation projects. SB 991 would complement our efforts by giving our member agencies and their retailers the option to use PDB which can reduce overall project risks, costs, and project length, ultimately providing more opportunities to develop public works projects that address the state's need for water treatment.

For all the above reasons, Metropolitan supports SB 991 which will grant the authority to use progressive-design build to many of our member agencies that are also developing new water supply projects. If you have any questions or wish to discuss Metropolitan's position further, please do not hesitate to contact me at (916) 650-2614.

Sincerely,



Kathryn C. Viatella  
Executive Legislative Representative

cc: Megan Mekelburg