



THE METROPOLITAN WATER DISTRICT
OF SOUTHERN CALIFORNIA

August 26, 2022

The Honorable Gavin Newsom
Governor, State of California
1021 O Street, Suite 9000
Sacramento, CA 95814

RE: SB 991 (Newman): Public Contracts: progressive design-build: local water agencies –
REQUEST FOR SIGNATURE

Dear Governor Newsom:

On behalf of Metropolitan Water District of Southern California (Metropolitan), I am writing to respectfully request your signature on SB 991 (Newman), 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.

Metropolitan conducted a survey of Southern California water agencies to identify shovel-ready water infrastructure projects for the region. The effort resulted in a list of over 750 projects at a total cost of \$14.5 billion. Southern California water agencies have an unprecedented need to invest in upgrades to existing water infrastructure and new supplies. California statute 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 15 projects over \$5 million each through January 1, 2029. PDB has grown in popularity in recent years and offers water and wastewater agencies the opportunity to add the design-builder to the project team earlier in the design phase than traditional design-build. The PDB 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.

Senate Bill 991 complements Metropolitan's sponsored bill, AB 1845 (Calderon), which is also before you for signature and would allow us to use design-build, progressive design-build and construction manager/general contractor for the design and construction a set of drought

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emergency projects and our Pure Water Southern California recycled water project. Both bills will help Southern California water agencies accelerate essential supply and system improvement projects to maintain water reliability for 19 million people.

For all the above reasons, Metropolitan respectfully requests your signature on SB 991. If you have any questions or wish to discuss our position further, please do not hesitate to contact our Executive Legislative Representative, Kathy Viatella, in our Sacramento Office at kviatella@mwdh2o.com or (916) 650-2614.

Sincerely,

A handwritten signature in black ink, appearing to read 'A. Hagekhalil', with a stylized flourish at the end.

Adel Hagekhalil
General Manager

cc: Senator Josh Newman