



Santa Clara Valley Water District

File No.: 19-0247

Agenda Date: 2/26/2019

Item No.: *5.1.

BOARD AGENDA MEMORANDUM

SUBJECT:

Design-Build Delivery Method for Capital Public Works Projects.

RECOMMENDATION:

Receive information on the design-build project delivery method for capital public works projects.

SUMMARY:

Current state law authorizes the District to use the design-build delivery method for capital public works projects until January 1, 2025. The design-build process may provide certain benefits over the traditional design-bid-build method always used by the District.

Design-Build (DB) Delivery Method

The District has had statutory authority to implement the design-build method since 2002, but state law limited the types of facilities that could be built using this approach, specifically prohibiting “water resources facilities and infrastructure” projects. In 2017, the District pursued a change in state law to broaden the types of eligible projects, and a new code was enacted effective January 1, 2018, which will only remain in effect until January 1, 2025, unless extended prior to that date. Current state law authorizes the District to use the design-build contracting process, upon approval by the Board, for delivery of the following types of capital public works projects: flood protection improvements, habitat restorations or enhancements, groundwater recharge or storage facilities, water treatment facilities, and the retrofit, repair, or expansion of existing surface water storage facilities.

Design-build may provide certain benefits over the traditional District practice of contracting by design-bid-build for capital public works projects. The fundamental difference is that the District would award only one contract to a design-build entity for a project’s design and construction, with a single point of responsibility and accountability. The designer and builder work as a team to prepare the final design plans and construct the project. This team approach entails collaborative problem-solving and innovation, and can result in higher construction quality, fewer change orders, and cost and time savings.

The DB method does not eliminate or preclude all impediments to the public works contracting process. Change orders and/or legal disputes can still occur in the course of project delivery. There

may be fewer that relate to design/construction disconnects because both scopes are controlled by the DB entity.

Typical change orders could result from:

1. Owner-directed changes in scope or equipment specifications during construction;
2. External requirements imposed by third parties such as environmental regulators, utility providers, local governments, and stated in permits;
3. Unforeseen site conditions;
4. Constraints established by the District for the work to be performed, such as plant or process shutdowns.

Now that the District has specific statutory authority to implement this method for many of the types of projects the District builds, staff will evaluate projects that may benefit from design-build and make recommendations regarding its use.

FINANCIAL IMPACT:

There is no financial impact associated with this item.

CEQA:

The recommended action does not constitute a project under CEQA because it does not have the potential for resulting in direct or reasonably foreseeable indirect physical change in the environment.

ATTACHMENTS:

Attachment 1: PowerPoint

*Handout 5.1-A: Revised Attachment 1: Powerpoint

UNCLASSIFIED MANAGER:

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