

# ARIZONA HOUSE OF REPRESENTATIVES

Fifty-sixth Legislature Second Regular Session Senate: TTMC DP 7-0-0-0 | 3<sup>rd</sup> Read 27-0-3-0

# <u>SB1054</u>: state construction project delivery methods Sponsor: Senator Carroll, LD 28 Committee on Transportation & Infrastructure

#### **Overview**

Continues the authorization, until December 31, 2030, for the Arizona Department of Transportation (ADOT) or an agent to commence design-build projects and to procure construction delivery services using alternative methods of project delivery.

## <u>History</u>

ADOT may use the design-build method of project delivery on a project if ADOT decides in writing that it is appropriate and in the best interests of ADOT to use the design-build method of project delivery for that project, except that:

- 1) ADOT must not enter into a contract to operate any structure, facility or other item;
- 2) each design-build project must be a specific single project; and
- 3) ADOT must not commence any design-build project after December 31, 2025 (<u>A.R.S.</u> <u>§ 28-7363</u>).

ADOT may procure construction-manager-at-risk and job-order-contracting construction services (A.R.S § 28-7366). ADOT may not procure any construction services using the job-order-contracting construction services method of project delivery after December 31, 2025 (A.R.S. § 28-7367).

An agent must not procure any horizontal construction using the construction-manager-atrisk, design-build or job-order-contracting method of project delivery after June 30, 2025 (A.R.S.  $\S$  34-605).

Construction services, for construction-manager-at-risk, design-build and job-order contracting project delivery methods, are either: 1) construction, excluding services, through the construction-manager-at-risk or job-order-contracting project delivery methods; or 2) a combination of construction and, as elected by the agent, one or more related services. *Horizontal construction* is construction of highways, roads, streets, bridges, canals, floodways, earthen dams, landfills, airport runways, taxiways and aprons and light rail, excluding any related rail stations, maintenance facilities or parking facilities. An *agent* is any county, city or town, or officer, board or commission of any county, city or town, and irrigation, power, electrical, drainage, flood protection and control districts, tax levying public improvement districts and county or city improvement districts. An *agent* includes any county board of supervisors and any representative authorized by an agent to act as an agent for the purpose of authorizing necessary change orders to previously awarded contracts in accordance with guidelines established by rule of the agent, including the board of supervisors (A.R.S. § 34-101).

## **Provisions**

- 1. Extends the authorization, until December 31, 2030, rather than December 1, 2025, for ADOT to commence any design-build project and to procure any construction delivery services using the construction-manager-at-risk construction services or job-order-contracting construction services. (Sec. 1-3)
- 2. Continues the authorization, until December 31, 2030, rather than June 30, 2025, for an agent to procure any construction-manager-at-risk construction services for horizontal construction and any horizontal construction using the construction-manager-at-risk, design-build or job-order-contracting method of project delivery. (Sec. 4-5)
- 3. Makes technical changes. (Sec. 1-3 and 5)

 $\Box$  Prop 105 (45 votes)  $\Box$  Prop 108 (40 votes)  $\Box$  Emergency (40 votes)  $\Box$  Fiscal Note