



ARIZONA STATE SENATE
Fifty-Sixth Legislature, Second Regular Session

REVISED
FACT SHEET FOR S.B. 1054

state construction project delivery methods

Purpose

Extends, until December 31, 2030, the authorization to commence design-build projects and procure construction services and horizontal construction using alternative methods of project delivery.

Background

Statute outlines an alternative process to professional service negotiations by which an agent may award a single contract for design-build construction services or job-order-contracting construction services ([A.R.S. § 28-7363](#)). An *agent* is any local municipality, including any county board of supervisors and any agent-authorized representative to act as an agent for the purpose of authorizing necessary change orders to previously awarded contracts ([A.R.S. § 34-101](#)).

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 related services, as elected by the agent. *Horizontal construction* is the 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 ([A.R.S. § 34-603](#)).

There is no anticipated fiscal impact to the state General Fund associated with this legislation.

Provisions

1. Authorizes, until December 31, 2030, rather than December 31, 2025, the Arizona Department of Transportation (ADOT) to:
 - a) commence a design-build project; and
 - b) procure construction services using the construction-manager-at-risk or job-order-contracting construction services method of project delivery.
2. Allows, until December 31, 2030, rather than June 30, 2025, an agent to procure horizontal construction using:
 - a) construction-manager-at-risk construction services; and
 - b) the construction-manager-at-risk, design-build or job-order-contracting method of project delivery.

3. Grandfathers the authorization of contracts solicited by ADOT or executed by an agent on or before December 31, 2030.
4. Makes technical and conforming changes.
5. Becomes effective on the general effective date.

Revisions

1. Corrects the provision to grandfather contracts solicited by ADOT or executed by an agent on or before December 31, 2030, rather than December 31, 2025.
2. Makes technical changes.

Prepared by Senate Research

April 22, 2024

KJA/sdr/slp