
UNFINISHED BUSINESS

Bill No: SB 598
Author: Durazo (D)
Amended: 7/7/25 in Assembly
Vote: 21

SENATE LOCAL GOVERNMENT COMMITTEE: 7-0, 4/23/25
AYES: Durazo, Choi, Arreguín, Cabaldon, Laird, Seyarto, Wiener

SENATE APPROPRIATIONS COMMITTEE: Senate Rule 28.8

SENATE FLOOR: 36-0, 5/8/25 (Consent)
AYES: Allen, Alvarado-Gil, Archuleta, Arreguín, Ashby, Becker, Blakespear, Cabaldon, Caballero, Cervantes, Choi, Cortese, Dahle, Durazo, Gonzalez, Grayson, Grove, Jones, Laird, Limón, McGuire, McNerney, Menjivar, Niello, Ochoa Bogh, Padilla, Pérez, Richardson, Seyarto, Smallwood-Cuevas, Stern, Strickland, Umberg, Wahab, Weber Pierson, Wiener
NO VOTE RECORDED: Hurtado, Reyes, Rubio, Valladares

ASSEMBLY FLOOR: 77-0, 8/21/25 (Consent) - See last page for vote

SUBJECT: Public contracts: local water infrastructure projects: Construction Manager/General Contractor project delivery method

SOURCE: Water Collaborative Delivery Association

DIGEST: This bill authorizes a local agency to use the construction manager/general contractor (CM/GC) project delivery method for specified water infrastructure projects until January 1, 2031.

Assembly Amendments of 7/7/25 limit the authority to no more than 15 capital outlay projects for each local agency.

ANALYSIS:

Existing law:

- 1) Requires, pursuant to the Local Agency Public Construction Act, local agencies to invite bids for construction projects and award contracts to the lowest responsible bidder.
- 2) Authorizes the Metropolitan Water District of Southern California to use CM/GC project delivery method, until January 1, 2028:
 - a) CM/GC means project delivery method in which a construction manager is procured to provide preconstruction services during the design phase of the project and construction services during the construction phase of the project. The contract for construction services may be entered into at the same time as the contract for preconstruction services or at a later time. The execution of the design and the construction of the project may be in sequential phases or concurrent phases.

This bill:

- 1) Authorizes, upon approval of its governing body, a local agency to use the CM/GC method of project delivery, as defined, for a regional recycled water project or other water infrastructure project undertaken to alleviate water supply shortages attributable to drought or climate change.
- 2) Defines “local agency” to mean a city, county, city and county, or special district authorized by law to provide for the production, storage, supply, treatment, or distribution of any water from any source.
- 3) Requires a local agency to follow the procedures specified in existing law for the use of CM/GC by the Metropolitan Water District of Southern California, which include, among other items, contracting procedures, the use of a skilled and trained workforce, and reporting requirements.
- 4) Limits the authority under this bill to no more than 15 capital outlay projects for each local agency.
- 5) Requires a local agency to award a contract pursuant to this authorization on a best value basis or to the lowest responsible bidder.
- 6) Sunsets this bill’s provisions on January 1, 2031.

Background

Contracting. Local agencies typically use the traditional design-bid-build method for constructing public works. This approach splits construction projects into two distinct phases: design and construction. During the design phase, the local agency prepares detailed project plans and specifications using its own employees or by hiring outside architects and engineers. Once project designs are complete, local agencies invite bids from the construction community and award the contract to the lowest responsible bidder. Over the last couple of decades, legislators have gradually expanded local agencies' authority to procure construction projects using various alternatives to the design-bid-build project delivery method.

CM/GC. The CM/GC project-delivery method allows an agency to engage a construction manager during the design process to provide assistance to the design team, which can ultimately lead to a more constructible project. When design is nearly complete, the agency and the construction manager negotiate a guaranteed maximum price for the construction of the project based on the defined scope and schedule. If this price is acceptable to both parties, they execute a contract for construction services, and the construction manager becomes the general contractor. CM/GC can lead to less costly or more expediently delivered projects because of the construction manager's involvement in the design process.

Comments

Purpose of this bill. According to the author, "I have worked my entire life to make California more equitable. Now, in the midst of a seismic change in our economy, we cannot afford to make the same mistakes of the past. A commitment to climate means a commitment to workers. We must take bold steps to modernize and fortify our water infrastructure to prepare for the intensifying challenges of climate change. SB 598 provides a practical, cost-effective pathway for achieving this goal by allowing local agencies to leverage CM/GC's advantages in project planning and execution. My bill ensures that water infrastructure projects utilize a highly skilled, trained workforce, reinforcing California's commitment to strong labor standards."

FISCAL EFFECT: Appropriation: No Fiscal Com.: Yes Local: Yes

According to the Assembly Appropriations Committee, no state costs.

SUPPORT: (Verified 8/22/25)

Water Collaborative Delivery Association (Source)
Association of California Water Agencies

California-Nevada Conference of Operating Engineers
California Groundwater Coalition
California State Council of Laborers
City of Vernon
District Council of Iron Workers of the State of California and Vicinity
El Dorado Irrigation District
Los Angeles County Sanitation Districts
State Building & Construction Trades Council of California
Stockton East Water District

OPPOSITION: (Verified 8/22/25)

None received

ASSEMBLY FLOOR: 77-0, 8/21/25

AYES: Aguiar-Curry, Ahrens, Alanis, Alvarez, Arambula, Ávila Farías, Bains, Bauer-Kahan, Bennett, Berman, Boerner, Bonta, Bryan, Calderon, Caloza, Carrillo, Castillo, Chen, Connolly, Davies, DeMaio, Dixon, Elhawary, Ellis, Flora, Fong, Gabriel, Gallagher, Garcia, Gipson, Jeff Gonzalez, Mark González, Hadwick, Haney, Harabedian, Hart, Hoover, Irwin, Jackson, Kalra, Krell, Lackey, Lee, Lowenthal, Macedo, McKinnor, Muratsuchi, Nguyen, Ortega, Pacheco, Papan, Patel, Patterson, Pellerin, Petrie-Norris, Quirk-Silva, Ramos, Celeste Rodriguez, Michelle Rodriguez, Rogers, Blanca Rubio, Sanchez, Schiavo, Schultz, Sharp-Collins, Solache, Soria, Stefani, Ta, Tangipa, Valencia, Wallis, Ward, Wicks, Wilson, Zbur, Rivas

NO VOTE RECORDED: Addis, Ransom

Prepared by: Itzel Vargas / L. GOV. / (916) 651-4119
8/25/25 11:49:48

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