

Date of Hearing: June 25, 2019

ASSEMBLY COMMITTEE ON HIGHER EDUCATION

Jose Medina, Chair

SB 297 (Pan) – As Introduced February 14, 2019

[Note: This bill is doubled referred to the Assembly Education Committee and will be heard by that Committee as it relates to issues under its jurisdiction.]

SENATE VOTE: 38-0

SUBJECT: School facilities: approval of plans.

SUMMARY: Authorizes school and community college districts to award construction contracts, but not perform any construction, prior to approval of the plan from the State Architect.

EXISTING LAW:

- 1) Defines “construction or alteration” for purposes of school facilities projects to include any construction, reconstruction, or alteration of, or addition to, any school building (Education Code (EC) Section 17294).
- 2) Requires the Department of General Services (DGS) to pass upon and approve or reject all plans for the construction or, if the estimated cost exceeds \$100,000, the alteration of any school building (EC Sections 17295 and 81133).
- 3) Requires the governing board of each school and community college district, before adopting construction or alteration plans, to submit the plans to DGS for approval (EC Section 17297).
- 4) Provides community college districts with the authority, until January 1, 2020, to enter into design-build contracts, according to a specified process (EC Section 81700, et seq.).
- 5) Stipulates that for any K-12 district, state agency, or local government design build project, a design-build entity shall not be prequalified or shortlisted absent a commitment by that entity and all subcontractors to meet “skilled and trained workforce” requirements. (Education Code (EC) Section 17250.25(c)(1), Public Contract Code (PCC) Sections 10191(c)(1) and 22164(c)(1).)

FISCAL EFFECT: According to the Senate Appropriations Committee, pursuant to Senate Rule 28.8, negligible state costs.

COMMENTS: *Background.* According to information provided by the author, school and community college districts have struggled to meet various construction deadlines before their students arrive to school or campus for the start of a new term. The result being additional costs and displaced students. The first few weeks of contractor activity under a newly awarded contract typically are focused on the preliminary work of awarding subcontracts, making submittals of shop drawings or samples, obtaining approval of those submittals, ordering approved materials and equipment, and delivering them to the construction sites.

It is found that summer breaks offer a brief window for contractors to complete projects with little to zero tolerance for delays. Costs during the summer months tend to be higher and projects end up competing against each other as labor shortages cause districts to pay premiums to keep projects on schedule.

The Field Act. All school facilities must be built in compliance with specified earthquake safety standards, commonly known as the "Field Act." The Field Act was enacted following a severe earthquake in Long Beach in 1933. The Field Act requires a comprehensive design specification and construction inspection process for K-12 public school educational facilities. Community college facilities may be constructed in accordance with either the Field Act or the California Building Standards Code.

The Field Act requires the Division of the State Architect (DSA) within the DGS to review the construction plans for school buildings and requires school districts to hire onsite construction inspectors to ensure compliance with the structural safety standards. School and community college construction contracts may only be awarded after DSA approval of the plans and specifications on which the contracts are based.

Purpose of this measure. According to the author, "Some readings of the existing Field Act provisions would prohibit schools and community colleges from obtaining the benefit of early price guarantee".

This measure amends the Field Act to permit school and community college districts to award construction contracts prior to DSA approval.

The author contends that being able to award subcontracts and complete other preliminary work in the winter months when construction work is slow means better prices can be obtained, the subsequent summer construction work will be better planned, and materials can be delivered and ready for construction. The ability to operate under this revised regulation will allow school and community college districts to more efficiently provide much-needed space for students in a timely manner.

Arguments in support. According to the sponsors of this measure, Sacramento Regional Builders Exchange, "SB 297 offers a no-cost way for school and community college districts to more efficiently spend state and local monies which go into school new-construction, modernization, and major maintenance projects. Also, SB 297 protects the important Filed Act requirement that no school or community college construction based on plans requiring DSA's approval can occur until those plans are approved by DSA".

Arguments in opposition. According to the Construction Employers' Association (CEA), "CEA members appreciate the desire to expedite school construction. Unfortunately, this is not the answer. Specifically, pursuant to this measure, school districts would be entitled to award contracts based on incomplete plans and specifications subject to change by DGS and DSA. To the extent the plans are changed, which is common place, changes would be addressed through extensive and costly change orders, which invariably result in more disputes and litigation".

REGISTERED SUPPORT / OPPOSITION:

Support

Association of California Construction Managers
Coalition for Adequate School Housing
Community College Facility Coalition
Sacramento Regional Builders Exchange (Sponsor)
San Juan Unified School District
Small School Districts Association

Opposition

California Association of Sheet Metal & Air Conditioning Contractors National Association
California Chapters of the National Electrical Contractors Association
California Legislative Conference of Plumbing, Heating & Piping Industry
California State Council of Laborers
Construction Employers' Association
Northern California Carpenters Regional Council
Northern California District Council - IIUW
Southern California Contractors Association
United Contractors (UCON)
Wall and Ceiling Alliance
Western Wall and Ceiling Contractors Association (WWCCA)

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