

Senate votes to approve hospital design-build legislation

Contributed by Editor
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SACRAMENTO ‐ The State Senate voted 40-0 Tuesday to approve Senate Bill 1699, legislation by North Coast Senator Patricia Wiggins (D-Santa Rosa) to permit health care districts to use the design-build contracting method for the construction of hospitals or health facility buildings and related improvements, including seismic retrofitting.

Under state law, local government officials are required to invite bids for construction projects and then award contracts to the lowest responsible bidder.

The design-build method allows local officials to procure both design and construction services from a single company before the development of complete plans and specifications. State law allows all counties, with the approval of the board of supervisors, to use the design-build method to construct projects worth more than \$2.5 million.

State law also allows two special districts to construct projects using counties' design-build procedures. The Santa Clara Water District can use the counties' design-build statute specifically for building and upgrading its water treatment plant facilities. Similarly, the Orange County Sanitation District can use counties' design-build procedures for the construction of projects in excess of \$6 million, including wastewater facilities.

District hospitals throughout the state are often faced with higher construction costs than private hospitals, because state law currently prevents district hospitals from using design-build, forcing them to use the design-bid-build process instead.

The Wiggins bill permits health care districts to use the design-build contracting method for the construction of hospitals or health facility buildings, and for related improvements ‐ but not streets, highways, bridges, public rail transit or other infrastructure.

Wiggins said she introduced SB 1699 after speaking with officials from Sonoma Valley Hospital. They shared their desire “to build a new facility that would better serve the community, and be built to modern standards to withstand a major earthquake,” Wiggins said. “It is extremely important that our hospitals are available and open when we have major natural catastrophes that threaten the health and safety of our loved ones.”

Of the 75 health care districts in California, many consist of small rural hospitals that will soon face impending 10 percent cuts in Medi-Cal. Those cuts will have a negative impact on the financial stability of many hospitals, but legislation such as SB 1699 will offer some assistance in overcoming those financial burdens.

Wiggins said design-build offers numerous advantages, including pricing certainty, faster project delivery and greater odds of avoiding conflicts and disputes, such as between building designers (architects or engineers) and construction contractors.

“It is my job as a state senator to help our hospitals modernize and prepare for the inevitable emergencies that will occur, especially in earthquake country,” she said. “Design-build legislation can give our district hospitals the flexibility and options needed to upgrade to the safety standards that will protect our family members and caregivers.”

As a result of today’s Senate vote, SB 1699 now moves to the Assembly for consideration. In addition to Sonoma Valley Hospital, the measure is also supported by the Association of California Healthcare Districts, the California Hospital Association, the California Special Districts Association, the Consulting Engineers and Land Surveyors of California, Mendocino Coast District Hospital, the North Sonoma County Hospital District, the North-Kern South Tulare Hospital District and Palm Drive Hospital (Sebastopol).

Wiggins represents the state’s 2nd Senate District, which is made up of portions or all of six counties: Humboldt, Lake, Mendocino, Napa, Solano and Sonoma counties.

For further information about SB 1699 or other legislation by Wiggins, please visit her Web site at <http://dist02.casen.govoffice.com/>.

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