

AMENDED IN ASSEMBLY APRIL 20, 2021

CALIFORNIA LEGISLATURE—2021–22 REGULAR SESSION

ASSEMBLY BILL

No. 1037

**Introduced by Assembly Member Grayson
(Coauthor: Assembly Member Patterson)**

February 18, 2021

An act to add Chapter 14.1 (commencing with Section 5960) to Division 6 of Title 1 of the Government Code, relating to infrastructure.

LEGISLATIVE COUNSEL'S DIGEST

AB 1037, as amended, Grayson. Infrastructure construction: digital construction *management* technologies.

Existing law, the Bergeson-Peace Infrastructure and Economic Development Bank Act, establishes the Infrastructure and Economic Development Bank and authorizes it to, among other things, issue bonds, make loans, and provide other financial assistance to various types of projects that constitute economic development facilities or public development facilities.

This bill would require ~~an infrastructure project~~ *a civil infrastructure project, as defined, with a project cost greater than \$50,000,000 that receives any state funding and begins preconstruction activities after January 1, 2022, to deploy digital construction management technologies, as defined, to reduce waste, inefficiency, rework, cost overruns, and embodied carbon, and to improve delivery times and project quality.* ~~defined.~~ *The bill would require an awarding agency to require a bid or proposal for a civil infrastructure project contract to include a digital construction management plan that describes how the bidder would utilize digital construction management technology to significantly reduce project cost, improve project delivery times, or*

increase project quality, as specified. The bill would require a state agency that constructs or manages a civil infrastructure project to develop a comprehensive multiyear and multidiscipline plan to fully integrate and deploy digital construction management technologies across the agency by January 1, 2025, as specified.

Vote: majority. Appropriation: no. Fiscal committee: yes.
State-mandated local program: no.

The people of the State of California do enact as follows:

1 SECTION 1. The Legislature finds and declares all of the
2 following:

3 (a) According to the Legislative Analyst’s Office budget outlook,
4 the budget for the 2021–22 fiscal year is expected to have a
5 windfall, but it is also expected to see an operating deficit growing
6 to around seventeen billion dollars (\$17,000,000,000) by the
7 2024–25 fiscal year.

8 (b) According to the 2021 Five-Year Infrastructure Plan, the
9 state’s investments in infrastructure can be leveraged to create
10 jobs that contribute to expediting California’s economic recovery.

11 (c) According to the 2021 Five-Year Infrastructure Plan,
12 building resilience into decisions related to both built and natural
13 infrastructure is critical to California’s future and will require
14 strategic investments in the state’s capital assets and natural
15 systems.

16 (d) As the state distributes federal infrastructure funding or
17 leverages state funds for new civil infrastructure projects in an
18 effort to climb out of the COVID-19-induced recession, it should
19 seek to maximize taxpayer dollars and drive the best possible value
20 for its investments.

21 (e) Digital construction management technologies empower
22 governments and asset owners to accelerate civil infrastructure
23 project delivery time, reduce cost and waste, develop more
24 sustainable infrastructure, improve worker safety, enable remote
25 work, and enhance resiliency.

26 (f) According to the United States Department of Transportation
27 Federal Highway Administration, digital construction management
28 technologies have been successfully utilized by various state
29 departments of transportation, including those in Michigan,
30 Minnesota, Florida, Texas, Pennsylvania, North Carolina,

1 *Wisconsin, and Iowa. The Michigan Department of Transportation*
 2 *has saved approximately twelve million dollars (\$12,000,000) in*
 3 *added efficiencies and 6,000,000 pieces of paper annually by using*
 4 *electronic document storage for its one-billion-dollar*
 5 *(\$1,000,000,000) construction programs, while reducing its*
 6 *average contract modification processing time from 30 days to 3*
 7 *days.*

8 *(g) California government departments responsible for*
 9 *developing infrastructure projects have implemented these tools,*
 10 *but have done so inconsistently across projects and agencies,*
 11 *without standards or uniform policies.*

12 *(h) The lack of uniformity can lead to incomplete and inaccurate*
 13 *contract records and missing information from completed projects,*
 14 *including from contractors, that could assist in the development*
 15 *of future projects, as well as maintenance and operations.*

16 *(i) It is the intent of the Legislature to promote the use of digital*
 17 *construction management technologies on civil infrastructure*
 18 *projects within California to reduce delivery time, reduce cost and*
 19 *waste, develop more sustainable infrastructure, improve worker*
 20 *safety, enable remote work, and enhance resiliency.*

21 **SECTION 1.**

22 *SEC. 2.* Chapter 14.1 (commencing with Section 5960) is added
 23 to Division 6 of Title 1 of the Government Code, to read:

24

25 **CHAPTER 14.1. DIGITAL CONSTRUCTION TECHNOLOGIES FOR**
 26 **INFRASTRUCTURE PROJECTS**

27

28 5960. (a) ~~An~~(1) *A civil infrastructure project with a project*
 29 *cost of fifty million dollars (\$50,000,000) or more that receives*
 30 *any state funding and begins preconstruction activities after*
 31 *January 1, 2022, shall deploy digital construction management*
 32 *technologies in construction to reduce waste, inefficiency, rework,*
 33 *cost overruns, and embodied carbon, and to improve delivery times*
 34 *and project quality. from preconstruction to asset life cycle.*

35 (2) *To the extent practicable, an agency that awards funding*
 36 *for a civil infrastructure project described in subdivision (a) shall*
 37 *require that any bid or proposal for the civil infrastructure project*
 38 *contract include a digital construction management plan that*
 39 *describes how the bidder, if successful, would utilize digital*

1 *construction management technology to significantly reduce project*
2 *cost, improve project delivery times, or increase project quality.*

3 *(b) Each state agency that constructs or manages a civil*
4 *infrastructure project shall develop a comprehensive multiyear*
5 *and multidiscipline plan to fully integrate and deploy digital*
6 *construction management technologies across the agency by*
7 *January 1, 2025. The digital construction management technology*
8 *agency plan shall include, but not be limited to, all of the following:*

9 *(1) An identification of gaps that exist in current deployment*
10 *and integration of digital construction management technologies.*

11 *(2) Plans to increase collaboration and data sharing and*
12 *accessibility among contractors, subcontractors, departments*
13 *within the agency, and other state or local governmental agencies*
14 *when appropriate.*

15 *(3) Plans to leverage data collected during the deployment of*
16 *digital construction management technologies across the asset*
17 *lifecycle, including in operations and maintenance.*

18 *(4) A proposal to incorporate the use of these tools through*
19 *procurement or contracting, including strategies to ensure small*
20 *businesses are not adversely impacted.*

21 ~~(b)~~

22 *(c) For purposes of this chapter, “digital chapter:*

23 *(1) “Digital construction management technologies” means*
24 ~~technologies~~ *cloud-based mobile platforms on construction sites*
25 *by owners and contractors for the collection and organization of*
26 *and managed accessibility to, accurate data and information*
27 *related to a construction project, including for project site*
28 *preparation, field execution, construction project management,*
29 *document management, coordination and collaboration among*
30 *stakeholders, reducing the embodied carbon of construction*
31 *materials, or inspection, and commissioning and handover to*
32 *owner.*

33 *(2) “Civil infrastructure” means structures and equipment*
34 *constructed and managed by a governmental agency and that are*
35 *integral to the operation of transportation structures, easements,*
36 *rights-of-way, and other forms of interest in roadways and water*
37 *conveyances. “Civil infrastructure” includes airports, ports, roads,*
38 *highways, bridges, water, stormwater systems, and rail and transit.*

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