

**GOVERNOR'S STATEMENT UPON SIGNING
ASSEMBLY BILL NO. 1285
(Fourth Reprint)**

Today I am pleased to sign Assembly Bill No. 1285 (Fourth Reprint), which sets forth procedures for the awarding of design-build contracts for State and local contracting units. Design-build is a method of project delivery in which one entity -- the design-build team -- works under a single contract with the contracting unit to provide design and construction services. Once the contract is signed, a single contractor is responsible for all design and construction work required to complete the project. This system allows the contracting unit to deal with a single source throughout the duration of the job, rather than coordinating between various parties.

State contracting typically utilizes a design-bid-build approach, under which design and construction are split -- separate entities, separate contracts, and separate work. While current law does not expressly prohibit the use of design-build by State and local contracting units, the general statutory scheme for construction contracting discourages its use by calling for separate plans, specifications, and bids for each aspect of a construction project. Moreover, New Jersey bidding laws generally mandate that construction contracts above a specified amount be awarded to the lowest responsible bidder after public advertising for bids and bidding. Design-build projects are rarely, if ever, structured to award the project to the lowest bidder because cost is only one factor in the design-build approach, which places primary emphasis on design and quality.

Several State agencies currently utilize design-build through a special grant of statutory authority with a high degree of success. New Jersey Transit Corporation, the New Jersey Building Authority, when designing historic buildings and correctional facilities, State colleges pursuant to a public-private partnership, and the New Jersey Schools Development Authority ("SDA") all have the ability to benefit from design-build under current law.

For over 10 years, the SDA has utilized the design-build delivery methodology in connection with its school construction projects. It is clear that the SDA's experience with design-build informed many of the policy directions chosen in the bill. I commend the sponsors for using the SDA's successful design-build model in crafting this Legislation. While the bill's language, at times, could be read to deviate from the SDA's regulatory framework, extensive discussions with the bill's sponsors made clear that the intent of this bill is to build on the thriving model developed by the SDA and that the SDA's effective design-build procedures should be continued following the bill's enactment.

I am grateful to my legislative partners for advancing this bill to bring greater efficiency and effectiveness to the State's procurement processes. Design-build provides State and local contracting units the ability to have an open and transparent dialogue with their contractors and greater control of projects from their inception point through completion. Importantly, the use of design-build will allow contracting units to select the bidder whose bid will be most advantageous to the contracting unit based on price and other factors integral to the design-build process.

As with any novel idea, we understand that as contracting units implement the design-build process, further changes to the framework established in the bill may be warranted based on our collective experiences. This bill represents a critical first step in rethinking the traditional design-bid-build model used by contracting units to achieve greater efficiencies in completing construction and renovation projects. I look forward to continuing to work with my legislative partners to yield better project delivery through innovation and collaboration in the procurement process.

Date: April 30, 2021

/s/ Philip D. Murphy

Governor

Attest:

/s/ Parimal Garg

Chief Counsel to the Governor