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Cal Poly Pomona

Alternative Project Delivery Methods in California: The Path Forward

Ghada M. Gad, PhD
Maria Calahorra-Jimenez, PhD
Chaimae Nacir
Ronald Shrestha

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Introduction

California transportation agencies are increasingly turning to new ways of delivering projects—such as Design-Build (DB), Progressive Design-Build (PDB), and Construction Manager/General Contractor (CM/GC)—instead of the traditional Design-Bid-Build (DBB) method. These Alternative Project Delivery Methods (APDMs) help projects move faster, reduce costs, and improve collaboration. This study examines how local transportation agencies across California are using these APDMs by identifying enabling legislation, pros and cons of each approach, and challenges agencies face when using them.

Study Methods

This study used a four-pronged mixed-methods approach, including:

- Literature review to identify the advantages, disadvantages, opportunities, and challenges of these APDMs.
- Content analysis of 30 APDM-related bills from 1999 to 2024 to identify restrictions on the number of projects, procurement methods, cost thresholds, project types, expiration dates, and reporting/approval requirements.
- Statewide survey targeting state, county, and local transportation agencies as well as private firms to gather data on their APDM use, experiences, and challenges.
- Eight in-depth case studies of public agencies, to provide in-depth examples of APDM practices while capturing how their governance structures and legislative authority shape project delivery practices and decisions.

Findings

The Enabling legislation and policies

There is a clear trend of growing support for flexible APDM legislation to allow wider adoption. Key developments include expanded agency eligibility, increased project caps, varied cost thresholds based on project type, and use of qualification-based selection methods.

Current state of practice

Public agencies demonstrate extensive experience with DBB yet their APDMs adoption is in the early stages. Larger agencies (Caltrans, LA Metro, and SANDAG) actively use APDMs due to their legislative authority, internal staff capacity, and established procurement frameworks. The private sector is more eager than the public sector to expand APDM use, especially CM/GC and PDB.

APDM characteristics

Collaboration is the most favorable characteristic across all PDMs, especially in CM/GC and PDB. However, the inherent complexity of the procurement continues to be a concern.

- **CM/GC**: Early contractor input into design; need for experienced staff; legal/staffing barriers for small agencies; rigid procurement frameworks.
- **DB**: Fast delivery; risk if scope/design unclear; misalignment of expectations from establishing a fixed price before design is fully developed; concerns about the impact on quality and owner involvement.
- **PDB**: High flexibility; increased owner involvement; feedback-driven and transparent design process; limited internal expertise; perception of pricing uncertainty.

Key selection factors

- **CM/GC:** Complex, high-risk projects necessitating early contractor input and coordination and project staging.

- **DB**: Well-defined project scope where speed is critical.
- **PDB**: Large, schedule-driven projects where flexibility and collaborative design development is critical before price setting.

Agencies lacking APDM-enabling legislation often face a complex and discouraging path—whether in pursuing new legislation or partnering with larger agencies. These challenges result in missed opportunities not only for the agencies but also for the communities they serve.

Policy Recommendations

Recommendations for legislators on APDM adoption and implementation

- Provide more external guidance and legislative support.
- Develop more education and training opportunities.
- Adopt a more open and standardized approach to APDMs implementation statewide.
- Evaluate current complex fiscal programming requirements that limit process flexibility.
- Launch pilot programs and investigate PDB benefits.
- Evaluate the development of uniform enabling legislation, capacity-building initiatives, and intergovernmental agreements to streamline implementation (without requiring individual project-specific bills in some cases).

Recommendations for practitioners (agencies and contractors)

- Train staff to address expertise gaps.
- Dedicate experienced qualified staff to APDM projects skilled in design reviews and oversight (DB) or price negotiations (PDB and CM/GC).
- Understand cost differences and leverage experienced Independent Cost Estimators.
- Ensure well-prepared procurement documents (clear project specifications and risk allocation).
- Hire contractors at the appropriate time during the design stage.
- Leverage collaboration through early partnering sessions to establish project goals.
- Be prepared for increased pre-construction effort, especially in PDB and CM/GC.
- Track benefits (cost, time, and reduced risk exposure) to justify APDMs use to legislators and oversight bodies.

About the Authors

Dr. Ghada M. Gad, PI, is a Professor in the Civil Engineering Department at California State Polytechnic University, Pomona, whose research focuses on APDMs, procurement strategies, and risk management.

Dr. Maria Calahorra-Jimenez, Co-PI, is an Assistant Professor in the Department of Construction Management at California State University, Fresno, whose research focuses on APDMs, sustainability, diversity, equity and inclusion in infrastructure projects.

Chaimae Nacir is a Civil Engineering undergraduate student at California State Polytechnic University, Pomona.

Ronald Shrestha is a Graduate Research Fellow at the Fresno State Transportation Institute and a Research Assistant at California State University, Fresno.

To Learn More

For more details about the study, download the full report at transweb.sjsu.edu/research/2455

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