

2026 SB 1 PROGRAMS GUIDELINES DEVELOPMENT ALTERNATE DELIVERY METHODS WORKSHOP

July 15, 2026 | 10:00 AM



WORKSHOP LOGISTICS

- Each attendee is registered with a unique webinar access link.
- **Do not** share this link. It is associated with your individual registration and may result in access issues or confusion during the session.
- In the webinar control panel, there are two icons:
 - Use *Raise Hand* to make a public comment. Begin each comment by stating your name and organization.
 - Use *Q&A* to submit written comments. Commission staff will read the comment aloud during the meeting.



WORKSHOP FORMAT



Presentations and recordings are available after each workshop



Staff will develop recommendations based on discussion and feedback



Previously covered topics will not be revisited unless determined necessary

GUIDELINES DEVELOPMENT PROCESS



Commission develops program policy through a public guidelines development process



Program guidelines govern program development and implementation



Monthly public guidelines development workshops and virtual office hours



Adopted guidelines govern project selection and program implementation



WORKSHOP: *IN FOCUS*

- Address proposed updates to the Delivery Methods provisions in the SB 1 Programs.
- These updates revise outdated information and clarify procedures for alternate delivery methods.

CURRENT GUIDELINES

Delivery Methods

The Commission supports and encourages innovative delivery methods. Projects using alternative delivery methods such as design-build, progressive design-build, design sequencing procurement, or Construction Manager/General Contractor (CMGC) should be identified in the project nomination, before programming, or as soon as possible before allocation. Due to the non-traditional nature of alternative delivery methods, it is possible that projects using alternative delivery methods might not follow the same procedures as projects utilizing design-bid-build delivery. Flexibility may be requested and approved consistent with programming and allocation capacity, program guidelines, and state and federal law.

For a project expected to use a design-build or design-sequencing delivery method, the Commission will program the Solutions for Congested Corridors Program funds in the construction component of the project. The allocation however may be a combined amount to include design, right of way, and construction. When using the Construction Manager/General Contractor delivery method, the project will be programmed and allocated in the same manner as design-bid-build. During the environmental or design phase, Construction Manager/General Contractor contract costs are considered environmental or design phase expenditures. As the project advances in the design phase, it may be desirable to separate the project into packages for efficiencies in the construction delivery. If this is the case, the project may be separated into distinct delivery contracts, and the Commission must be notified as soon as possible. The delivery dates and the scope of work must be consistent with the approved baseline agreement.

PROPOSED UPDATES: DELIVERY METHODS

These changes are proposed for the *Delivery Methods* section in all of the Draft 2026 Senate Bill 1 Program Guidelines, including:

- [Local Partnership Competitive Program \(LPP-C\) Guidelines](#)
- [Local Partnership Formulaic Program \(LPP-F\) Guidelines](#)
- [Solutions for Congested Corridors Program \(SCCP\) Guidelines](#)
- [Trade Corridor Enhancement Program \(TCEP\) Guidelines](#)

Changes can be reviewed in the workshop reference materials and illustrated in the slides that follow.

Proposed changes are shown in **bold red**.



PROPOSED UPDATES: DELIVERY METHODS

The Commission supports and encourages innovative delivery methods. Projects **may** use alternative delivery methods such as design-build (**DB**), progressive design-build (**PDB**), or Construction Manager/General Contractor (CMGC) **in accordance with the statutory authority applicable to the implementing agency and/or mode being delivered**. Projects using **these** methods **do** not follow the same procedures as projects **using** design-bid-build delivery. Flexibility may be requested and approved consistent with programming and allocation capacity, program guidelines, and state and federal law.

Programming and Allocating Projects Using Alternative Delivery Methods

- For projects **using the design-build and progressive design-build** delivery methods, the Commission will program the **[SB 1 PROGRAM NAME]** funds in the construction component of the project. **However**, the allocation may be a combined amount to include design, right of way, and construction.
- **For projects using the design-build, progressive design-build and Construction Manager/General Contractor delivery methods, a Guaranteed Maximum Price must be established before construction phase allocation.**
 - **If the final Guaranteed Maximum Price exceeds programmed amounts, any cost increase is subject to the limits specified in Part [INTERNAL REFERENCE TO PROGRAM GUIDELINES, HENCEFORTH NOTED AS 'X'], Section [X].**
 - **If the parties do not reach agreement on a Guaranteed Maximum Price, the implementing agency may exercise the off-ramp provided under its contract. The implementing agency shall notify Commission staff as soon as the need to off-ramp is identified. As exercising the off-ramp changes the delivery method on a programmed project, the change shall be processed through the project amendment process as specified in Part [X], Section [X], and does not extend timely use of funds deadlines.**
 - **Allocations for projects will not be approved before environmental clearance is achieved for the entire project, as specified in Part [X], Section [X].**
 - **Progressive design-build and Construction Manager/General Contractor projects may be divided into segments or work packages to facilitate project delivery. A segment is a portion of a project that has independent utility, as provided in Part [X], Section [X]. A work package is a contracting and delivery bundle within a project or segment, such as grading, demolition, utility relocation, or long-lead procurement. A work package is not required to have independent utility, subject to the allocation requirements below.**

PROPOSED UPDATES: DELIVERY METHODS

- If progressive design-build or Construction Manager/General Contractor projects are divided into separate work packages for the construction phase, then:
 - Work packages will be programmed in the [SB 1 PROGRAM NAME] by the Commission through an amendment after receiving a request from the implementing agency, as specified in Part [X], Section [X].
 - Allocations for a work package will be approved only if the work package has independent utility or the entire project is fully funded (i.e., the current cost estimate for the entire project is within the project's committed funding).
 - A list of the anticipated work packages with their delivery years and scopes of work must accompany the allocation request for the initial work package, and subsequent work package allocation requests must provide an updated list of the remaining anticipated work packages.
 - Work packages shall be for severable portions of work, such that:
 - The implementing agency is not obligated to have the contractor construct any other portion of the work.
 - The magnitude of the remaining work packages maintains the contractor's engagement for the remainder of the project.
 - The work package does not conflict with work to be performed under subsequent work packages.
 - Implementing agencies must engage with Commission staff and Caltrans when considering work packages.
- The Commission will allocate construction funds for a progressive design-build or Construction Manager/General Contractor project (or work package) in accordance with these Guidelines. Construction allocations for progressive design-build projects may fund design and construction, or construction only, depending on how the contracts are structured, and must be based on a Guaranteed Maximum Price reached with the contractor. If the allocation request is for construction only, the project must satisfy the allocation requirements specified in Part [X], Section [X].
- The Commission will allocate construction funds for a Construction Manager/General Contractor project (or work package) in accordance with these Guidelines. Construction allocations for Construction Manager/General Contractor projects must be based on a Guaranteed Maximum Price reached with the contractor and must satisfy the allocation requirements specified in Part [X], Section X.

NOTE: The two bullets highlighted above will only be included in the LPP-F and TCEP Guidelines. They will not be included in the LPP-C and SCCP Guidelines.

PROPOSED UPDATES: PROJECT SEGMENTING

These changes are proposed for the *Project Segmenting* section in the following Draft 2026 Senate Bill 1 Program Guidelines:

- [Local Partnership Competitive Program Guidelines](#)
- [Solutions for Congested Corridors Program Guidelines](#)
- [Trade Corridor Enhancement Program Guidelines](#)

Changes can be reviewed in the reference materials, and in the slides that follow.

Proposed changes are shown in **bold red**.

PROPOSED UPDATES: PROJECT SEGMENTING (LPP-C)

Larger projects may require segmenting because of size, funding, or delivery schedule. The nomination should address the total project area and the reasons for segmenting the project.

An implementing agency may request to segment a project for delivery purposes consistent with the project segmentation standards provided here. Segmenting does not alter the implementing agency's obligation to deliver the full project funded by the Commission consistent with the scope, schedule, cost, and anticipated benefits as committed in the project Baseline Agreement.

Consistent with state and federal law, a project may be segmented only if each segment meets all of the following requirements:

- a) The segment is consistent with the project's purpose and need.
- b) The segment has independent utility, meaning it is usable with standalone benefits and constitutes a reasonable expenditure of program funds even if no additional transportation improvements are made in the project area.
- c) The segment connects logical termini, meaning its end points are rational end points for project improvement and for evaluation of segment benefits.
- d) The segment does not restrict consideration of alternatives for other reasonably foreseeable transportation improvements.

Projects **are** evaluated based on the segment(s) proposed for funding. Therefore, the nomination **must**:

- **Demonstrate that each segment meets the requirements provided above.**
- Identify the benefits (outputs and outcomes) for **each** segment proposed for funding.
- Provide a full funding plan **for each** segment.
- **Describe the delivery method for each segment.**
- Include an estimated timeline **to complete the** overall project **and each** segment in the project area.

PROPOSED UPDATES: PROJECT SEGMENTING (SCCP)

Larger corridor projects may require segmenting because of size, funding, or delivery schedule. The nomination should address the total corridor and the reasons for segmenting the project.

An implementing agency may request to segment a project for delivery purposes consistent with the project segmentation standards provided here. Segmenting does not alter the implementing agency's obligation to deliver the full project funded by the Commission consistent with the scope, schedule, cost, and anticipated benefits as committed in the project Baseline Agreement.

Consistent with state and federal law, a project may be segmented only if each segment meets all of the following requirements:

- a) The segment is consistent with the project's purpose and need.
- b) The segment has independent utility, meaning it is usable with standalone benefits and constitutes a reasonable expenditure of program funds even if no additional transportation improvements are made in the corridor.
- c) The segment connects logical termini, meaning its end points are rational end points for corridor improvement and for evaluation of segment benefits.
- d) The segment does not restrict consideration of alternatives for other reasonably foreseeable transportation improvements.

Projects **are** evaluated based on the segment(s) proposed for funding. Therefore, the nomination **must**:

- **Demonstrate that each segment meets the requirements provided above.**
- Identify the benefits (outputs and outcomes) for **each** segment proposed for funding.
- Provide a full funding plan **for each** segment.
- **Describe the delivery method for each segment.**
- Include an estimated timeline **to complete the** overall project **and each** segment in the corridor.

Proposed projects (or segments) that complete a corridor as defined in a comprehensive multimodal corridor plan will be prioritized for funding.

PROPOSED UPDATES: PROJECT SEGMENTING (TCEP)

Larger corridor projects may require segmenting because of size, funding, or delivery schedule. The nomination should address the total corridor and the reasons for segmenting the project.

An implementing agency may request to segment a project for delivery purposes consistent with the project segmentation standards provided here. Segmenting does not alter the implementing agency's obligation to deliver the full project funded by the Commission consistent with the scope, schedule, cost, and anticipated benefits as committed in the project Baseline Agreement.

Consistent with state and federal law, a project may be segmented only if each segment meets all of the following requirements:

- a) The segment is consistent with the project's purpose and need.
- b) The segment has independent utility, meaning it is usable with standalone benefits and constitutes a reasonable expenditure of program funds even if no additional transportation improvements are made in the corridor.
- c) The segment connects logical termini, meaning its end points are rational end points for corridor improvement and for evaluation of segment benefits.
- d) The segment does not restrict consideration of alternatives for other reasonably foreseeable transportation improvements.

Projects **are** evaluated based on the segment(s) proposed for funding. Therefore, the nomination **must**:

- **Demonstrate that each segment meets the requirements provided above.**
- Identify the benefits (outputs and outcomes) for **each** segment proposed for funding.
- Provide a full funding plan **for each** segment.
- **Describe the delivery method for each segment.**
- Include an estimated timeline **to complete the** overall project **and each** segment in the corridor.

2026 PROGRAM (CYCLE 5) *PROPOSED* TIMELINE



Two-year program period | Fiscal years 2027-28 and 2028-29

**Timeline and program period is tentative and may be subject to changes*

CLOSING



ACTION ITEMS



NEXT STEPS



QUESTIONS

CONTACT INFORMATION



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SCCP

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THANK YOU

