

REFERENCE INSTRUCTIONS: Proposed changes are shown in **bold red**. These changes are proposed for the *Delivery Methods* section in all Draft 2026 Senate Bill 1 Program Guidelines, including:

- [Local Partnership Competitive Program Guidelines](#) *Part VI, Section 19 (page 22)*
- [Local Partnership Formulaic Program Guidelines](#) *Part V, Section 22 (page 16)*
- [Solutions for Congested Corridors Program Guidelines](#) *Part III, Section 12 (page 8)*
- [Trade Corridor Enhancement Program Guidelines](#) *Part III, Section 14 (page 14)*

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.

- 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 is part of a project or segment that 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.

REFERENCE INSTRUCTIONS: Proposed changes to the [Draft 2026 Local Partnership Competitive Program Guidelines](#) are shown in **bold red**.

Excerpt: Part VI, Section 20 (page 22)

20. Project Segmenting

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.

REFERENCE INSTRUCTIONS: Proposed changes to the [Draft 2026 Solutions for Congested Corridors Program Guidelines](#) are shown in **bold red**.

Excerpt: Part III, Section 13 (page 8)

13. Project Segmenting

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.

REFERENCE INSTRUCTIONS: Proposed changes to the [Draft 2026 Trade Corridor Enhancement Program Guidelines](#) are shown in **bold red**.

Excerpt: Part III, Section 15 (page 14)

15. Project Segmenting

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.