



Association for the Improvement
of American Infrastructure

P3 Snapshot: **California**

SUMMARY OF P3 LEGISLATIVE STATUS:

Enabled for transportation infrastructure.

1. **Does this state have broadly enabling P3 legislation?**
California Department of Transportation is not authorized to pursue P3s for procurements related to the streets and highways sector. Other transportation agencies are eligible to execute P3s (including self-funded counties and regional transportation authorities). Current statutory authority in California does allow for P3s for municipal facilities, and environmental projects (water, wastewater treatment, stormwater, flood mitigation).
2. **Does the state allow for **Unsolicited Proposals**?**
Yes (LA Metro has used unsolicited proposals to assess innovative ideas which could apply to their capital planning needs and investment opportunities).
3. **What is the state's P3 **Review Process**?**
Currently dictated by procurement agency. California Legislative Analyst's Office has recommended expanded availability of P3 for agencies and the creation of a permanent government body with P3 expertise to recommend, implement, and regulate P3 projects.
4. **Does the state have a **Centralized Agency** dedicated to P3?**
There is no specific centralized agency. CalTrans for transportation. State Public Works Board. CA High Speed Rail Authority for high speed train projects. Local government agencies for local projects (i.e., counties, including LA Metro).
5. **Is this a **Home Rule state**, with limitations or opportunities for P3?**
Certain municipalities within the state are exempt from Dillon's Rule; while the balance of the state is generally not considered a Home Rule state (e.g., applicability of Dillon's Rule), CAL GOV CODE §§5956- 5956.10 gives local governments the authority to pursue P3s.
6. **Does this state have programmatic requirements for P3 participation (ie MWDBE or labor)?**
Includes a specific provision for prevailing wage - Streets & Highways Code section 143 - Government
- Code sections 5956 et seq. - Government Code sections 70371.5 and 70391 - Public Utilities Code section 185036. California's P3 legislation requires local agency P3 agreements to include performance bonds to ensure completion of the project and payment bonds to secure the payment of claims of laborers, mechanics, and materialmen employed on the project.*
7. **Are P3 projects in this state eligible for other financing programs?**
There are no expressed provisions addressing the use of other funding sources or debt or credit instruments (i.e., TIFIA). This allows for access to applicable Federal funding or financing programs: TIFIA, WIFIA, RRIF.
8. **What Projects or Asset Classes are eligible for P3 in this state?**
Eligible for a broad range of assets, including transportation, municipal facilities and environmental projects. Caltrans no longer has P3 authority for streets and highways. Self-funded counties eligible. Legislative approval required for social infrastructure projects.
9. **Are there Projects where the P3 procurement method has been applied?**
Carlsbad Water Treatment. Presidio Parkway. Long Beach Courthouse. Long Beach Civic Center. University of California, Merced.
10. **What is the legislative foundation for P3s in this state?**
*CA Sts. & High. Code § 143 (CA DOT (CalTrans) + regional transportation agencies.
CA Gov. Code § 5956 to 5956.10 (local gov't agencies).*