

Date of Hearing: May 6, 2026

ASSEMBLY COMMITTEE ON APPROPRIATIONS

Buffy Wicks, Chair

AB 1786 (Harabedian) – As Amended March 12, 2026

Policy Committee: Local Government Vote: 10 - 0

Urgency: No State Mandated Local Program: Yes Reimbursable: No

SUMMARY:

This bill authorizes cities, including charter cities, and the San Gabriel Valley Council of Governments (COG) to use an existing pilot program allowing counties to use the “best value” construction contracting method, reduces the dollar threshold for eligible projects from \$1 million to \$500,000, and extends the sunset date from January 1, 2030, to January 1, 2040.

FISCAL EFFECT:

No state costs.

COMMENTS:

1) **Purpose.** This bill is sponsored by the San Gabriel COG. According to the author:

[This bill] provides local governments and the San Gabriel Council of Governments with the flexibility to select contractors based not only on cost, but also on proven experience, safety records, and past performance, ensuring taxpayer dollars deliver the highest possible value. By allowing the San Gabriel Council of Governments to use best-value contracting for complex projects, this bill helps reduce costly delays, improve project quality, and promote safer worksites. The result is more efficient delivery of critical public investments, including roads, housing, and infrastructure, that communities rely on every day, completed on time and within budget.

2) **Background.** SB 762 (Wolk), Chapter 627, Statutes of 2015, established a pilot program until January 1, 2020, allowing the counties of Alameda, Los Angeles, Riverside, San Bernardino, San Diego, Solano, and Yuba to award contracts for construction projects in excess of \$1 million to the bidder representing the best value. Traditionally, construction projects have been bid out and awarded based upon a lowest-cost approach. Best value, a competitive contracting process, allows projects to be awarded to the contractor offering the best combination of price and qualifications, instead of only the lowest bid. In addition to submitting bids for project cost, prospective contractors also submit technical proposals. The technical proposals are evaluated based on objective criteria and scored. The scores are then used to weigh or adjust the submitted bid price. The contract is awarded to the contractor that represents the best value to the contracting agency.

Subsequent legislation expanded the pilot to include additional counties and extended the sunset date. AB 1957 (Wilson), Chapter 58, Statutes of 2024, expanded the pilot program to include all counties and extend the sunset date to January 1, 2030.

Analysis Prepared by: Jennifer Swenson / APPR. / (916) 319-2081