

ANALYSIS

This bill:

- 1) Extends the sunset date for school district and community college district authority to utilize JOC from January 1, 2027, to January 1, 2037.
- 2) Extends until January 1, 2037, the requirement that districts utilizing JOC maintain a PLA that applies to JOC projects and other district public works above a locally established threshold.
- 3) Prohibits a school district from utilizing JOC if the district determines, based on criteria and methodology established by the district, that use of JOC would increase total project costs without sufficient documented justification.
- 4) Deletes the requirement that school districts prepare execution plans for modernization projects that may be eligible for JOC.
- 5) Deletes the requirement that school districts annually select modernization projects for JOC and determine that JOC will reduce total project costs for those projects.
- 6) Requires school districts utilizing JOC to prepare an independent estimate prior to receipt of the contractor's proposal, rather than prior to receipt of the contractor's offer.
- 7) Deletes the requirement that a school district compare its independent estimate to the contractor's proposed price before issuing a job order.
- 8) Provides that task order procurement contracts and job order contracts issued pursuant to specified provisions may not exceed five years in duration.
- 9) Clarifies that an individual task order or job order remains valid and enforceable even if the underlying task order procurement contract or job order contract expires after the task order or job order was validly issued.
- 10) Makes conforming and technical changes.

STAFF COMMENTS

- 1) ***Need for the bill.*** According to the author, "AB 1809 extends the sunset for school districts and community college districts to use Job Order Contracting (JOC). JOC was initially authorized as a pilot for the Los Angeles Unified School District over 20 years ago and subsequently extended to all school districts and community college districts. JOC enables school and community college districts to secure contracts for maintenance or repair work for any of the districts' facilities based on specific tasks and agreed upon prices. When services are needed, repair can begin immediately without going out for bid for each project, which saves districts time and money, and enables districts to address potentially

hazardous conditions immediately. JOC has been reauthorized four times since 2003 and has shown to be effective.”

- 2) ***Job order contracting as an alternative procurement tool.*** JOC is one of several alternative project delivery methods available to school districts and community college districts. Unlike traditional design-bid-build contracting, JOC allows districts to competitively procure contractors in advance using predetermined unit prices and then issue individual job orders as maintenance, repair, or modernization needs arise. Proponents argue that the approach can reduce procurement timelines and allow districts to address routine facilities needs more quickly, particularly where projects are relatively small, repetitive, or time-sensitive. This bill would extend the existing authorization for JOC by an additional ten years, allowing policymakers to continue evaluating the effectiveness of the procurement method while avoiding the recurring need to revisit the authority through periodic sunset extensions.
- 3) ***Author amendments narrow the measure and retain a cost-control safeguard.*** As introduced, the bill would have made JOC authority permanent and removed existing statutory provisions requiring school districts to evaluate whether the use of JOC would reduce project costs. Concerns raised resulted in several significant amendments. Rather than permanently authorizing JOC, the bill now extends the authorization until January 1, 2037. In addition, the bill retains a safeguard intended to protect against unnecessary costs by prohibiting use of JOC when a district determines that the contracting method would increase total project costs without sufficient documented justification. These amendments narrow the bill and preserve legislative oversight of the program through a future sunset review while maintaining an expectation that districts consider project cost impacts when selecting a procurement method.
- 4) ***Shifting from prescriptive process requirements to local discretion.*** While retaining the prohibition against unjustified cost increases, the bill eliminates several procedural requirements currently applicable to school district JOC projects, including requirements related to modernization project execution plans, annual project selection processes, and certain cost-comparison procedures. The measure therefore reflects a policy judgment that districts with experience using JOC may not require the same level of statutory direction that accompanied earlier pilot and demonstration programs. The trade-off is that fewer statewide procedural requirements may provide districts with greater flexibility, but also place greater responsibility on local governing boards to ensure that JOC is being used appropriately and cost-effectively relative to other available procurement methods.
- 5) ***Clarifying contract duration and project completion.*** The bill also addresses an ambiguity in existing law regarding the relationship between master JOC agreements and the individual job orders issued under those agreements. By limiting master contracts to five years while expressly allowing validly issued job orders to remain enforceable after expiration of the master agreement, the bill provides greater certainty for districts and contractors managing multi-year facilities projects. These provisions appear intended to ensure that projects

already underway can be completed without disruption while maintaining consistency with existing limitations on the duration of public contracts.

SUPPORT

Los Angeles Unified School District (sponsor)
California Association of School Business Officials
California School Boards Association
Gordian Group

OPPOSITION

Western Electrical Contractors Association

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