

CONCURRENCE IN SENATE AMENDMENTS

AB 1809 (Fong)

As Amended June 1, 2026

Majority vote

SUMMARY

Extends, until January 1, 2037, the authority for school districts and community college districts to use job order contracting (JOC) for public works projects. Modifies JOC requirements by eliminating certain project planning and cost-comparison requirements, prohibiting use of JOC when a district determines it would increase project costs without sufficient documented justification, clarifying contract duration limits, and making related conforming changes.

Senate Amendments

Extends the authorization for JOC until January 1, 2037, rather than make the authorization permanent.

COMMENTS

Public project competitive bidding. Current law establishes the Local Agency Public Construction Act, which requires the governing boards of school districts to let contracts involving an expenditure of more than \$50,000 for specified purposes (including the purchase of equipment, materials, or supplies to be furnished, sold, or leased to the school district) to the lowest responsible bidder. School districts are also required to competitively bid any public works contract over \$15,000 (relating to construction, renovation, demolition, repair work, and painting, but excluding maintenance work) and award the contract to the lowest responsible bidder. Under this process for school construction, a school district would first hire an architect to design a school facility and then issue a bid for the construction phase, awarding the contract to the lowest responsible bidder. This process is commonly called "design-bid-build."

Alternative methods for awarding contracts include: a) design-build, with a school district issuing a request for proposal for both the design and construction of projects for projects in excess of \$1 million; b) best value, allowing school districts to consider factors other than cost; and c) JOC, based on prices for specific construction tasks.

Job order contracting. JOC is a procedure that allows for the awarding of contracts based on prices for specific construction tasks, rather than bids for a specific project. A catalog or book identifies all work that could be performed, typically maintenance or modernization, and the unit prices for each of those tasks. The tasks are based on accepted industry standards, and prices include the cost of materials, labor, and equipment for performing the work, but exclude overhead and profit. A prequalified contractor, rather than bid a total price for the project, will bid an adjustment factor to the preset unit prices, which reflects all the contractor's costs (indirect and direct), and profit not included in the preset unit prices. Task orders are the individual projects assigned under a JOC. A unique aspect of JOC is that the contracts are awarded prior to when the services are needed, whereas other contract types are typically awarded at the time when services are needed.

Selection of the contractors is based on the lowest responsible bidder; however, a school district may select more than one contractor. When the school district has a project that requires the tasks for which a contractor has been awarded, the school district will provide a job order with

the details of the job. JOC allows a school district to identify contractors for specific tasks and lock in the price for up to \$5 million of work. This process is intended to reduce costs and accelerate completion of smaller projects; it is not generally viewed as an appropriate method of contracting for large, complex construction projects that require extensive or innovative design or are likely to encounter changes and revisions during constructions. Current law authorizes JOC for school districts and community colleges until January 1, 2027. This bill would extend the authorization for JOC until January 1, 2037.

The bill also includes 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. Amendments in the Assembly and Senate 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.

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."

Arguments in Support

The LAUSD writes, "The JOC statute was first enacted as a Los Angeles Unified pilot in 2004 and expanded to all school districts in 2016. The Community College statute was first enacted in 2018. Without legislative action, the current authorizations are set to sunset on January 1, 2027. Assembly Bill 1809 permanently authorizes school districts and community colleges to award job order procurement contracts for public works projects for the purpose of performing services, repairs, and construction. To ensure public trust, school district and community colleges are required to adhere to all existing public procurement laws and maintain a project labor agreement. Contracts are awarded to the most qualified bidder who is licensed, bonded, and general liability insured. The bidder agrees to a fixed period, fixed unit price, and indefinite quantity contract for public works or maintenance projects. This bill also clarifies that "individual" contracts issued under a "master" contract are valid for five years, as is the case for other public works contracts."

Arguments in Opposition

The Western Electrical Contractors Association writes, "Under existing law, a school district or community college district may only use JOC if it has entered into a PLA that applies broadly to district public works above a locally determined threshold. This mandate excludes many qualified contractors who choose not to operate under PLAs, thereby reducing the bidder pool and limiting school districts' access to the full construction marketplace. JOC is intended to provide flexibility, efficiency, and cost-effectiveness for routine construction work. Conditioning its use on a PLA requirement runs counter to those goals by: discouraging participation by experienced merit shop contractors; reducing competitive pressure that helps control project

costs; and limiting opportunities for small and locally owned businesses. Extending the sunset without addressing this structural barrier would continue to disadvantage a significant portion of the construction industry."

FISCAL COMMENTS

According to the Senate Appropriations Committee, pursuant to Senate Rule 28.8, negligible state costs.

VOTES:

ASM EDUCATION: 7-0-1

YES: Patel, Hoover, Alvarez, Bonta, Garcia, Lowenthal, Zbur

ABS, ABST OR NV: Castillo

ASM HIGHER EDUCATION: 6-3-1

YES: Fong, Boerner, Jackson, Muratsuchi, Patel, Sharp-Collins

NO: DeMaio, Jeff Gonzalez, Tangipa

ABS, ABST OR NV: Celeste Rodriguez

ASM APPROPRIATIONS: 12-3-0

YES: Wicks, Hoover, Bauer-Kahan, Calderon, Caloza, Fong, Mark González, Krell, Pacheco, Pellerin, Sharp-Collins, Solache

NO: Ellis, Ta, Tangipa

ASSEMBLY FLOOR: 57-11-12

YES: Addis, Aguiar-Curry, Ahrens, Alanis, Alvarez, Arambula, Ávila Farías, Bains, Bauer-Kahan, Bennett, Berman, Boerner, Bonta, Bryan, Caloza, Carrillo, Connolly, Elhawary, Fong, Gabriel, Garcia, Gipson, Mark González, Haney, Harabedian, Hart, Hoover, Irwin, Jackson, Kalra, Krell, Lowenthal, McKinnor, Muratsuchi, Nguyen, Ortega, Pacheco, Papan, Patel, Pellerin, Petrie-Norris, Ramos, Ransom, Michelle Rodriguez, Rogers, Blanca Rubio, Schiavo, Schultz, Sharp-Collins, Solache, Soria, Valencia, Wallis, Ward, Wilson, Zbur, Rivas

NO: Davies, DeMaio, Ellis, Jeff Gonzalez, Hadwick, Johnson, Macedo, Patterson, Sanchez, Ta, Tangipa

ABS, ABST OR NV: Calderon, Castillo, Chen, Dixon, Flora, Gallagher, Lackey, Lee, Quirk-Silva, Celeste Rodriguez, Stefani, Wicks

UPDATED

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