

ASSEMBLY THIRD READING

AB 1860 (McKinnor)

As Amended April 13, 2026

Majority vote

SUMMARY

Authorizes a county office of education (COE) to use the design-build and alternative design-build method for facilities projects in excess of \$1 million and \$5 million, respectively, subject to approval of the county superintendent of schools, and provides the county superintendent of schools with exclusive authority to award design-build contracts.

Major Provisions

- 1) Authorizes a county superintendent of school, to procure design-build contracts for projects in excess of \$1 million, awarding the contract to either the low bid or best value.
- 2) Authorizes a county superintendent of school, to procure alternative design-build contracts for projects in excess of \$5 million, awarding the contract to either the low bid or best value.

COMMENTS

Design-build. This bill would authorize COEs to utilize design-build in the same manner as school districts. Under a design-build process, a K-12 school district or other public or private agency issues a bid for both design and construction of a facility. A general contractor may collaborate with an architect/engineer to submit a proposal, or a general contractor may submit the proposal and subcontract with an architect/engineer. The school district must also establish a process to prequalify design-build entities using a standard questionnaire developed by the Department of Industrial Relations. In addition to K-12 schools and California Community Colleges (CCC) districts, a number of design-build authorizations have been given to various cities and counties, state building projects, and transit districts.

Rather than selecting the contractor based solely on the lowest offer, a school district may use criteria in addition to cost, which may include qualification, experience, proposed design approach, life cycle costs, project features, and project functions. Based on the criteria selected by a governing board, the proposals are scored and awarded to the bidder whose proposal is considered to be the best value to the school district. Under a design-bid-build process, the architect works independently on the design of the facility. Once construction begins, any problems identified by the contractor must be resolved, frequently with the school district acting as the mediator. Under design-build, the architect and contractor are working together from the beginning of the project, thereby reducing conflicts, delays, and additional costs during the construction phase. Design-build contracting can expedite the construction of a project, avoid conflicts between architects/engineers and contractors, and according to experiences from school and community college districts, reduce costs by reducing change orders once construction begins. Design-build for school districts is only for projects over \$1 million, and requires the use of a skilled and trained workforce to perform all work on the project or contract that falls within an apprenticeable occupation in the building and construction trades.

Alternative design-build. This bill would authorize COEs to utilize alternative design-build in the same manner as school districts. Alternative design-build is a project delivery process in which both the design and construction of a project are procured from a single design-build

entity based on its proposed design cost, general conditions, overhead, and profit as a component of the project price. This procurement method is sometimes also referred to as progressive design-build. Projects include all construction, alteration, demolition, installation, repair, and maintenance work that is subject to a skilled and trained workforce (including subcontractors, unless the school district has entered into a project labor agreement) for public works projects over \$5 million. The alternative design-build procurement method differs from design-build as follows:

- 1) For projects using best value rather than lowest bidder, a proposing design-build entity's design cost, general conditions (project specific costs), overhead (administrative), and profit as a component of the project price are added to the initial evaluation.
- 2) After a contract has been awarded, and presumably after a design has started or has been completed, the contract is subject to further negotiations and changes up to the sum of the costs of construction subcontracts.
- 3) A school district is authorized to review subcontractor bids received by the design-build entity through an open book evaluation, and allows the school district to require the design-build entity to repeat the subcontractor bidding process if the school district determines that the costs of the construction subcontracts exceed the anticipated value of the project or if the school district determines any individual subcontract is unreasonable.

Any district choosing to utilize the alternative design-build method must submit a report to the appropriate policy and fiscal committees of the Legislature by January 1, 2028, with specified information about the projects awarded using this method.

According to the Author

According to the author, "AB 1860 would authorize design-build and progressive design-build for COE, align COE authority with K–12 districts and community colleges, and improve project coordination, reduce delays, and increase efficiency. This bill would also preserve all applicable prevailing wage and labor standards, such as public works contractor registration, apprenticeship utilization, and the use of a skilled and trained workforce. In addition, AB 1860 would ensure long-term workforce development in the skilled trades on COE projects by continuing to provide meaningful on-the-job training hours and prevent dishonest contractors who cut corners on wages, safety, or training from bypassing apprenticeship obligations."

Arguments in Support

The District Council 16, International Union of Painters and Allied Trades, writes, "County Offices of Education (COE) are responsible for building and maintaining some of the most complex and specialized educational facilities in the state. However, COE lack access to modern project delivery tools widely used across public education. Without design-build authority, COE face delays, higher costs, and fragmented oversight of projects. As COE construction needs grow, there is a risk that some contractors could exploit gaps in procurement authority to undercut wages, safety laws, and apprenticeship standards."

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Arguments in Opposition

None on file

FISCAL COMMENTS

According to the Assembly Appropriations Committee, "No new state costs."

VOTES

ASM EDUCATION: 9-0-0

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

ASM APPROPRIATIONS: 14-0-1

YES: Wicks, Hoover, Arambula, Calderon, Caloza, Dixon, Fong, Mark González, Krell, Pacheco, Pellerin, Solache, Ta, Tangipa

ABS, ABST OR NV: Muratsuchi

UPDATED

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