

CONCURRENCE IN SENATE AMENDMENTS

AB 1860 (McKinnor)

As Amended August 4, 2026

Majority vote

SUMMARY

Authorizes county superintendents of schools to use the same design-build and alternative design-build procurement methods currently available to school districts for eligible public works projects, including awarding contracts based on either lowest responsible bidder or best value.

Senate Amendments

Add double-jointing language to ensure that the amendments made by both this bill and SB 1107 (Stern) of the current legislative session to Education Code Section 17250.20 become operative if both bills are enacted and this bill is enacted last.

COMMENTS

Design-build. This bill would authorize county superintendents of schools 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 county superintendents of schools 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 until January 1, 2029. 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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job training hours and preventing dishonest contractors who cut corners on wages, safety, or training from bypassing apprenticeship obligations."

Arguments in Opposition

Associated General Contractors (AGC), the California Chapters writes, "AB 1860 raises significant concerns because it extends alternative design-build authority to county offices of education under Public Contract Code provisions that already incorporate skilled and trained workforce (STW) requirements. There are many areas where apprenticeship programs are limited and graduation rates are low across many trades. Imposing STW requirements would exclude a substantial portion of the local contractor workforce, reduce the number of eligible bidders, and significantly increase project costs. In some cases, agencies facing STW shortages are forced toward project labor agreements as a compliance mechanism, which further restricts participation by small, local, and minority owned firms."

FISCAL COMMENTS

According to the Senate Appropriations Committee, pursuant to Senate Rule 28.8, negligible 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

ASSEMBLY FLOOR: 76-0-4

YES: Addis, Aguiar-Curry, Ahrens, Alanis, Alvarez, Ávila Farías, Bains, Bauer-Kahan, Berman, Boerner, Bonta, Bryan, Calderon, Carrillo, Castillo, Connolly, Davies, DeMaio, Dixon, Elhawary, Ellis, Flora, Fong, Gabriel, Gallagher, Garcia, Gipson, Jeff Gonzalez, Mark González, Hadwick, Haney, Harabedian, Hart, Hoover, Irwin, Jackson, Johnson, Kalra, Krell, Lackey, Lee, Lowenthal, Macedo, McKinnor, Muratsuchi, Nguyen, Ortega, Pacheco, Papan, Patel, Patterson, Pellerin, Petrie-Norris, Quirk-Silva, Ramos, Ransom, Celeste Rodriguez, Michelle Rodriguez, Rogers, Blanca Rubio, Sanchez, Schiavo, Schultz, Sharp-Collins, Solache, Soria, Stefani, Ta, Tangipa, Valencia, Wallis, Ward, Wicks, Wilson, Zbur, Rivas

ABS, ABST OR NV: Arambula, Bennett, Caloza, Chen

UPDATED

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CONSULTANT: Marguerite Ries / ED. / (916) 319-2087

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