

Date of Hearing: April 29, 2026

ASSEMBLY COMMITTEE ON LOCAL GOVERNMENT

Juan Carrillo, Chair

AB 2033 (Papan) – As Amended April 20, 2026

SUBJECT: Local Agency Public Construction Act: job order contracting

SUMMARY: Authorizes cities to enter into job order contracts (JOCs). Specifically, **this bill:**

- 1) Allows, notwithstanding any other law, a city council to award individual annual JOCs, none of which shall exceed \$500,000, as adjusted annually to reflect the percentage change in the California Consumer Price Index (California CPI), for repair, remodeling, or other repetitive work to be done according to unit prices.
- 2) Prohibits annual contracts from being awarded for any new construction.
- 3) Requires contracts to be awarded to the lowest responsible bidder and to be based on plans and specifications for typical work.
- 4) Provides that no project shall be performed under the contract except by order of the city council or an officer acting pursuant to the following:
- 5) Allows the city council, by ordinance, to authorize the city manager, public works director, or other city official, as is deemed appropriate, to take or perform any or all acts or actions permitted or required of the city council by this bill, including the authority to adopt and advertise plans and specifications, award JOCs, or order the change or alteration of JOCs, with respect to either of the following:
 - a) Individual job orders which do not exceed \$150,000.
 - b) Changes or alterations to job orders previously authorized by the city council where the changes or alterations do not exceed 10% of the amount of the original job order or \$150,000, whichever is less.
- 6) Provides that the aggregate total amount of the changes or alterations to an original job order specified in 5), above, may not exceed 25% of the amount of the original job order.
- 7) Provides that any authorization pursuant to 5) and 6), above, shall include detailed procedures governing the city official in the exercise of that authority.
- 8) Provides that this bill shall not be construed to remove the city's requirement to follow the applicable provisions of the Public Contract Code as it relates to the advertising of public works projects and the award of public works contracts.
- 9) Provides that an annual JOC shall not be used to lay off, reduce the hours of, or involuntarily transfer any permanent city employee.

- 10) Requires an entity awarded an annual JOC pursuant to this bill to provide an enforceable commitment to the city that the entity and its subcontractors at every tier will use a skilled and trained workforce to perform all work on the JOC that falls within an apprenticeship occupation in the building and construction trades, in accordance with existing law governing skilled and trained workforce requirements for public entities. This requirement shall not apply if the JOC is subject to a project labor agreement (PLA) that will bind all contractors and subcontractors performing work on the JOC to use a skilled and trained workforce to perform the JOC.
- 11) Requires the city to submit to the appropriate policy and fiscal committees of the Legislature, on or before January 1, 2031, a report on the use of job order contracting under this bill. The report shall include, but not be limited to, all of the following information:
 - a) A description of the city's system for evaluating JOC bids for award of JOCs, including, but not limited to, the criteria used by the city to determine a qualified and responsive job order contractor.
 - b) A description of each JOC awarded and the contractor awarded the contract.
 - c) An assessment of the use of job order contracting under this article.
- 12) Requires a report specified in 11), above, to be submitted pursuant to specified existing law governing reports to the Legislature.
- 13) Specifies that a city that has elected to be subject to the Uniform Public Construction Cost Accounting Act (UPCCAA) may award job order contracts as provided in this bill.

FISCAL EFFECT: None

COMMENTS:

- 1) **Author's Statement.** According to the author, "AB 2033 authorizes general law cities to use annual Job Order Contracts (JOCs) for projects under \$500K involving repair, remodeling, and other defined-scope, project-based public works performed according to competitively bid prices.

"Currently, general law cities are limited to the traditional design-bid-award system, which requires even modest public works projects to undergo full plan preparation, advertisement, bidding, and award before work can begin. For projects such as facility rehabilitation, accessibility upgrades, or system replacements, this process can take six to twelve months to complete. In the city of Belmont, an EV charger site preparation project received no initial bids and was delayed nearly three years with estimated costs rising 30–40%, while routine restroom renovations were delayed almost a year, and emergency facility repair negotiations with an urgent contractor likely resulted in a 30–40% premium due to the lack of preset pricing.

"By allowing general law cities to use JOCs for smaller projects, AB 2033 will streamline procurement, reduce administrative costs, and enable cities to complete routine repairs and improvements more efficiently. The Legislature has already authorized the use of JOCs for

other state and local agencies, and it is time that we offer the same, proven instrument for small and medium-sized projects.”

- 2) **Background.** A JOC is a competitively bid, fixed price, indefinite quantity contract for the performance of minor construction, as well as the renovation, alteration, painting and repair of existing public facilities. A JOC is generally a multi-year contract that includes a base year and multiple “option years,” and is awarded before the awarding agency has identified specific work that it needs the contractor to perform. A typical JOC involves a variety of tasks such as roofing, electrical work, plumbing and painting, that are required for all of a public agency’s buildings for a period of years.

A JOC is a fixed price agreement in that it is based upon specified charges contained in a Unit Price Book (UPB), which is prepared by the public agency or by independent commercial sources. The UPB sets forth detailed repair and construction tasks, including task descriptions, specifications, units of measurement, and unit prices for each task (“Unit Price” means the amount paid for a single unit of an item of work). A contractor’s bid is expressed in terms of a percentage of the specified UPB charges. The UPB is then used to determine the costs of each proposed project during the term of the contract. As an example, if a procuring agency’s per unit catalog price for an HVAC installation is \$1,000, and a contractor submits a bid to do that work with an adjustment factor of 1.13, the contractor is agreeing to install the HVAC for \$1,130.

The total JOC value may be specified as a range with a certain guaranteed minimum. The award of annual contracts on a unit price basis enables what would otherwise be multiple separately-bid projects to be combined into one bid. This contracting method 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 construction. JOC are typically used for well-defined, recurring or repetitive work where quick execution is essential, not for single larger projects.

The Legislature has authorized multiple agencies to use JOC, some state and some local, including counties, school districts, community college districts, the California State University system, and Caltrans. California counties have enjoyed the authority to use JOC since 1983. Counties may award annual JOCs of up to \$3 million, adjusted annually to reflect the California CPI, to the lowest responsible bidder or using best value (for specified counties).

Additionally, as part of the 2021-2022 state budget, the Legislature authorized Caltrans to use JOC, but the authority was limited to the new Clean California Beautification Program. In 2023, as part of the Governor’s Infrastructure package Caltrans’ authority was expanded. SB 146 (Gonzalez), Chapter 58, Statutes of 2023, authorized Caltrans to use JOCs, through 2033, for general highway and traffic maintenance. The Legislature approved JOC authority for some regional transportation agencies including the Santa Clara Valley Transportation Authority and the Los Angeles County Metropolitan Transportation Authority (LA Metro).

- 3) **SB 272 of 2025.** The Legislature approved the most recent JOC authorization just last year via SB 2472 (Becker), Chapter 310, Statutes of 2025, which authorized the San Mateo

County Transit District (SamTrans) to enter into JOCs on a competitive basis for repair, remodeling, or other repetitive work according to unit prices.

SB 272 contained a number of specific and detailed parameters within which SamTrans was authorized to enter into JOCs. The bill:

- a) Prohibited JOCs from being awarded for any new construction.
 - b) Limited the maximum total dollar amount that may be awarded under a single JOC to \$5 million in the initial contract term and specified that no single job order may exceed \$1 million.
 - c) Specified that JOCs may be executed for an initial contract term of no more than 12 months and may be extended or renewed for two subsequent annual terms totaling a maximum of \$10 million.
 - d) Prohibited SamTrans from contracting for work that is protected by applicable collective bargaining agreements, required all JOCs to comply with all SamTrans collective bargaining agreements, and required JOCs to be subject to a PLA between SamTrans and the San Mateo Building Trades Council, as specified.
 - e) Required specified subcontracting practices, the payment of prevailing wages, and mechanisms for ensuring labor compliance consistent with existing law, as specified.
 - f) Outlined the process for SamTrans to follow in soliciting and awarding JOCs, including the ability to award job orders of \$250,000 or less to Small Business Enterprise (SBE) or Disabled Veterans Business Enterprise (DVBE) contractors.
 - g) Required SamTrans to submit to the appropriate policy and fiscal committees of the Legislature, on or before January 1, 2030, a report on its use of job order contracting, as specified.
 - h) Provided a sunset date of January 1, 2032.
- 4) **Bill Summary.** This bill allows, notwithstanding any other law, a city council to award individual annual JOCs, none of which shall exceed \$500,000, as adjusted annually to reflect the percentage change in the California CPI, for repair, remodeling, or other repetitive work to be done according to unit prices. This bill:
- a) Prohibits annual contracts from being awarded for any new construction.
 - b) Requires contracts to be awarded to the lowest responsible bidder and to be based on plans and specifications for typical work.
 - c) Authorizes delegated authority to the city manager, public works director, or other city official for job orders of \$150,000 or less, or changes to job orders that do not exceed 10% of the amount of the original job order or \$150,000, whichever is less. The aggregate total amount of these changes may not exceed 25% of the amount of the

original job order. This delegated authority shall include detailed procedures governing the city official in the exercise of that authority.

- d) Provides that this bill shall not be construed to remove the city's requirement to follow the applicable provisions of the Public Contract Code as it relates to the advertising of public works projects and the award of public works contracts.
- e) Provides that an annual JOC shall not be used to lay off, reduce the hours of, or involuntarily transfer any permanent city employee.
- f) Requires an entity awarded an annual JOC to provide an enforceable commitment that the entity and its subcontractors will use a skilled and trained workforce, as specified.
- g) Requires a city to submit a report with specified contents to the Legislature on the use of job order contracting by January 1, 2031.
- h) Specifies that a city that has elected to be subject to the UPCCAA may award job order contracts as provided in this bill.

This bill is sponsored by the City of Belmont.

5) **Policy Considerations.** The Committee may wish to consider the following:

- a) **Consistency with Recent JOC Authorization.** While this bill contains some of the details and parameters that were included in SB 272, some of these details are missing from this bill. These include:
 - i) The process for soliciting and awarding JOCs, including (among other things) allowing cities to award JOCs to qualified and responsive bidders based on pre-established criteria determined by the city.
 - ii) Specifications regarding contract renewals and a prohibition against splitting work for smaller job orders for the purpose of evading the cost limits in this bill.
 - iii) Provisions requiring compliance with the Subletting and Subcontracting Fair Practices Act and other subcontracting practices.
 - iv) Provisions governing the payment of prevailing wages pursuant to specified existing law, including ensuring compliance with these provisions.
 - v) Provisions to prevent fraud, waste and abuse through the preparation of independent cost estimates.
 - vi) A sunset date to provide automatic Legislative review of this new authorization for cities throughout the state.

The Committee may wish to consider if additional details and parameters should be included in this bill.

- b) **Caps for JOCs and Job Orders.** The Gordian Group, which provides services to assist public agencies in efficiently running their JOC programs, writes in a “support, if amended” position, “Our sole concern with AB 2033 is that the caps proposed for JOC contracts, and individual job orders under them, are too low to achieve the efficiencies that guarantee cost savings and reduced project delivery time. When Gordian helps a public agency develop a new JOC program, Gordian does so at no charge to the public agency client. Gordian invests resources to develop a custom construction task catalog that is tailored to the local labor and material costs. Gordian only gets paid if and when the public agency uses JOC, as Gordian receives a percentage of the value of each Job Order.

“With current caps in the bill (\$500,000 per contract, and only \$150,000 per job order), Gordian could not justify the up-front expense of setting up a JOC program for an individual city, because at those low amounts, Gordian would never be able to cover its costs, let alone make a profit. As a result, Gordian would likely not be able to submit a bid to provide JOC services to any city in California that might otherwise benefit from AB 2033. Furthermore, the burden of procuring JOC services would likely not be worth the effort for the vast majority of cities, who would only be able to utilize their JOC program for a very limited number of projects a year and would create an undue burden to utilize a program built on efficiencies. Additional local controls could be added in if desired, but considerations should be made for the utilization of this program by entities of all sizes.”

The Committee may wish to consider if the caps in this bill should be increased to provide a JOC authorization that will be more useful to cities.

- c) **Delegated Authority.** This bill allows a city council to delegate its authority over the use of JOC to a city manager, public works director, or other city official. While this language does require detailed procedures governing the city official in the exercise of this authority, it does not include any requirement to report back to the city council after the delegated official exercise this authority.

The Committee may wish to consider if a requirement to report to the city council should be added to this bill.

- 6) **Committee Amendments.** The Committee may wish to adopt the following amendments to address the policy considerations noted above:

- a) Add language, consistent with the provisions of AB 272, to:
- i) Specify the process for soliciting and awarding JOCs.
 - ii) Add requirements for contract renewals and prohibit the splitting of work for smaller job orders for the purpose of evading the cost limits in this bill.
 - iii) Add requirements for complying with the Subletting and Subcontracting Fair Practices Act and other subcontracting practices.

- iv) Add provisions governing the payment of prevailing wages and ensuring compliance with these provisions.
 - v) Add provisions to prevent fraud, waste and abuse through the comparison of cost estimates with unit prices before a job order is issued.
 - vi) Add a sunset date of January 1, 2032.
- b) Set higher caps at \$3 million for annual JOCs, and at \$750,000 for individual job orders.
- c) Require, if a person with authority delegated pursuant to this bill undertakes any action authorized by this bill, that person to report those actions to the city council at a regular meeting at least quarterly.
- 7) **Related Legislation.** AB 1809 (Fong) extends and modifies JOC authority for school and community college districts (CCDs), establishes contract duration limits, and updates project and cost oversight provisions. AB 1809 is pending in the Appropriations Committee.

SB 983 (Weber Pierson) authorizes the use of JOC for the San Diego Unified Port District until January 1, 2037. SB 983 is pending in the Senate Local Government Committee.

SB 1055 (Laird) authorizes the Pajaro Regional Flood Management Agency to use specified procurement methods and processes (including JOC, among others) for flood projects. SB 1055 is pending in the Senate Appropriations Committee.

- 8) **Previous Legislation.** AB 499 (Luz Rivas), Chapter 87, Statutes of 2023, authorized LA Metro to enter into job order contracts JOCs.

SB 146 (Gonzalez), Chapter 58, Statutes of 2023, expanded Caltrans authorization to use JOCs, through 2033, for general highway and traffic maintenance.

AB 2039 (Luz Rivas) of 2022 was nearly identical to AB 499. AB 2039 was held in the Senate Transportation Committee.

AB 2763 (Kalra), Chapter 803, Statutes of 2022, authorized the Santa Clara Valley Transportation Authority to enter into JOCs.

SB 1366 (McGuire) of 2022 would have authorized DGS to engage in job order contracting for certain public works projects, until July 1, 2027. SB 1366 was held on the Senate Floor.

AB 149 (Committee on Budget), Chapter 81, Statutes of 2021, among other things, authorized Caltrans to utilize job order contracting for the Clean California Beautification Program of 2021, as specified.

AB 846 (Low), Chapter 303, Statutes of 2021, extended the existing authority for school and community college districts to administer job order contracting, until January 1, 2027.

AB 618 (Low), Chapter 296, Statutes of 2017, authorized community college districts to enter into JOCs, until January 1, 2022.

SB 793 (Hill), Chapter 627, Statutes of 2017, allowed specified counties to use the best value construction contracting method to award JOCs for up to \$3 million, adjusted for inflation.

AB 1431 (Gomez), Chapter 753, Statutes of 2015, authorized school districts to utilize job order contracting.

SB 744 (Hughes), Chapter 431, Statutes of 1997, increased the annual maximum contract amount that counties may award for county JOCs from \$1 million to \$3 million.

AB 680 (La Follette), Chapter 164, Statutes of 1983, authorized counties to award annual JOCs of up to \$1 million.

- 9) **Arguments in Support.** The City of Belmont, sponsor of this measure, writes, “Under current law, General Law cities like Belmont are often forced into a ‘one-size-fits-all’ procurement model. Even for standardized, modest-scale work, we must undergo months of design, advertisement, and formal bidding. This rigidity leads to a ‘no-bid’ cycle for small projects that do not attract large contractors, resulting in significant delays and inflation-driven cost increases...

“Belmont’s recent experiences highlight the urgent need for AB 2033. This authority addresses specific, documented challenges we have experienced delivering routine facility and infrastructure projects under the traditional design-bid-award process. Over the past several years, Belmont has encountered significant delays and cost escalation on projects that were modest in size but required full formal bidding procedures. For example:

- **Sustainability Goals:** Preparation for EV charging sites, including ADA compliance, sat for three years after receiving zero bids, ultimately costing 30–40% more than originally budgeted. The site preparation, including required ADA modifications, received no bids under the initial solicitation and experienced a three-year delay. The project ultimately saw an estimated 30–40 percent cost increase due to re-procurement and inflation.
- **Public Safety Infrastructure:** Security fencing and gate installation at a fire station—a critical County hazardous materials site—was delayed two years, seeing a 40% cost increase due to procurement hurdles.
- **Routine Project Delivery:** City Hall interior rehabilitation work has experienced cost escalation of approximately 30 percent on completed components due to procurement inefficiencies and delay, and simple restroom renovations and ADA improvements have been delayed nearly one year.
- **Emergency & Urgent Work Responsiveness:** During a recent water intrusion emergency, the lack of pre-established unit pricing forced an urgent negotiation that we estimate carried a 30 to 40% premium.

“These are not large-scale capital expansion projects. They are routine, necessary facility improvements that already require competitive bidding and licensed contractors under public works law. However, the current procurement structure often requires months of design preparation, advertisement, bidding, and award – even for standardized work. As a result, Belmont has also experienced substantial administrative burden on limited Public Works

staff, repeated bid cycles when projects receive no bids, and delay-driven cost escalation due to inflation...

“AB 2033 is a common-sense reform that empowers local governments to be better stewards of taxpayer dollars. It reduces administrative burdens, mitigates inflation risks, and ensures that essential public facilities are maintained without unnecessary bureaucratic delay.”

10) **Arguments in Opposition.** The American Federation of State, County and Municipal Employees, AFL-CIO (AFSCME), in an “oppose, unless amended” position, writes, “While the bill has been recently amended, those changes fail to address our core concerns. As drafted, AB 2033 continues to authorize the expanded use of Job Order Contracting (JOC) for ‘repair, remodeling, or other repetitive work’ – a broad and undefined category that overlaps directly with work traditionally and historically performed by represented city employees.

“Although the bill includes anti-displacement language prohibiting layoffs, reductions in hours, or involuntary transfers, this provision is insufficient. JOC allows cities to divert work away from the bargaining unit without triggering these protections, resulting in the gradual erosion of public sector jobs through attrition, reduced hiring, and diminished overtime opportunities. In effect, the bill still facilitates ‘outsourcing by design,’ even if not by immediate displacement.

“Additionally, the bill continues to lack any meaningful transparency or accountability mechanisms related to the Unit Price Catalog and the scope of work that may be assigned under these contracts. Without advance notice or the ability for recognized employee organizations to review and challenge whether proposed work falls within their scope of representation, the statutory meet-and-confer rights guaranteed under the Meyers-Milias-Brown Act are rendered practically impossible to exercise.

“AFSCME must also note for the Committee that, despite our early engagement and clearly articulated concerns, the author’s office has not engaged in meaningful or good-faith negotiations to address these issues. We have consistently offered reasonable, workable amendments to preserve public sector work and uphold collective bargaining rights, yet those proposals have not been substantively considered or incorporated into the bill.

“To resolve our opposition, we continue to urge the inclusion of amendments that would:

- Prohibit the use of JOC for work within the scope of representation of a recognized employee organization or for existing, budgeted classifications;
- Require advance notice and full disclosure of the Unit Price Catalog to affected unions prior to solicitation; and
- Provide a mechanism for employee organizations to identify and exclude bargaining unit work from JOC contracts.

“Without these safeguards, AB 2033 creates a structural loophole that undermines transparency, weakens collective bargaining, and incentivizes the outsourcing of stable, middle-class public sector jobs.”

REGISTERED SUPPORT / OPPOSITION:

Support

City of Belmont [SPONSOR]
California Chapters of the American Public Works Association
City of Foster City
League of California Cities
The Gordian Group (if amended)

Opposition

American Federation of State, County and Municipal Employees, AFL-CIO (unless amended)

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