
SENATE COMMITTEE ON LOCAL GOVERNMENT

Senator María Elena Durazo, Chair

2025 - 2026 Regular

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Consultant: Vargas

LOCAL AGENCY PUBLIC CONSTRUCTION ACT: JOB ORDER CONTRACTING: CITIES

Authorizes general law cities to use the Job Order Contracting procurement method.

Background

Contracting. The Local Agency Public Construction Act generally requires local agencies to invite bids for construction projects and award contracts to the lowest responsible bidder. Local agencies typically use the traditional design-bid-build method for constructing public works. This approach splits construction projects into two distinct phases: design and construction. During the design phase, the local agency prepares detailed project plans and specifications using its own employees or by hiring outside architects and engineers. Once project designs are complete, local agencies invite bids from the construction community and award the contract to the lowest responsible bidder. Over the last couple of decades, legislators have gradually expanded local agencies' authority to procure construction projects using various alternatives to the design-bid-build project delivery method.

Job order contracts (JOC). 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. Instead of bidding each project separately, the agency awards a JOC that identifies specific tasks and covers a range of recurring work, such as roofing, electrical work, plumbing, and painting, across facilities it owns.

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). This contracting method is intended to reduce costs and accelerate completion of smaller 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 had the authority to use JOC since 1983.

City of Belmont. California cities fall into one of two types: general law or charter cities. Unlike charter cities, general law cities must follow all general, statewide laws, including procurement authorities. The City of Belmont located in the County of San Mateo, is a general

law city along with 362 other general law cities. Belmont reports it undergoes months of design, advertisement, and formal bidding. Sometimes this leads to a no bid cycle for small projects that do not attract large contractors, resulting in significant delays and inflation-driven cost increases.

The City of Belmont wants the Legislature to allow general law cities to use JOC to ensure faster procurement practices for repair and repetitive work.

Proposed Law

Assembly Bill 2033 allows, until January 1, 2032, cities to use JOC procurement authority. To use this authority, a city must follow that:

- Job order contracts must be competitively bid and awarded to bidders providing qualified responsive bids;
- Job order contracts must be for repair, remodeling, or other repetitive work to be done according to unit prices; and
- Annual contracts shall not be awarded for any new construction.

Solicitations for a JOC must comply with the following requirements:

- The city must prepare a set of solicitation documents for job order contracts. Documents must include a unit price catalog or other established unit prices; and
- An architect, engineer, consultant, or contractor retained by the city to assist in the development of the JOC solicitation documents must not be eligible to bid or participate in the preparation of the JOC bid.

The city may award multiple JOCs in response to a single JOC solicitation. The city must also develop a system for evaluating and awarding JOC bids. To award a contract:

- The city must prepare a request for bids for JOC based on the solicitation documents and request sealed bids;
- Each bidder must include in its bid one or more adjustment factors to the established unit prices;
- Each bidder must agree to identify any subcontractors to be used; and
- The district must award the JOC, if any, to a bidder that the district determines is qualified and responsive.

The maximum total amount that the city may award under a single JOC must not exceed \$3 million in the initial contract term, and any single job order must not exceed \$750,000. The initial contract term is to be no more than 12 months, and the city may extend or renew the contract for two subsequent annual terms with a maximum of \$6 million over the subsequent terms of the contract. AB 2033 does not allow for work to be split or separated into smaller job orders for the purpose of evading the cost limits the bill establishes. The city may adjust bid limits annually to reflect the percentage change in the California Consumer Price Index.

AB 2033 requires no work under JOC to be performed except by order of the city council. A city council may, by ordinance, authorize the city manager, public works director or other city official, to perform any or all acts permitted or required of the city council, including the

authority to adopt and advertise plans and specifications, award job order contracts, or order the change or alteration of job order contracts with respect to the following:

- Individual job orders which do not exceed \$150,000;
- 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; and
- The aggregate total amount of the changes or alterations to an original job order must not exceed 25% of the amount of the original job order.

Any authorization to a city official must include detailed procedures to exercise the authority. If a person with delegated authority undertakes any action, that person must report actions taken to the city council, during a regular meeting, at least once every 90 days, or more frequently at the discretion of the city council.

AB 2033 states that a contractor awarded an annual job order contract must provide an enforceable commitment to the city that the contractor and its subcontractors at every tier will use a skilled and trained workforce to perform all work on the job order contract that falls within an apprenticeable occupation in the building and construction trades. However, the contractor is exempt from the commitment if the job order contract is subject to a project labor agreement that will bind all contractors and subcontractors performing work on the job order contract to use a skilled and trained workforce to perform the job order contract.

AB 2033 specifies that if a job order contractor chooses to use a subcontractor, the job order contractor needs to verify that the subcontractor possesses and maintains the appropriate licenses and credentials required. If the city, after conducting an administrative due process review, determines that there has been a violation of the Subletting and Subcontracting Fair Practices Act, including, but not limited to, bid shopping by the job order contractor, the city may terminate the job order contract, declare the contractor ineligible for future job order contracts for a period of time to be determined by city, or withdraw authorization for the contractor to proceed with awarded work.

AB 2033 specifies that prevailing wage requirements apply to all work ordered under the JOC and requires the contract to specify who is responsible for ensuring compliance with the requirements of prevailing wages on public works projects. The city must also designate one individual to act as a monitor to inspect job sites for labor compliance violations at the request of the designated labor representative in its PLA.

In order to prevent fraud, waste, and abuse, the city must compare the contractor's cost estimate for each individual job order developed under a JOC. If the city finds the job order contractor's estimate to perform work for a given job order to be unreasonable, not cost effective, or undesirable, the city may elect not to issue the job order to the job order contractor and instead use any other available procurement procedures.

An annual job order contract must not be used for any of the following:

- To lay off, reduce the hours of, or involuntarily transfer any permanent employee, as defined in the city's applicable memorandum of understanding or civil service rules;

- To perform work that, at the time the job order is issued, is the subject of an active, written work order assigned to city employee management system; and
- To substitute for a position classification that is both currently funded in the city's adopted budget and occupied by a permanent employee as defined in the city's applicable memorandum of understanding or civil service rules, at the time the job order contract is awarded.

Lastly, AB 2033 requires the city that elects to use JOC to submit to the appropriate policy and fiscal committees of the Legislature, on or before January 1, 2030, a report on the use of JOC. The report must include:

- 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;
- A description of each JOC the city awarded, and the contractor awarded the contract; and
- An assessment of the use of job order contracting under this bill.

Comments

1. Purpose of the bill. 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. Protect me. 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. The authorities are relatively the same and similar in scope. California counties have had the authority to use JOC since 1983. Each of these statutory authorities, the local agencies have include protections for workers by requiring JOC be applied through project labor agreements. While AB 2033 includes important labor standards, including prevailing wage and skilled and trained workforce requirements, the bill does not include labor protections that are included in other JOC authorities. PLAs provide a comprehensive framework for resolving disputes, promoting apprenticeship, and workforce development opportunities while maintaining strong labor compliance. Preserving and administering project

labor agreements helps ensure that public projects are completed efficiently, safely, and with a highly skilled workforce. The Committee may wish to consider whether additional language is needed to ensure contractors are protected under project labor agreements.

3. I'm here! Existing memorandum of understanding or civil service rules often require public agencies to provide advance notice to recognized employee organizations before contracting out work that is traditionally performed by public employees. AB 2033 expands the authority of cities to use JOC for a broader range of public works projects, employee organizations have expressed concern that work historically performed by the public workforce could instead be contracted to outside entities without adequate notice or an opportunity to engage with the public agency. Currently, the bill does not establish a notification requirement for recognized employee organizations prior to awarding a JOC. The Committee may wish to consider adding a requirement to notice to an affected employee organizations before a public agency awards, renews or extends a JOC provides an opportunity to address potential workforce impacts before contracts are signed.

Assembly Actions

Assembly Local Government Committee:	8-0
Assembly Floor:	69-1

Support and Opposition (6/26/26)

Support: City of Belmont (Sponsor)
 California Chapters of the American Public Works Association
 City of Corona
 City of Foster City
 City of Rancho Cucamonga
 League of California Cities
 Marin County Council of Mayors and Councilmembers
 The Gordian Group

Opposition: Associated General Contractors, California Chapters
 California State Council of Laborers
 Construction Industry Force Account Council
 District Council of Iron Workers of the State of California and Vicinity
 International Union of Operating Engineers
 State Building and Construction Trades Council

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