

Date of Hearing: July 1, 2026

ASSEMBLY COMMITTEE ON APPROPRIATIONS

Buffy Wicks, Chair

SB 1055 (Laird) – As Amended June 23, 2026

Policy Committee: Local Government

Vote: 8 - 0

Urgency: No

State Mandated Local Program: Yes

Reimbursable: No

SUMMARY:

This bill authorizes the Pajaro Regional Flood Management Agency (PRFMA) to use specified alternative project delivery methods for flood management projects.

Specifically, this bill:

- 1) Allows, until January 1, 2035, and upon approval by its governing body, PRFMA to use any of the following alternative project delivery methods, in addition to contracting methods allowed under existing law:
 - a) Award to the lowest bidder.
 - b) Progressive design-build contracting, as provided in existing law authorizing the use of progressive design-build by local agencies.
 - c) Construction manager-at-risk (CMAR) contracting, as provided in existing law authorizing the use of CMAR by counties.
 - d) Design-build contracting, following the procedures described in existing law authorizing the use of design-build by local agencies.
 - e) Construction manager/general contractor (CM/GC) contracting, following the procedures described in existing law authorizing the use of CM/GC by the Metropolitan Water District of Southern California.
 - f) Best value procurement contracting, following the procedures described in existing law authorizing the use of best value by counties.
 - g) Job order contracting.
- 2) Requires, if the governing body approves the use of job order contracting, PRFMA to, among other items, follow prescribed procedures regarding bidding and the evaluation and awarding of contracts, pay prevailing wage, enter into a project labor agreement, as specified, and submit a report to the Legislature by January 1, 2030, as prescribed.
- 3) Requires PRFMA to award a contract pursuant to this bill on a best value basis or to the lowest responsible bidder.

FISCAL EFFECT:

No state costs.

COMMENTS:1) **Purpose.** According to the author:

[This bill] continues a legacy of legislative work crafted to support the Pajaro River levee, a vital piece of infrastructure in my district. The flood in March of 2023, which led to a levee breach of over 400 ft. and forced thousands of residents to evacuate, was a stark reminder that the need for flood protection is immediate, and we must act quickly. [This bill] authorizes PRFMA to utilize four additional methods of alternative labor procurement. With this increased access, PRFMA can choose the contracting method that best serves their current needs and complete projects in a more timely and cost-saving manner.

This bill is sponsored by PRFMA and is supported by the Association of California Water Agencies, the City of Watsonville, the County of Monterey, the County of Monterey Farm Bureau, the Nature Conservancy, and others.

2) **Background. *Project Delivery Methods.*** The Local Agency Public Construction Act generally requires local agencies use the traditional design-bid-build method for constructing public works. Under this process, a public agency fully completes the design of a project prior to awarding a construction contract and must award the contract to the “lowest responsible bidder.” This process is to ensure the project is built for the lowest possible cost. However, critics of the traditional design-bid-build method claim this method can be inefficient and costly, delaying the implementation of urgently needed projects.

Existing law authorizes various state and local entities to use certain project delivery methods, including, among others, design-build, progressive design-build, and CM/GC, as alternatives to the traditional design-bid-build method for certain projects.

PRFMA. The PRFMA is a joint powers authority (JPA) formed in 2021 between the County of Santa Cruz, Santa Cruz County Flood Control and Water Conservation District—Zone 7 (District), the County of Monterey, the Monterey County Water Resources Agency (MCWRA), and the City of Watsonville. PRFMA plans, finances, and implements projects and programs to reduce flood risk from the lower Pajaro River and its tributaries in Santa Cruz and Monterey counties.

The existing and proposed Pajaro River Project is a \$400 million effort to improve flood protection in the region, including providing 100-year flood protection to the City of Watsonville and the community of Pajaro. By widening the river’s floodplain, the Project will also provide significant environmental benefits as habitat is restored for native species and new outdoor recreation opportunities are created.

The Joint Exercise of Powers Act allows two or more public agencies to use powers they share if they sign a joint powers agreement. PRFMA reports that, while its member agencies

share certain procurement authorities, such as progressive design-build and CMAR, they do not uniformly share other contracting methods, including design-build and CM/GC.

According to PRFMA, this lack of consistency creates administrative and legal challenges in initiating and delivering the Pajaro River Project. This bill addresses the lack of consistency by authorizing PRFMA to use additional project contracting methods, which PRFMA asserts will allow it to more efficiently deliver its projects and project-related services.

- 3) **Opposition.** This bill is opposed by the Western Electrical Contractors Association and the Associated General Contractors, California Chapters, which argue:

These delivery methods are paired with additional workforce mandates or cross references to statutes that may trigger skilled and trained Workforce (STW) requirements. Layering workforce quotas on top of alternative delivery can significantly restrict competition, increase project costs, and undermine the very efficiencies these tools are intended to provide.

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