
SENATE COMMITTEE ON EDUCATION

Senator Sasha Renée Pérez, Chair

2025 - 2026 Regular

Bill No: SB 1154 **Hearing Date:** April 8, 2026
Author: Reyes
Version: February 18, 2026
Urgency: No **Fiscal:** No
Consultant: Ian Johnson

Subject: Public contracts: best value procurement: community college districts.

SUMMARY

This bill authorizes community college districts to use the best value procurement method for public works projects over \$1 million until December 31, 2030, establishes related procedural requirements, and requires participating districts to submit a report to the Legislature by January 1, 2030.

BACKGROUND

Existing law:

- 1) Requires school districts and community college districts to competitively bid contracts for equipment, materials, or supplies exceeding \$50,000 and award to the lowest responsible bidder, or reject all bids.
- 2) Authorizes school districts, until December 31, 2030, to use the best value procurement method for public works projects exceeding \$1 million.
- 3) Permanently authorizes the Los Angeles Unified School District (LAUSD) to use best value procurement.
- 4) Requires school districts using best value procurement under the statewide pilot to submit a report to the Legislature by January 1, 2030.
- 5) Allows other public entities, including the University of California (UC), to use best value procurement methods.

ANALYSIS

This bill:

- 1) Authorizes the governing board of a community college district to use the best value procurement method for public works projects exceeding \$1 million until December 31, 2030.
- 2) Requires community college districts using this method to adopt and publish procedures and guidelines for evaluating bidder qualifications that ensure a fair and impartial process.

- 3) Requires contracts to be awarded to the bidder representing the best value, or else all bids must be rejected.
- 4) Establishes procedural requirements for bid solicitations, evaluation criteria, and selection processes consistent with existing best value statutes applicable to school districts.
- 5) Requires community college districts using best value procurement to submit a report to the appropriate policy and fiscal committees of the Legislature on or before January 1, 2030.
- 6) Repeals these provisions on January 1, 2031.

STAFF COMMENTS

- 1) ***Need for the bill.*** According to the author, “California’s Community College Districts play a critical role in preparing our workforce, supporting economic mobility, and serving millions of students across the state. The quality, safety, and functionality of campus facilities directly impact student learning, program access, and overall student success. Unfortunately, when it comes to delivering major construction projects, community colleges are held to a procurement standard that limits their ability to select contractors based on overall quality and long-term value.

SB 1154 addresses this issue by allowing community college districts to use a best value procurement method for public works projects exceeding one million dollars, allowing contracts to be awarded based on a combination of price and objective qualitative criteria, not simply the lowest bid. This grants them with same flexibility already provided to K–12 school districts, the University of California, and the California State University.

Best value procurement helps ensure that projects are completed on time, built to high standards, and designed to support long-term functionality. By allowing districts to evaluate contractor experience, safety records, technical expertise, and life-cycle costs, SB 1154 promotes durable, high-quality facilities that enhance learning environments and support innovative instruction. These projects are essential to preparing students for transfer, career pathways, and participation in California’s evolving workforce and will ensure we are setting up our infrastructure for their long-term success.”

- 2) ***Aligning K–14 procurement authority.*** With the enactment of AB 361 (Schultz, Chapter 144, Statutes of 2025), school districts now have statewide authority, on a pilot basis, to use best value procurement, while LAUSD has permanent authority. Community college districts remain outside this framework despite managing significant capital outlay programs. This bill brings community college districts into alignment with the K-12 system, creating a more consistent procurement structure across publicly funded education segments.

- 3) **Revisiting the “lowest responsible bidder” model.** California’s traditional procurement model emphasizes awarding contracts based on the lowest responsible bid. While straightforward, this approach can undervalue contractor experience, safety records, and demonstrated ability to deliver projects on time and within budget. Best value procurement reflects a broader definition of value that incorporates qualitative factors alongside cost. This bill extends that policy shift to community college districts, raising similar questions considered in prior legislation: whether upfront cost savings should continue to outweigh long-term project performance.
- 4) **Evidence from K-12 and higher education entities.** The Legislature has already authorized best value procurement for several entities, including LAUSD and the UC. Evaluations of LAUSD’s use of best value procurement have found reductions in change orders, project delays, and claims. These findings suggest that incorporating non-cost factors into procurement decisions can produce more predictable project outcomes. Extending this authority to community college districts allows the state to test whether these benefits translate to a different segment of the education system with its own governance structures and project delivery needs.
- 5) **Guardrails and accountability.** Consistent with the K-12 pilot, this bill includes procedural safeguards to promote fairness and transparency, including requirements for published evaluation criteria and formal bid processes. It also requires community college districts to report to the Legislature on their use of best value procurement by January 1, 2030. These reporting requirements will provide important data to assess whether the method improves project delivery and cost outcomes in the community college context.
- 6) **A parallel pilot structure.** By aligning the sunset date (January 1, 2031) and reporting deadline (January 1, 2030) with the K-12 best value pilot, this bill creates an opportunity for the Legislature to evaluate procurement outcomes across both systems simultaneously. This parallel structure may support a more comprehensive statewide assessment of best value procurement and inform future decisions about whether to expand, modify, or make permanent these authorities.
- 7) **Capacity and implementation considerations.** Best value procurement requires more administrative capacity than traditional low-bid contracting, including the ability to design evaluation criteria, review qualifications, and conduct structured scoring processes. While some community college districts, particularly larger ones, may be well-positioned to implement these requirements, smaller districts may face challenges. As with the K-12 pilot, the effectiveness of this authority may depend in part on local capacity and the availability of technical assistance or model procurement frameworks.

SUPPORT

San Bernardino Community College District (sponsor)

OPPOSITION

Associated General Contractors, California Chapters

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