

SENATE THIRD READING
SB 272 (Becker)
As Amended August 20, 2025
Majority vote

SUMMARY

Authorizes the San Mateo County Transit District (SamTrans) to enter into job order contracts (JOCs).

Major Provisions

- 1) Authorizes SamTrans to use the procurement method outlined in this bill for a *JOC*.
- 2) Prohibits SamTrans from contracting for work that is protected by applicable collective bargaining agreements and requires all JOCs to comply with all SamTrans collective bargaining agreements.
- 3) Requires JOCs to be competitively bid and awarded to bidders providing qualified responsive bids, and to be for construction that is repetitive, for repair or remodeling, to be done according to unit prices.
- 4) Prohibits JOC annual contracts from being awarded for new construction.
- 5) Requires JOCs to be subject to the project labor agreement (PLA) between SamTrans and the San Mateo Building Trades Council or an amendment or extension of that agreement.
- 6) Specifies the solicitation and award process for JOCs and requires SamTrans to develop a system for evaluating JOC bids.
- 7) Provides that the maximum total dollar amount that may be awarded under a single JOC shall not exceed \$5 million dollars in the initial contract term of the JOC, and that no single job order may exceed \$1 million.
- 8) Provides that JOCs may be executed for a contract term of no more than 12 months and may be extended or renewed for two subsequent annual terms and a maximum of \$10 million over the subsequent two terms of the contract.
- 9) Prohibits work from being split or separated into smaller job orders for the purpose of evading the cost limitation provisions of this bill, and authorizes SamTrans to adjust the amounts in the bill to the California Consumer Price Index (CPI).
- 10) Includes provisions related to prevailing wages, compliance with labor laws, and the prevention of fraud, waste and abuse, as specified.
- 11) Requires SamTrans to submit to the appropriate policy and fiscal committees of the Legislature, on or before January 1, 2030, a report on the use of job order contracting under this bill, and specifies the contents of that report.
- 12) Provides a sunset date of January 1, 2032.

COMMENTS

- 1) *Background.* SamTrans operates 76 bus routes throughout San Mateo County and into parts of San Francisco and Palo Alto. It began operating bus service in 1976 after consolidating 11 municipal transit services in the county into a coordinated network. In mid-1977, SamTrans inaugurated its mainline service from Palo Alto to San Francisco, previously operated by Greyhound.

Also in 1977, SamTrans initiated service for persons with mobility impairments through its Redi-Wheels program more than a decade before the passage of the Americans with Disabilities Act. The service, provided by Redi-Wheels on the bayside and RediCoast on the coastside, regularly provides more than 1,000 trips in a day. SamTrans also serves as the administrative body for Caltrain commuter rail and the San Mateo County Transportation Authority, who have contracted with SamTrans to serve as their managing agency, under the direction of their appointed boards.

- 2) *Job Order Contracting.* 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 Consumer Price Index, 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. Finally, the Legislature approved JOC authority for some regional transportation agencies including the Santa Clara Valley Transportation Authority and, most recently, for the Los Angeles County Metropolitan Transportation Authority (LA Metro).

According to the Author

SB 272 provides the San Mateo County Transit District (SamTrans) with a proven, cost-effective procurement tool Job Order Contracting (JOC) to expedite small maintenance and repair projects while maintaining full compliance with public contracting laws. Other transit agencies, including LA Metro and VTA, already use JOC to streamline project delivery, reduce administrative burdens, and save taxpayer dollars. By authorizing a pilot program for SamTrans, this bill ensures that critical transit infrastructure can be maintained efficiently, improving service reliability and rider experience.

Arguments in Support

SamTrans, sponsor of this bill, writes, "SamTrans is pleased to SPONSOR this important piece of legislation, which would authorize our agency to use Job Order Contracting (JOC), subject to the same standards applicable to other local transportation agencies using JOC and modeled after the authority recently established in AB 499 (Rivas, 2023). JOC is a competitively solicited, fixed-price contracting method used for small maintenance and repair work. JOC results in on-call construction service contracts under which public agencies issue work orders for specific jobs at pre-determined prices. JOC contracts can result in agencies saving time and staff resources when compared to typical bidding processes, allowing projects to begin faster than under traditional procurement methods.

"SB 272 would require consultation with local building trades and all work would be subject to a project labor agreement. SamTrans will use JOC to accelerate project delivery, reduce administrative costs, and lower direct construction costs while simultaneously meeting all federal, state, and local procurement requirements. SamTrans would use JOC for jobs like painting, bus shelter repairs, concrete/asphalt repairs, fencing repair and installation, lighting repairs, etc. JOC is not generally viewed as an appropriate method of contracting for large, complex construction projects that require extensive or innovative design, or that are likely to encounter changes and revisions during construction. As transit agencies across the state look for ways to reduce costs and enhance operations, SamTrans believes the use of JOC would support its efforts in this regard."

Arguments in Opposition

None on file.

FISCAL COMMENTS

None

VOTES**SENATE FLOOR: 39-0-1**

YES: Allen, Alvarado-Gil, Archuleta, Arreguín, Ashby, Becker, Blakespear, Cabaldon, Caballero, Cervantes, Choi, Cortese, Dahle, Durazo, Gonzalez, Grayson, Grove, Hurtado, Jones, Laird, Limón, McGuire, McNerney, Menjivar, Niello, Ochoa Bogh, Padilla, Pérez, Richardson, Rubio, Seyarto, Smallwood-Cuevas, Stern, Strickland, Umberg, Valladares, Wahab, Weber Pierson, Wiener

ABS, ABST OR NV: Reyes

ASM LOCAL GOVERNMENT: 10-0-0

YES: Carrillo, Ta, Hoover, Pacheco, Ramos, Ransom, Blanca Rubio, Stefani, Haney, Wilson

UPDATED

VERSION: August 20, 2025

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