

Date of Hearing: June 3, 2026

ASSEMBLY COMMITTEE ON LOCAL GOVERNMENT

Juan Carrillo, Chair

SB 935 (Choi) – As Introduced January 29, 2026

SENATE VOTE: 38-0

SUBJECT: Local agency design-build projects: authorization

SUMMARY: Repeals the sunset date of January 1, 2031, on provisions of law authorizing local agencies to use the design-build contracting method.

EXISTING LAW:

- 1) Requires, pursuant to the Local Agency Public Construction Act (LAPC Act), local officials to invite bids for construction projects and then award contracts to the lowest responsible bidder under the traditional design-bid-build project delivery system. [Public Contract Code (PCC) 20100 – 20929]
- 2) Authorizes, until January 1, 2031, cities, counties, and specified special districts and transit agencies to use design-build for specified public works contracts in excess of \$1 million using either a low bid or best value process. (PCC 22160 – 22169)

FISCAL EFFECT: According to the Senate Appropriations Committee, pursuant to Senate Rule 28.8, negligible state costs.

COMMENTS:

- 1) **Bill Summary and Author’s Statement.** This bill repeals the sunset date of January 1, 2031, on provisions of law authorizing local agencies to use the design-build contracting method. This bill is sponsored by the Design-Build Institute of America – Western Pacific Region, the League of California Cities, the California State Association of Counties, and the Rural County Representatives of California.

According to the author, “SB 935 ensures that local agencies can continue using the design-build procurement method, which has streamlined project delivery, reduced costs, and encouraged innovation in public works for decades. By removing the existing 2031 sunset date, this bill provides long-term certainty for agencies planning critical infrastructure projects and avoids unnecessary disruptions to an effective contracting process. Extending this authority supports efficiency and accountability while maintaining existing safeguards, including certification requirements under penalty of perjury. SB 935 ultimately helps local governments deliver projects faster and more responsibly for the communities they serve.”

- 2) **Background.** California’s Legislature began granting design-build authority in the early 1990’s, and has typically done so with specified parameters, such as the duration of the authority, the types of agencies allowed to use it, the types of projects for which it can be used, cost thresholds, and specified procedures that must be followed in preparing and awarding contracts. Over the years, this resulted in a number of statutes in a variety of code sections, which created confusion for public agencies and contractors alike.

In an effort to consolidate these statutes, SB 785 (Wolk), Chapter 931, Statutes of 2014, repealed existing law authorizing the Department of General Services (DGS), the Department of Corrections and Rehabilitation (CDCR), and local agencies to use the design-build procurement process, and enacted uniform provisions authorizing DGS, CDCR, and specified local agencies to utilize the design-build procurement process for specified public works projects (with some exceptions, notably design-build authority for CalTrans). SB 785 created one set of codes for DGS and CDCR, and a separate set for specified local agencies, but with similar parameters. SB 785 contained a sunset date of January 1, 2025.

Since SB 785 was enacted, the Legislature has authorized numerous additional local agencies or types of local agencies to use SB 785 design-build authority for additional projects or types of projects. In addition, AB 400 (Blanca Rubio), Chapter 201, Statutes of 2023, extended the sunset date on SB 785 from January 1, 2025, to January 1, 2031.

- 3) **Previous Legislation.** AB 400 (Blanca Rubio), Chapter 201, Statutes of 2023, extended the sunset date, from January 1, 2025, to January 1, 2031, on provisions of law authorizing local agencies to use the design-build contracting method, and expanded the types of JPAs that may use design-build.

AB 1845 (Calderon), Chapter 275, Statutes of 2022, authorized the Metropolitan Water District of Southern California to use design-build, progressive design-build and construction manager/general contractor project delivery methods for a regional water recycling project or a drought response project.

AB 2789 (Mullin), Chapter 214, Statutes of 2022, repealed the January 1, 2023, sunset date authorizing the Midpeninsula Regional Open Space District and the Santa Clara Valley Open-Space Authority to use the design-build process for the construction of facilities or other buildings, and authorized the East Bay Regional Park District to use the design-build process for the construction of facilities or other buildings.

AB 2932 (O'Donnell), Chapter 54, Statutes of 2020, allowed the City of Long Beach to use the design-build contracting process to award contracts for curb ramps that are compliant with the Americans with Disabilities Act.

AB 851 (Caballero and Gloria), Chapter 821, Statutes of 2017, allowed the Santa Clara Valley Water District to use the design-build procurement method for specified types of projects.

AB 994 (Muratsuchi), Chapter 321, Statutes of 2017, allowed the Beach Cities Health District to use the design-build procurement method to assign contracts for the construction of facilities or other buildings in the district.

AB 1523 (Obernolte and Reyes), Chapter 154, Statutes of 2017, authorized the San Bernardino County Transportation Authority to use design-build for the construction of the Mt. Vernon Avenue Viaduct project.

SB 373 (Cannella), Chapter 391, Statutes of 2017, allowed the Stanislaus Regional Water Authority to use design-build for its Regional Surface Water Supply Project.

SB 793 (Hill), Chapter 627, Statutes of 2017, allowed the Peninsula Health Care District, the Midpeninsula Regional Open Space District, and the Santa Clara Valley Open-Space Authority to use the design-build procurement method to assign contracts for the construction of facilities or other buildings in those districts.

SB 957 (Hueso), Chapter 212, Statutes of 2016, allowed health care districts that own or operate a hospital or clinic to use the design-build procedure to construct a building or improvements directly related to the construction of a hospital or health facility building.

AB 1290 (Dahle), Chapter 34, Statutes of 2015, allowed the Mayers Memorial Hospital District to use the design-build procedure to construct a building or improvements directly related to the construction of a hospital or health facility building in the district.

SB 374 (Hueso), Chapter 715, Statutes of 2015, allowed SANDAG to use the design-build procurement process for specified development projects related to transit facilities developed or jointly developed by SANDAG.

AB 155 (Alejo), Chapter 865, Statutes of 2014, allowed the Monterey County Water Resources Agency to use design-build contracting to construct a pipeline or tunnel that will connect two reservoirs that the agency owns and operates.

SB 268 (Gaines), Chapter 18, Statutes of 2014, allowed the Last Frontier Health Care District to use the design-build process when contracting for the construction of a building and improvements directly related to a hospital or health facility building at the Modoc Medical Center.

SB 785 (Wolk), Chapter 931, Statutes of 2014, repealed existing law authorizing DGS, CDCR, and local agencies to use the design-build procurement process, and enacted uniform provisions authorizing DGS, CDCR, and specified local agencies to utilize the design-build procurement process for specified public works projects.

- 4) **Arguments in Support.** The Design-Build Institute of America – Western Pacific Region, the League of California Cities, the California State Association of Counties, and the Rural County Representatives of California, co-sponsors of this bill, write, “The (Design-Build) DB method is an approach to delivering public works projects in which both the design and construction of a project are procured from a single entity. Under design-build, the owner contracts with a single entity to both design and construct a project at a fixed price. Simultaneously, contractors are provided with more flexibility over project design, materials, and construction methods. This promotes project design and construction innovation, which can result in higher quality, as well as cost savings.

“The approach also reduces the county and local agencies’ risk and results in fewer litigation claims for all parties involved. Allowing alternative delivery methods for construction projects gives local governments the ability to make the most cost-effective and advantageous decision for a particular project.

“The DB method streamlines project delivery through a single contract between the owner and the design-build team. Thus, using the DB method for more complex projects facilitates

the completion and delivery of public works construction projects efficiently and cost effectively. SB 935 would allow local governments to continue with confidence by eliminating the sunset date on this authority.”

5) **Arguments in Opposition.** None on file.

REGISTERED SUPPORT / OPPOSITION:

Support

California State Association of Counties (CSAC) [CO-SPONSOR]
Design Build Institute of America - Western Pacific Region [CO-SPONSOR]
League of California Cities [CO-SPONSOR]
Rural County Representatives of California [CO-SPONSOR]
American Council of Engineering Companies of California
Associated Builders and Contractors of California
Association of California Cities - Orange County (ACC-OC)
California Chapters of the American Public Works Association
California Special Districts Association
City of Costa Mesa
City of Los Alamitos
City of Ventura
Desert Water Agency
El Dorado Irrigation District
Inland Empire Utilities Agency
Orange County Fire Authority
Orange County Transportation Authority
Solano County Water Agency
Water Replenishment District

Opposition

None on file

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