SENATE THIRD READING
SB 983 (Weber Pierson)
As Amended August 12, 2026
Majority vote

SUMMARY

Authorizes the San Diego Unified Port District (district) to use job order contracting.

Major Provisions

1) Allows the district to enter into job order contracts (JOC) for repair, remodeling, or other repetitive work to be done according to unit prices.

2) Excludes *district maritime and longshore operations* from this bill's job order contracting authorization.

3) Prohibits annual JOCs from being awarded for any *new construction*.

4) Provides that the district shall not contract for work that is protected by any collective bargaining agreements *or memoranda of understanding*, specifies that JOCs shall comply with all collective bargaining agreements *and memoranda of understanding*, and provides that this bill shall not expand or minimize existing and established collective bargaining agreements *or memoranda of understanding.*

5) Requires JOCs to be competitively bid and awarded to bidders providing qualified responsive bids.

6) Requires a JOC to be subject to a Project Labor Agreement (PLA) between the district and the San Diego County Building and Construction Trades Council, or an amendment or extension of that agreement.

7) Specifies the process for solicitating and awarding JOCs, caps the amount of a single JOC at $5 million and a single job order at $1 million, and allows initial contract terms of 12 months with extensions of two terms and a maximum of $10 million over those terms. These amounts may be adjusted annually to reflect changes in the California Consumer Price Index.

8) Establishes additional requirements and specifications for the district's use of job order contracting consistent with recent legislative authorizations for other local agencies to enter into JOCs.

9) Requires the district to submit a report to the Legislature on its use of job order contracting by January 1, 2035, and contains a sunset date of January 1, 2037.

COMMENTS

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 (CPI), 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. The Legislature approved JOC authority for some regional transportation agencies including the Santa Clara Valley Transportation Authority, the Los Angeles County Metropolitan Transportation Authority (LA Metro), and the San Mateo County Transit District.

According to the Author
"SB 983 authorizes the Port of San Diego to utilize job-order-contracting ("JOC") for their repair, remodeling, and repetitive work. The ability to utilize this contracting method will promote efficiency and flexibility in completing necessary maintenance projects. Currently, when maintenance is needed on the Port's property, the Port must go out for competitive bidding for each individual project. This can result in major delays and can interrupt Port operations. This bill establishes a pilot program allowing the Port of San Diego to use the JOC procurement method, and sunsets the program in January 2037."

Arguments in Support
The San Diego Unified Port District (Port), sponsor of this bill, writes, "SB 983 would allow the Port to utilize JOC which is a contracting tool that other public entities like cities and counties

have been able to utilize, but is not statutorily authorized universally for special districts such as the Port. JOC is a contracting method that saves time and money by establishing contracts with pre-qualified contractors based on advertised calculated unit prices for various maintenance categories. These contracts would enable the Port to issue work orders for a wide range of projects quickly and efficiently, in turn allowing the Port to address urgent but not emergency maintenance issues more efficiently."

"SB 983 is modeled after previous legislative efforts that granted JOC authority to special districts. SB 983 utilizes the same contract limits, labor provisions, and compliance and accountability protections that have been vetted with previous legislative efforts."

Arguments in Opposition
The Western Electrical Contractors Association (WECA), writes in opposition, "WECA does not oppose Job Order Contracting. On the contrary, JOC is a proven procurement tool that enables public agencies to efficiently deliver repairs, maintenance, modernization, and other smaller construction projects while reducing administrative burdens and accelerating project completion. JOC also provides an important opportunity for small, emerging, women-owned, and minority-owned contractors to gain experience in performing public work and to establish relationships with public agencies. Unfortunately, SB 983 undermines many of those benefits by requiring JOC projects to be performed under the Port′s PLA…"

"Job Order Contracting is intended to streamline procurement, reduce paperwork, encourage competition, and expedite project delivery. Project Labor Agreements, by contrast, impose additional administrative requirements, hiring hall procedures, dispatch requirements, reporting obligations, and labor restrictions that increase complexity and cost. Numerous studies have found that PLA mandates increase construction costs while reducing bidder participation. Moreover, the Port′s PLA requires the use of union apprenticeship programs. While that requirement may be appropriate in certain contexts, it creates an additional barrier for many merit-shop contractors that otherwise possess the qualifications, experience, and workforce necessary to perform JOC projects successfully."

"As a result, SB 983 risks limiting the very opportunities that JOC should create. Rather than serving as an accessible entry point for small, women-owned, minority-owned, and disadvantaged contractors, the bill favors firms already structured to operate within the union-signatory system and discourages broader participation. The Legislature should not transform a procurement tool designed to maximize efficiency and accessibility into one burdened by requirements that diminish both. If the Committee wishes to authorize JOC for the Port, it should do so in a manner that preserves the flexibility, competition, and opportunities that have made JOC successful throughout California."

FISCAL COMMENTS

None.

VOTES

SENATE FLOOR: 29-8-3
YES: Allen, Archuleta, Arreguín, Ashby, Becker, Blakespear, Cabaldon, Caballero, Cervantes, Cortese, Durazo, Grayson, Hurtado, Laird, Limón, McGuire, McNerney, Menjivar, Padilla, Pérez, Reyes, Richardson, Rubio, Smallwood-Cuevas, Stern, Umberg, Wahab, Weber Pierson, Wiener
NO: Alvarado-Gil, Choi, Grove, Jones, Ochoa Bogh, Seyarto, Strickland, Valladares
ABS, ABST OR NV: Dahle, Gonzalez, Niello

ASM LOCAL GOVERNMENT: 9-1-0
YES: Carrillo, Ta, Pacheco, Ramos, Ransom, Blanca Rubio, Stefani, Ward, Wilson
NO: Johnson

UPDATED

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