

**Introduced by Senator Becker**

February 4, 2025

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An act to add and repeal Article 13 (commencing with Section 103399.5) of Chapter 5 of Part 15 of Division 10 of the Public Utilities Code, relating to public contracts.

**LEGISLATIVE COUNSEL'S DIGEST**

SB 272, as introduced, Becker. San Mateo County Transit District: job order contracting: pilot program.

The Local Agency Public Construction Act sets forth procedures that a local agency is required to follow when procuring certain services or work. The act also sets forth specific public contracting requirements for certain transit districts, including the San Mateo County Transit District for construction work contracts. The act authorizes certain local agencies, including school districts and community college districts, to engage in job order contracting, as prescribed.

This bill would establish a pilot program to authorize the San Mateo County Transit District to use job order contracting as a procurement method. The bill would impose a \$5,000,000 cap on awards under a single job order contract and a \$1,000,000 cap on any single job order. The bill would limit the term of an initial contract to a maximum of 12 months, with extensions as prescribed. The bill would establish various procedures and requirements for the use of job order contracting under the pilot program. The bill would require the district, on or before January 1, 2030, to submit to the appropriate policy and fiscal committees of the Legislature a report on the use of job order contracting under the bill. The pilot program would be repealed on January 1, 2032.

This bill would make legislative findings and declarations as to the necessity of a special statute for the San Mateo County Transit District.

Vote: majority. Appropriation: no. Fiscal committee: no.  
State-mandated local program: no.

*The people of the State of California do enact as follows:*

SECTION 1. Article 13 (commencing with Section 103399.5) is added to Chapter 5 of Part 15 of Division 10 of the Public Utilities Code, to read:

Article 13. Job Order Contracting

103399.5. (a) (1) Notwithstanding Article 19 (commencing with Section 20330) of Chapter 1 of Part 3 of Division 2 of the Public Contract Code, the district may use the procurement method outlined in this article for job order contracts.

(2) The district shall not contract for work that is protected by applicable collective bargaining agreements. All job order contracts shall comply with all district collective bargaining agreements.

(3) Job order contracts of the district shall be competitively bid and awarded to bidders providing qualified responsive bids.

(4) Job order contracts shall be for repair, remodeling, or other repetitive work to be done according to unit prices. No annual contracts may be awarded for any new construction.

(b) Solicitations for job order contracts shall progress as follows:

(1) The district shall prepare a set of solicitation documents for job order contracts. The documents shall include a unit price catalog or other established unit prices, job order contract terms, job order contract technical specifications, and any other information the district deems necessary to adequately describe the district's needs.

(2) An architect, engineer, consultant, or contractor retained by the district to assist in the development of the job order contract solicitation documents shall not be eligible to bid or to participate in the preparation of a job order contract bid.

(3) The district may award multiple job order contracts in response to a single job order contract solicitation.

(c) The district shall develop a system for evaluating job order contract bids for awarding job order contracts.

(d) The award of a job order contract shall progress as follows:

1 (1) The district shall prepare a request for bids for job order  
2 contracts based on the solicitation documents prepared under  
3 paragraph (1) of subdivision (b) that invites job order contractors  
4 to submit sealed bids in the manner prescribed by the district.

5 (2) Each bidding job order contractor shall include in its bid  
6 one or more adjustment factors to the established unit prices  
7 provided in the request for bids based on the contract's technical  
8 specifications.

9 (3) Each bidding job order contractor shall agree to identify any  
10 subcontractors to be used for the job orders performed pursuant  
11 to the job order contract.

12 (4) The award of job order contracts, if any, shall be made to a  
13 job order contractor or to job order contractors that the district  
14 determines to be qualified and responsive based upon  
15 preestablished criteria to be determined by the district.

16 (5) The job order contractors shall comply with the district's  
17 project labor agreement, as applicable.

18 (6) Notwithstanding paragraph (4), the district, by a process  
19 determined by the district, may award any job order for repair or  
20 renovation work with a value equal to or less than two hundred  
21 fifty thousand dollars (\$250,000) to a job order contractor that is  
22 also a certified small business enterprise, as established by the  
23 district's small business enterprise certification process or any  
24 similar certification process acceptable to the district, or to a job  
25 order contractor that is also a disabled veterans business enterprise,  
26 as certified by the Department of General Services.

27 103399.6. (a) The maximum total dollar amount that may be  
28 awarded under a single job order contract shall not exceed five  
29 million dollars (\$5,000,000) in the initial contract term of the job  
30 order contract. No single job order may exceed one million dollars  
31 (\$1,000,000).

32 (b) Job order contracts may be executed for an initial contract  
33 term of no more than 12 months and may be extended or renewed  
34 for two subsequent annual terms and a maximum of ten million  
35 dollars (\$10,000,000) over the subsequent two terms of the  
36 contract.

37 (c) Work shall not be split or separated into smaller job orders  
38 for the purpose of evading the cost limits of the article.

(d) Dollar amounts specified in this section may be adjusted annually to reflect the percentage change in the California Consumer Price Index.

103399.7. (a) All work bid under job order contracts shall comply with Chapter 4 (commencing with Section 4100) of Part 1 of Division 2 of the Public Contract Code and is subject to all of the penalties and provisions set forth in that chapter.

(b) For purposes of this article, if a job order contractor chooses to use a subcontractor, the job order contractor shall verify that the subcontractor possesses and maintains the appropriate licenses and credentials required.

(c) If the district, after conducting an administrative due process review, determines that there has been a violation of Chapter 4 (commencing with Section 4100) of Part 1 of Division 2 of the Public Contract Code, including, but not limited to, bid shopping by the job order contractor, the district may terminate the job order contract, declare the contractor ineligible for future job order contracts for a period of time to be determined by the district, or withdraw authorization for the contractor to proceed with awarded work.

103399.8. (a) A job order contract shall set forth in the general conditions of the job order contract the party or parties responsible for seeing that Article 2 (commencing with Section 1770) of Chapter 1 of Part 7 of Division 2 of the Labor Code is complied with.

(b) For purposes of job order contracting, prevailing wages shall apply to all work ordered under the job order contract regardless of thresholds set forth in Section 1771.5 of the Labor Code.

(c) The job order contractor shall pay the prevailing wage in effect at the time the job order contract is issued by the district and all increases as published by the Department of Industrial Relations for the term of the job order contract, including all overtime, holiday, and shift provisions published by the Department of Industrial Relations.

(d) The district shall designate one individual to act as a monitor to inspect job sites for labor compliance violations at the request of the designated labor representative in its project labor agreement.

103399.9. In order to prevent fraud, waste, and abuse, the district shall prepare for each individual job order developed under a job order contract an independent cost estimate. The estimate

1 shall be prepared before the receipt of any job order contractor's  
2 estimate for the work and shall be compared to the job order  
3 contractor's estimate to determine the reasonableness of that  
4 estimate before issuance of any job order. If the district finds the  
5 job order contractor's estimate to perform work for a given job  
6 order to be unreasonable, not cost effective, or undesirable, the  
7 district may elect not to issue the job order to the job order  
8 contractor, and may, instead, use any other available procurement  
9 procedures or choose not to move forward with the work.

10 103399.10. (a) The district shall submit to the appropriate  
11 policy and fiscal committees of the Legislature, on or before  
12 January 1, 2030, a report on the use of job order contracting under  
13 this article. The report shall include, but shall not be limited to, all  
14 of the following information:

15 (1) A description of the district's system for evaluating job order  
16 contract bids for award of job order contracts, including, but not  
17 limited to, the criteria used by the district to determine a qualified  
18 and responsive job order contractor.

19 (2) A description of each job order contract awarded and the  
20 contractor awarded the contract.

21 (3) An assessment of the use of job order contracting under this  
22 article.

23 (b) A report to be submitted pursuant to subdivision (a) shall  
24 be submitted in compliance with Section 9795 of the Government  
25 Code.

26 103399.11. This article shall remain in effect only until January  
27 1, 2032, and as of that date is repealed.

28 SEC. 2. The Legislature finds and declares that a special statute  
29 is necessary and that a general statute cannot be made applicable  
30 within the meaning of Section 16 of Article IV of the California  
31 Constitution because of the need for a pilot program to determine  
32 the potential benefits of job order contracting to a large  
33 transportation agency without setting policy for smaller local  
34 agencies.