

Date of Hearing: June 18, 2025

ASSEMBLY COMMITTEE ON LOCAL GOVERNMENT

Juan Carrillo, Chair

SB 409 (Archuleta) – As Amended April 30, 2025

**SENATE VOTE:** 38-0

**SUBJECT:** Public contracts: county-owned buildings.

**SUMMARY:** Increases the threshold for alteration or repair work on county buildings that must be completed by contract from \$50,000 to \$125,000 in counties with at least nine million residents. Specifically, **this bill:**

- 1) Provides that a county with a population of nine million or over, as determined by the last federal or special census or subsequent estimate validated by the Demographic Research Unit of the Department of Finance, is not required to complete by contract alteration or repair work upon county-owned buildings, if the cost of the work is under \$125,000.
- 2) Provides that 1), above, does not apply if the threshold in the Uniform Public Construction Cost Accounting Act (UPCCAA) for public projects to be performed by force account, by negotiated contract, or by purchase order meets or exceeds \$125,000.
- 3) Finds and declares that a special statute is necessary and that a general statute cannot be made applicable within the meaning of Section 16 of Article IV of the California Constitution because of the following unique needs of the County of Los Angeles:
  - a) Spanning over 4,000 square miles, the County of Los Angeles is the most populous county in the United States.
  - b) With a population of nearly 10 million residents, the County of Los Angeles surpasses all other counties in the United States in terms of population and encompasses more than a quarter of California's population.
  - c) Given the sheer size of its population and the vast infrastructure for critical public services delivery, it is important to ensure that Los Angeles County facilities remain operational and effective at all times to meet community needs.

**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. [Public Contract Code (PCC) §§ 20100 – 20929]
- 2) Provides, whenever the estimated cost of construction of any wharf, chute, or other shipping facility, or of any hospital, almshouse, courthouse, jail, historical museum, aquarium, county free library building, branch library building, art gallery, art institute, exposition building, stadium, coliseum, sports arena or sports pavilion or other building for holding sports events, athletic contests, contests of skill, exhibitions, spectacles and other public meetings, or other public building or the cost of any painting, or repairs thereto exceeds the sum of \$4,000,

inclusive of the estimated costs of materials or supplies, the work shall be done by contract. (PCC § 20121)

- 3) Provides, in counties containing a population of 500,000 or over, the work referred to in 2), above, need not be done by contract if the estimated cost thereof is less than \$6,500, exclusive of the estimated cost of materials or supplies. (PCC § 20122)
- 4) Provides, in counties containing a population of 2 million or over, as determined by the last federal or special census or subsequent estimate validated by the Demographic Research Unit of the Department of Finance, the provisions of 2) and 3), above, do not apply to alteration or repair work upon county-owned buildings, if the cost of the work is under \$50,000. (PCC § 20123)
- 5) Establishes the UPCCAA, which is a voluntary program that allows public agencies to perform projects costing \$75,000 or less with the public agency's force account, by negotiated contract, or by purchase order, and to use an informal bidding procedure for projects costing \$220,000 or less. Projects costing more than \$220,000 are subject to formal bidding procedures. (PCC §§ 22000-22045)

**FISCAL EFFECT:** None

**COMMENTS:**

- 1) **Background.** The LAPC Act specifies the procedures that local agencies must follow for public works projects, including the dollar thresholds that trigger requirements to complete projects via contract. Projects costing less than these thresholds may be performed by an agency's own employees, also called a "force account." Projects that exceed the thresholds generally must be put out to bid to the private sector and awarded to the lowest responsible bidder.

Current law requires most counties to contract for specified construction and repairs that cost more than \$4,000, including the cost of materials. This threshold increases to \$6,500 for counties with a population of 500,000 or more, excluding materials. Counties with a population of at least two million residents can perform repairs or alterations to county-owned buildings that cost up to \$50,000 without contracting.

- 2) **UPCCAA.** The UPCCAA was enacted in 1983 as an alternative to the general requirements of the LAPC Act by allowing increased bid limits as long as participating agencies follow uniform accounting standards and bidding procedures. A voluntary program that is available to all public entities in the State, the UPCCAA allows public projects costing \$75,000 or less to be performed by the public agency's force account, by negotiated contract, or by purchase order. Projects costing \$220,000 or less can use informal bidding procedures set forth in the UPCCAA. Projects that cost more than \$220,000 must be put out to bid under formal bidding procedures.
- 3) **Bill Summary and Author's Statement.** This bill allows a county with a population of at least nine million to complete alteration or repair work upon county-owned buildings without contracting for that work, if the cost of the work is under \$125,000. This authorization would not apply if the threshold in the UPCCAA for public projects to be performed by force

account, by negotiated contract, or by purchase order meets or exceeds \$125,000. This bill is sponsored by LA County.

According to the author, “SB 409 is an essential piece of legislation that will empower Los Angeles County to respond swiftly and effectively to urgent facility repairs, particularly in the aftermath of events like the January wildfires. By modernizing the outdated force account limit, SB 409 allows the County to perform its own repair work on projects up to \$125,000 without the delay of external contracting. The current \$50,000 threshold, set over four decades ago in 1982, no longer reflects the realities of today’s construction and repair costs. Updating this limit is a common-sense measure that ensures the Los Angeles County can maintain critical infrastructure, safeguard public services, and remain responsive during emergencies without compromising service to residents.”

- 4) **Previous Legislation.** AB 2633 (Jones-Sawyer) of 2017 would have increased the value of repair work on county buildings that public employees can perform to \$150,000 in counties with at least five million residents. AB 2633 was held in this Committee.
- 5) **Arguments in Support.** Los Angeles County, sponsor of this measure, writes, “California Public Contract Code (PCC) Section 20123 permits a county with a population of 2 million or greater to use their own represented trade employees for alteration or repair work on county-owned buildings, but only if the project cost is under \$50,000. This current ‘force account’ dollar limit was established more than 40 years ago in 1982. SB 409 simply updates the current force account limit to reflect the increased cost of construction and materials since 1982. This commonsense adjustment ensures the law keeps pace with inflation and the rising cost of labor and materials.

“Raising the force account limit to reflect the normal costs of inflation will enhance the County’s capacity to efficiently maintain its critical infrastructure, allowing us to expedite vital repairs and upgrades to ensure county facilities remain operational and effective. Increasing the force account limit will more fully use the training and value of the County’s represented trade workforce which enables immediate project delivery. The force account limit increase will allow the County to perform urgent work, particularly for emergency repairs, time-sensitive facility maintenance, and other projects that impact operations or safety.

“Importantly, this logical force account limit increase will ensure private contractors are available for the tens of millions of dollars in private and public recovery projects needed to rebuild our community’s housing, public buildings, businesses, and other infrastructure as quickly as possible following the January 2025 disasters.”

- 6) **Arguments in Opposition.** None on file.

## **REGISTERED SUPPORT / OPPOSITION:**

### **Support**

County of Los Angeles [SPONSOR]  
California State Association of Counties

**Opposition**

None on file

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