

Date of Hearing: July 1, 2026

ASSEMBLY COMMITTEE ON LOCAL GOVERNMENT

Juan Carrillo, Chair

SB 983 (Weber Pierson) – As Amended April 22, 2026

SENATE VOTE: 29-8

SUBJECT: San Diego Unified Port District: job order contracting: pilot program

SUMMARY: Authorizes the San Diego Unified Port District (district) to use Job Order Contracting. Specifically, **this bill:**

- 1) Allows, notwithstanding existing law governing contracting by port districts, the district to use the procurement method outlined in this bill for a job order contract (JOC) that does not include longshore and maritime operations, as defined in this bill.
- 2) Provides that the district shall not contract for work that is protected by any collective bargaining agreements. All JOCs shall comply with all collective bargaining agreements. This bill shall not expand or minimize existing and established collective bargaining agreements.
- 3) Requires JOCs of the district to be competitively bid and awarded to bidders providing qualified responsive bids.
- 4) Requires JOCs to be for repair, remodeling, or other repetitive work, which shall not include longshore and maritime operations, to be done according to unit prices. No annual contracts may be awarded for any large-scale capital development projects exceeding the monetary limits established in this bill for JOCs.
- 5) 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.
- 6) Requires solicitations for JOCs to progress pursuant to the following:
 - a) The district shall prepare a set of solicitation documents for JOCs. The documents shall include a unit price catalog or other established unit prices, JOC terms, JOC technical specifications, and any other information the district deems necessary to adequately describe the district's needs.
 - b) An architect, engineer, consultant, or contractor retained by the district to assist in the development of the JOC solicitation documents shall not be eligible to bid or to participate in the preparation of a JOC bid.
 - c) The district may award multiple JOCs in response to a single JOC solicitation.
- 7) Requires the district to develop a system for evaluating JOC bids for awarding JOCs.
- 8) Requires the award of a JOC to progress pursuant to the following:

- a) The district shall prepare a request for bids for JOCs based on the solicitation documents prepared pursuant to 6)a), above, that invites job order contractors to submit sealed bids in the manner prescribed by the district.
 - b) Each bidding job order contractor shall include in its bid one or more adjustment factors to the established unit prices provided in the request for bids based on the contract's technical specifications.
 - c) Each bidding job order contractor shall agree to identify any subcontractors to be used for the job orders performed pursuant to the JOC.
 - d) The award of JOCs, if any, shall be made to a job order contractor or to job order contractors that the district determines to be qualified and responsive based upon preestablished criteria to be determined by the district.
 - e) A job order contractor shall comply with the district's PLAs, as applicable.
 - f) Notwithstanding d), above, the district, by a process determined by the district, may award any job order for repair or renovation work with a value equal to or less than two \$250,000 to a job order contractor that is also a certified small business enterprise (SBE), as established by the district's small business enterprise certification process or any similar certification process acceptable to the district, or to a job order contractor that is also a disabled veterans business enterprise (DVBE), as certified by the Department of General Services.
- 9) Provides that the maximum total dollar amount that may be awarded under a single JOC shall not exceed \$5 million in the initial contract term of the JOC. Any single job order shall not exceed \$1 million.
- 10) Allows JOCs to be executed for an initial contract term of no more than 12 months and to be extended or renewed for two subsequent annual terms and a maximum of \$10 million over the subsequent two terms of the contract.
- 11) Prohibits work from being split or separated into smaller job orders for the purpose of evading the cost limits of this bill. However, the district may award phased job orders when necessary to comply with environmental regulations, permitting requirements, tidal or seasonal construction windows, or other operational constraints, provided that the phasing is not used to circumvent the monetary limitations established in this bill.
- 12) Allows the dollar amounts specified in 9) through 11), above, to be adjusted annually to reflect the percentage change in the California Consumer Price Index (CPI).
- 13) Requires all work bid under JOCs to comply with the Subletting and Subcontracting Fair Practices Act and subjects it to all of the penalties and provisions set forth in that Act.
- 14) Requires, if a job order contractor chooses to use a subcontractor, the job order contractor to verify that the subcontractor possesses and maintains the appropriate licenses and credentials required.

- 15) Provides that, if the district, after conducting an administrative due process review, determines that there has been a violation of the Subletting and Subcontracting Fair Practices Act, including, but not limited to, bid shopping by the job order contractor, the district may terminate the JOC, declare the contractor ineligible for future JOCs for a period of time to be determined by the district, or withdraw authorization for the contractor to proceed with awarded work.
- 16) Requires a JOC to set forth in the general conditions of the JOC the party or parties responsible for ensuring compliance with existing laws governing the payment of prevailing wages, as specified. For purposes of job order contracting, a prevailing wage shall apply to all work ordered under the JOC regardless of thresholds set forth in existing laws governing the payment of prevailing wages, as specified. The job order contractor shall pay the prevailing wage in effect at the time the JOC is issued by the district and all increases as published by the Department of Industrial Relations for the term of the JOC, including all overtime, holiday, and shift provisions published by the Department of Industrial Relations.
- 17) Requires the district to 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 PLA.
- 18) Requires, in order to prevent fraud, waste, and abuse, the district to prepare for each individual job order developed under a JOC an independent cost estimate. The estimate shall be prepared before the receipt of any job order contractor's estimate for the work and shall be compared to the job order contractor's estimate to determine the reasonableness of that estimate before issuance of any job order. If the district finds the job order contractor's estimate to perform work for a given job order to be unreasonable, not cost effective, or undesirable, the district may elect not to issue the job order to the job order contractor.
- 19) Requires the district to submit to the appropriate policy and fiscal committees of the Legislature, on or before January 1, 2035, a report on the use of job order contracting under this bill. The report shall include, but shall not be limited to, all of the following information:
 - a) A description of the district's system for evaluating JOC bids for award of JOCs, including, but not limited to, the criteria used by the district to determine a qualified and responsive job order contractor.
 - b) A description of each JOC awarded and the contractor awarded the contract.
 - c) An assessment of the use of job order contracting under this bill.
- 20) Requires the report to be submitted pursuant to 19), above, to be submitted in compliance with existing law governing reports to the Legislature, as specified.
- 21) Provides the following definitions:
 - a) "District" means the San Diego Unified Port District.
 - b) "Longshore and maritime operations" includes all of the following:

- i) The loading and unloading of cargo or materials to and from vessels, or the movement of cargo or materials to and from vessels, or other directly related functions, at the Tenth Avenue Marine Terminal, National City Marine Terminal, B St. Cruise Ship Terminal, Broadway Cruise Ship Terminal, or any future cargo or cruise terminal to the cargo's or material's point of rest, except for the movement of construction materials on a barge, construction staging area, or construction area when used as a construction work platform, rigging and hoisting of construction materials directly from a barge, construction staging area, or construction area when being used as a construction work platform into the construction process, the removal of construction materials directly from the project to a barge, construction staging area, or construction area when being used as a construction work platform, and the movement of construction materials and construction equipment within the construction staging area, from the construction staging area to the construction site, and on the construction site.
 - ii) Maintenance and repair work on nondistrict-owned containers, infrastructure, and equipment used in cargo or cruise operations.
 - iii) Maintenance and repair work to facilitate the movement of cargo or materials to and from vessels at the Tenth Avenue Marine Terminal, National City Marine Terminal, B St. Cruise Ship Terminal, Broadway Cruise Ship Terminal, or any future cargo or cruise terminal to the cargo's or material's point of rest. This does not include maintenance and repair work on district-owned property.
- c) "Longshore and maritime operations" does not include construction or infrastructure work not directly part of cargo loading, unloading, or movement.
 - d) "Repair, remodeling, or other repetitive work" includes renovation, maintenance, or improvement of buildings, wharfs, berths, facilities, utilities, infrastructure, and related systems performed by licensed contractors.
 - e) "Repair, remodeling, or other repetitive work" does not include longshore and maritime or cruise operations.
 - f) "Vessel" includes, but is not limited to, a ship, boat, barge, or other related maritime craft.
- 22) Provides that this bill shall remain in effect only until January 1, 2037, and as of that date is repealed.
- 23) 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 need for a pilot program to determine the potential benefits of job order contracting for the San Diego Unified Port District because it is a unique California port that spans five cities and has a nearly \$14,000,000,000 economic impact in the County of San Diego.

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) Establishes the San Diego Unified Port District for the acquisition, construction, maintenance, operation, development, and regulation of harbor works and improvements for the harbor of San Diego and for the promotion of commerce, navigation, fisheries, and recreation.
- 3) Outlines the rules and procedures that port districts must follow for their contracts and requires the San Diego Unified Port District to comply with these requirements. (PCC 20750-20753)
- 4) Authorize multiple agencies to use JOC, some state and some local, including counties, school districts, community college districts, the California State University system, and Caltrans.

FISCAL EFFECT: None

COMMENTS:

- 1) **Author's Statement.** 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."
- 2) **Background.** 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 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 and the Los Angeles County Metropolitan Transportation Authority (LA Metro).

- 3) **SB 272 of 2025.** The Legislature approved the most recent JOC authorization just last year via SB 2472 (Becker), Chapter 310, Statutes of 2025, which authorized the San Mateo County Transit District (SamTrans) to enter into JOCs on a competitive basis for repair, remodeling, or other repetitive work according to unit prices.

SB 272 contained a number of specific and detailed parameters within which SamTrans was authorized to enter into JOCs. The bill:

- a) Prohibited JOCs from being awarded for any new construction.
- b) Limited the maximum total dollar amount that may be awarded under a single JOC to \$5 million in the initial contract term and specified that no single job order may exceed \$1 million.
- c) Specified that JOCs may be executed for an initial contract term of no more than 12 months and may be extended or renewed for two subsequent annual terms totaling a maximum of \$10 million.
- d) Prohibited SamTrans from contracting for work that is protected by applicable collective bargaining agreements, required all JOCs to comply with all SamTrans collective bargaining agreements, and required JOCs to be subject to a PLA between SamTrans and the San Mateo Building Trades Council, as specified.

- e) Required specified subcontracting practices, the payment of prevailing wages, and mechanisms for ensuring labor compliance consistent with existing law, as specified.
 - f) Outlined the process for SamTrans to follow in soliciting and awarding JOCs, including the ability to award job orders of \$250,000 or less to Small Business Enterprise (SBE) or Disabled Veterans Business Enterprise (DVBE) contractors.
 - g) Required SamTrans to submit to the appropriate policy and fiscal committees of the Legislature, on or before January 1, 2030, a report on its use of job order contracting, as specified.
 - h) Provided a sunset date of January 1, 2032.
- 4) **San Diego Unified Port District.** The San Diego Unified Port District (Port District) was created by the Legislature to manage San Diego Bay and surrounding waterfront land on December 18, 1962. The Port of San Diego is the fourth largest of the 11 ports in California. The Port District includes five member cities – San Diego, Chula Vista, Coronado, National City, and Imperial Beach. The Port District currently oversees two maritime cargo terminals, two cruise ship terminals, 23 public parks, the Harbor Police Department and the leases of hundreds of tenant and subtenant businesses around San Diego Bay.

Existing law establishes the Port District as the trustee of public lands within San Diego Bay. The Port District was created for the acquisition, construction, maintenance, operation, development and regulation of harbor works and improvements, including rail and water, for the development, operation, maintenance, control, regulation, and management of the harbor of San Diego upon the tidelands and lands lying under the inland navigable waters of San Diego Bay, and for the promotion of commerce, navigation, fisheries, and recreation.

A seven-member Board of Port Commissioners governs the Port District: one commissioner each is appointed by the city councils of Chula Vista, Coronado, Imperial Beach and National City, and three commissioners are appointed by the San Diego City Council. The Port of San Diego states that some repair and maintenance projects can take up to a year to complete under traditional procurement methods and wants the Legislature to grant additional flexibility for repair or remodeling work around the San Diego Bay.

- 5) **Bill Summary.** This bill allows the district to use job order contracting for repair, remodeling, or other repetitive work to be done according to unit prices. This bill:
- a) Excludes longshore and maritime operations from this bill's JOC authorization.
 - b) Prohibits annual contracts from being awarded for any new construction or for any large-scale capital development projects exceeding the monetary limits established in the bill.
 - c) Provides that the district shall not contract for work that is protected by any collective bargaining agreements, specifies that JOCs shall comply with all collective bargaining agreements, and provides that it shall not expand or minimize existing and established collective bargaining agreements.

- d) Requires JOCs to be competitively bid and awarded to bidders providing qualified responsive bids.
- e) Requires a JOC to be subject to a PLA between the district and the San Diego County Building and Construction Trades Council, or an amendment or extension of that agreement.
- f) Specifies the process for soliciting 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 CPI.
- g) Establishes additional requirements and specifications for the district's use of JOC consistent with recent legislative authorizations for other local agencies to enter into JOCs.
- h) Requires the district to submit a report to the Legislature on its use of JOC by January 1, 2035, and contains a sunset date of January 1, 2037.

This bill is sponsored by the San Diego Unified Port District (Port of San Diego).

- 6) **Related Legislation.** AB 1809 (Fong) extends and modifies JOC authority for school and community college districts (CCDs), establishes contract duration limits, and updates project and cost oversight provisions. AB 1809 is pending in the Senate Floor.

AB 2033 (Papan) authorizes cities to award JOCs of up to \$3 million, until January 1, 2032. AB 2033 is pending in the Senate Local Government Committee.

SB 1055 (Weber Pierson) allows the Pajaro Regional Flood Management Agency to use specified procurement methods, including JOC, for flood projects. SB 1055 is pending in the Assembly Appropriations Committee.

- 7) **Previous Legislation.** AB 499 (Luz Rivas), Chapter 87, Statutes of 2023, authorized LA Metro to enter into job order contracts JOCs.

SB 146 (Gonzalez), Chapter 58, Statutes of 2023, expanded Caltrans authorization to use JOCs, through 2033, for general highway and traffic maintenance.

AB 2039 (Luz Rivas) of 2022 was nearly identical to AB 499. AB 2039 was held in the Senate Transportation Committee.

AB 2763 (Kalra), Chapter 803, Statutes of 2022, authorized the Santa Clara Valley Transportation Authority to enter into JOCs.

SB 1366 (McGuire) of 2022 would have authorized DGS to engage in job order contracting for certain public works projects, until July 1, 2027. SB 1366 was held on the Senate Floor.

AB 149 (Committee on Budget), Chapter 81, Statutes of 2021, among other things, authorized Caltrans to utilize job order contracting for the Clean California Beautification Program of 2021, as specified.

AB 846 (Low), Chapter 303, Statutes of 2021, extended the existing authority for school and community college districts to administer job order contracting, until January 1, 2027.

AB 618 (Low), Chapter 296, Statutes of 2017, authorized community college districts to enter into JOCs, until January 1, 2022.

SB 793 (Hill), Chapter 627, Statutes of 2017, allowed specified counties to use the best value construction contracting method to award JOCs for up to \$3 million, adjusted for inflation.

AB 1431 (Gomez), Chapter 753, Statutes of 2015, authorized school districts to utilize job order contracting.

SB 744 (Hughes), Chapter 431, Statutes of 1997, increased the annual maximum contract amount that counties may award for county JOCs from \$1 million to \$3 million.

AB 680 (La Follette), Chapter 164, Statutes of 1983, authorized counties to award annual JOCs of up to \$1 million.

- 8) **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.”

- 9) **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.”

REGISTERED SUPPORT / OPPOSITION:

Support

San Diego Unified Port District/ Port of San Diego [SPONSOR]
Associated General Contractors-San Diego Chapter
San Diego Regional Chamber of Commerce
The Gordian Group

Opposition

Western Electrical Contractors Association

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