

BUSINESS & FACILITIES UPDATE

News and developments in bidding, building,
and business

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AB 618 – Authorizes Job Order Contracting for Community College Districts.

This bill authorizes community college districts to enter into job order contracts, an alternative construction contracting method currently available to school districts, until January 1, 2022.

Job order contracting is a procedure that allows for the awarding of contracts based on prices for specific construction tasks rather than bids for a specific project. A catalog or book identifies all work that could be performed and the unit prices for each of those tasks. The tasks are based on accepted industry standards and prices include the cost of materials, labor, and equipment for performing the work, but exclude overhead and profit. A contractor, rather than bid a total price for the project, will bid an adjustment factor to the pre-set unit prices. The selection of contractors is based on the lowest responsible bidder.

Job order contracting 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 constructions.

(AB 618 amends Sections 20219.21, 20919.23, and 20919.24 of, and adds and repeals Article 41.5 (commencing with Section 20665.20) of Chapter 1 of Part 3 of Division 2 of, the Public Contract Code.)

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