

ASSEMBLY BILL

No. 2381

Introduced by Assembly Member Johnson

February 20, 2026

An act to amend Sections 20642 and 20783 of the Public Contract Code, relating to public contracts.

LEGISLATIVE COUNSEL'S DIGEST

AB 2381, as introduced, Johnson. Local Agency Public Construction Act: municipal water districts: sanitation districts: lowest responsible bidder.

Existing law, the Local Agency Public Construction Act, sets forth the requirements for competitive bidding on various types of contracts awarded by local agencies. Under existing law, a municipal water district and a sanitation district, when letting a contract for \$35,000 or more, is required to let the contract to the lowest responsible bidder.

This bill would increase that threshold dollar amount to \$220,000. The bill would require the Controller, commencing January 1, 2028, to adjust that amount annually to reflect the percentage change, as specified, and publish the adjusted amount on its internet website.

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

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

- 1 SECTION 1. Section 20642 of the Public Contract Code is
- 2 amended to read:
- 3 20642. (a) (1) When work is not to be done by the district
- 4 itself by force account, and the amount involved is ~~thirty-five~~ two

1 *hundred twenty thousand dollars—(\$35,000); (\$220,000) or more,*
2 *any contract for the doing of the work shall be let to the lowest*
3 *responsible bidder, after publication, in the manner prescribed by*
4 *the board, of notices inviting bids therefor. However,*

5 *(2) Commencing January 1, 2028, the Controller shall adjust*
6 *the amount specified in this subdivision annually to reflect the*
7 *percentage change in the Engineering News-Record Construction*
8 *Cost Index (20-city average) and publish the adjusted amount on*
9 *its internet website.*

10 *(b) However, the board may reject any and all proposals.*

11 SEC. 2. Section 20783 of the Public Contract Code is amended
12 to read:

13 20783. *(a) (1) When work is done by the district itself by*
14 *force account, the amount shall not exceed five thousand dollars*
15 *(\$5,000). When*

16 *(2) (A) When the expenditure required for the work exceeds*
17 *thirty-five two hundred twenty thousand dollars—(\$35,000);*
18 *(\$220,000) it shall be contracted for and let to the lowest*
19 *responsible bidder after notice. The notice inviting bids shall set*
20 *a date for the opening of bids. The*

21 *(B) Commencing January 1, 2028, the Controller shall adjust*
22 *the amount specified in this paragraph annually to reflect the*
23 *percentage change in the Engineering News-Record Construction*
24 *Cost Index (20-city average) and publish the adjusted amount on*
25 *its internet website.*

26 *(3) The first publication or posting of the notice shall be at least*
27 *10 days before the date of opening the bids. Notice*

28 *(4) Notice shall be published at least twice, not less than five*
29 *days apart, in a newspaper of general circulation, printed and*
30 *published in the district, or if there is none, it shall be posted in at*
31 *least three public places in the district that have been designated*
32 *by the district board as the places for posting this notice. The*

33 *(5) The notice shall distinctly state the work to be done.*

34 ~~In~~

35 *(b) (1) In its discretion, the district board may reject any bids*
36 *presented and readvertise. If*

37 *(2) If two or more bids are the same and the lowest, the district*
38 *board may accept the one it chooses. If*

39 *(3) If no bids are received, the district board may have the work*
40 *done without further bid.*

1 If

2 (4) If all bids are rejected, the district board, on a resolution
3 adopted by a four-fifths vote, may declare that the work can be
4 performed more economically by day labor, or the materials or
5 supplies furnished at a lower price in the open market and may
6 have the work done in a manner stated in the resolution in order
7 to take advantage of this lower cost.

8 If

9 (c) If there is a present or anticipated great public calamity,
10 including an extraordinary fire, flood, storm, or other disaster the
11 district board may, by resolution adopted by a four-fifths vote
12 declaring that the public interest and necessity demand immediate
13 expenditure of public money to safeguard life, health, or property,
14 expend any sum required in the emergency without submitting the
15 expenditure to bid.

16 ~~Cost~~

17 (d) Cost records of the work shall be kept in the manner
18 provided in Sections 4000 to 4007, inclusive, of the Government
19 Code.

20 This

21 (e) This section shall not apply to sewerage maintenance, repair
22 work, or to any uncompleted works under construction by district
23 forces prior to the enactment of this section, and shall not be
24 construed to exempt any work from Part 7 (commencing with
25 Section 1720) of Division 2 of the Labor Code.