

**ASSEMBLY BILL**

**No. 2381**

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**Introduced by Assembly Member Johnson**

February 20, 2026

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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.

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