

BILL: SB 935 (Choi, R–Irvine)
Introduced January 29, 2026

SUBJECT: SB 935 repeals the January 1, 2031, sunset on local agency authority to use the design-build procurement method for public works projects

STATUS: Pending in Senate Committee on Appropriations
Passed Senate Local Government Committee 7-0
Referred to Senate Committee on Local Government

SUMMARY AS OF MARCH 26, 2026:

SB 935 would repeal the January 1, 2031, sunset date on the statutory authority for local agencies, including cities, counties, county transportation commissions, and transit agencies, to utilize the design-build procurement method. By eliminating this sunset provision, the bill would extend indefinitely the existing authority allowing local agencies, with approval of their governing body, to use design-build procurement for public works projects exceeding \$1,000,000.

Under existing law, the design-build procurement method allows a single entity to be responsible for both the design and construction of a public works project. Design-build contracts may be awarded either to the lowest responsible bidder or on a best-value basis, enabling agencies to evaluate price alongside technical qualifications, project approach, innovation, constructability, and lifecycle considerations.

SB 935 does not expand the types of projects eligible for design-build, alter the \$1,000,000 project threshold, or modify evaluation or transparency requirements. Instead, it preserves the current statutory framework and procedural safeguards.

EFFECTS ON ORANGE COUNTY:

Design-build is an established and widely used project delivery method that provides flexibility, schedule efficiency, and cost certainty for complex public infrastructure projects. By integrating design and construction services under a single contract, local agencies including county transportation commissions and transit agencies such as the Orange County Transportation Authority (OCTA) can streamline coordination, reduce procurement and delivery timelines, allocate risk more effectively, and minimize change orders.

For OCTA, design-build is a critical procurement tool for delivering major capital investments across the Orange County, including freeway improvements, express lanes, rail corridor stabilization, and transit infrastructure. OCTA has successfully utilized design-build on projects such as the Interstate 405 Improvement Project and State Route 22 corridor improvements, where this delivery method helped accelerate delivery and improve cost efficiency.

Design-build is also essential for complex, technology-driven projects such as OCTA's Transit Security and Operations Center , as well as emerging initiatives including hydrogen fueling infrastructure and other zero-emission programs. These projects involve evolving technical requirements, system integration, and specialized infrastructure that benefit from a unified design and construction approach.

Many of these projects are funded through Measure M and multi-year state and federal grant programs that require long-term planning certainty and disciplined project delivery. The scheduled expiration of design-build authority in 2031 could introduce uncertainty into long-range capital planning and procurement strategies, particularly for projects that extend beyond that date and require multi-year environmental review, funding coordination, and phased construction schedules.

Repealing the sunset ensures continuity of authority, supports stable procurement planning, and provides predictability for contractors, funding partners, and regional stakeholders. A SUPPORT position is consistent with OCTA's 2025-26 State Legislative Platform principles to "Support new and existing alternative project delivery methods, such as design-build, public-private partnership authority, construction manager/general contractor authority, and progressive design build, through expanding mode and funding eligibility while also allowing the appropriate balance of partnership between the State and local agencies."

OCTA POSITION:

Staff recommends: SUPPORT

Introduced by Senator Choi
(Coauthors: Senators Alvarado-Gil, Niello, and Valladares)
(Coauthors: Assembly Members Dixon and Wallis)

January 29, 2026

An act to repeal Section 22169 of the Public Contract Code, relating to public contracts.

LEGISLATIVE COUNSEL'S DIGEST

SB 935, as introduced, Choi. Local agency design-build projects: authorization.

Existing law authorizes a local agency, as defined, with approval of its governing body, to procure design-build contracts for public works projects in excess of \$1,000,000, awarding the contract either to the lowest bid or the best value. Existing law, among other requirements for the design-build procurement process, requires specified information submitted by a design-build entity to be certified under penalty of perjury. These provisions authorizing local agencies to use the design-build procurement process are repealed on January 1, 2031.

This bill would repeal the above-described January 1, 2031, repeal date, thereby extending the operation of these provisions indefinitely. By indefinitely extending provisions that would otherwise be repealed on January 1, 2031, the bill would expand the crime of perjury, thereby imposing a state-mandated local program.

The California Constitution requires the state to reimburse local agencies and school districts for certain costs mandated by the state. Statutory provisions establish procedures for making that reimbursement.

This bill would provide that no reimbursement is required by this act for a specified reason.

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

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

1 SECTION 1. Section 22169 of the Public Contract Code is
2 repealed.
3 ~~22169. This chapter shall remain in effect only until January~~
4 ~~1, 2031, and as of that date is repealed.~~
5 SEC. 2. No reimbursement is required by this act pursuant to
6 Section 6 of Article XIII B of the California Constitution because
7 the only costs that may be incurred by a local agency or school
8 district will be incurred because this act creates a new crime or
9 infraction, eliminates a crime or infraction, or changes the penalty
10 for a crime or infraction, within the meaning of Section 17556 of
11 the Government Code, or changes the definition of a crime within
12 the meaning of Section 6 of Article XIII B of the California
13 Constitution.