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**AB-712 Local Agency Public Construction Act: change orders: County of Los Angeles.** (2021-2022)

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**Assembly Bill No. 712**

**CHAPTER 95**

An act to amend, repeal, and add Sections 20142, 20395, 20405, 20614, and 20998 of the Public Contract Code, relating to public contracts.

[ Approved by Governor July 16, 2021. Filed with Secretary of State July 16, 2021. ]

**LEGISLATIVE COUNSEL'S DIGEST**

AB 712, Calderon. Local Agency Public Construction Act: change orders: County of Los Angeles.

Existing law, the Local Agency Public Construction Act, regulates contracting by local agencies, including counties and special districts. The act includes specific provisions for contracting by counties, contracting for county highways and county bridges and subways, and contracting by county waterworks districts. Other existing law regulates contracting by the Los Angeles County Flood Control District (LACFCD). Those specific provisions include change order authorization for contracts, as prescribed, and impose caps on the extra cost of any change order, varying with the value of the original contract.

The act, for a county, imposes a \$5,000 cap when the total amount of the original contract does not exceed \$50,000. For any original contract that exceeds \$50,000, but does not exceed \$250,000, the cap is 10% of the amount of the original contract. For contracts whose original cost exceeds \$250,000, the cap is \$25,000 plus 5% of the amount of the original contract cost in excess of \$250,000, and the act prohibits a change or alteration cost from exceeding \$210,000.

This bill would authorize the County of Los Angeles to add a new change order cap of \$400,000 for contracts whose original cost exceeds \$25,000,000 and of \$750,000 for contracts whose original cost exceeds \$50,000,000, both of which would be adjusted annually to reflect the percentage change in the California Consumer Price Index.

The act, with regard to county highways, imposes similar caps except that, on contracts up to \$250,000, it limits a change order to a net total addition of \$25,000.

This bill, excepting that cap, would authorize the County of Los Angeles to make changes to the county highways change order provisions corresponding to those described above.

Existing law, with regard to county bridges or subways, county waterworks districts, and the LACFCD, for contracts whose original cost is \$250,000 or more, establishes a change order cap of \$25,000, plus 5% of the amount of the cost of the original contract that exceeds \$250,000, and prohibits a change or alteration cost from exceeding \$210,000.

This bill, with regard to county bridges or subways, county waterworks districts, and LACFCD would authorize the County of Los Angeles to add a new change order cap of \$400,000 for contracts whose original cost exceeds \$25,000,000 and of \$750,000 for contracts whose original cost exceeds \$50,000,000. All of these caps would be adjusted annually to reflect the percentage change in the California Consumer Price Index.

Existing law permits the board of supervisors to authorize the county engineer, county road commissioner, registered civil engineer, or other county officer to order changes or additions to work being performed under the above contracting provisions. Existing law also permits the board of supervisors and the board of directors of a county water district to authorize the general manager or other district officer to order changes or additions to work being performed under contract under the act.

This bill, with regard to those provisions applicable to the County of Los Angeles, would require the board of supervisors and the board of directors of a district, as applicable, at the time the board delegates authority under a contract described above, to implement appropriate measures to prevent fraud and ensure accountability for that delegated authority. The bill would specify that the decision by the county officer whom authority was delegated to shall be binding on the County of Los Angeles, and that all existing protest and grievance procedures regarding that decision remain valid.

This bill would require that the provisions relevant to the County of Los Angeles modify no more than 7 contracts and provide a review report to the Assembly Committee on Local Government and the Senate Committee on Governance and Finance no later than July 1, 2026. The bill would repeal those provisions as of January 1, 2027.

This bill would make legislative findings and declarations as to the necessity of a special statute for the County of Los Angeles.

Vote: majority Appropriation: no Fiscal Committee: no Local Program: no

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## THE PEOPLE OF THE STATE OF CALIFORNIA DO ENACT AS FOLLOWS:

### **SECTION 1.** Section 20142 of the Public Contract Code is amended to read:

**20142.** (a) The board of supervisors may, by ordinance, resolution, or board order, authorize the county engineer, or other county officer, to order changes or additions in the work being performed under construction contracts. When so authorized, any change or addition in the work shall be ordered in writing by the county engineer, or other designated officer, and the extra cost to the county for any change or addition to the work so ordered shall not exceed five thousand dollars (\$5,000) when the total amount of the original contract does not exceed fifty thousand dollars (\$50,000), nor 10 percent of the amount of any original contract that exceeds fifty thousand dollars (\$50,000), but does not exceed two hundred fifty thousand dollars (\$250,000).

(b) For contracts whose original cost exceeds two hundred fifty thousand dollars (\$250,000), the extra cost for any change or addition to the work so ordered shall not exceed twenty-five thousand dollars (\$25,000), plus 5 percent of the amount of the original contract cost in excess of two hundred fifty thousand dollars (\$250,000). Notwithstanding subdivision (c), no change or alteration shall exceed two hundred ten thousand dollars (\$210,000).

(c) The County of Los Angeles may elect to be subject to all of the following provisions:

(1) For contracts whose original cost exceeds twenty-five million dollars (\$25,000,000), the extra cost for any change or addition to the work so ordered shall not exceed four hundred thousand dollars (\$400,000), adjusted annually to reflect the percentage change in the California Consumer Price Index.

(2) For contracts whose original cost exceeds fifty million dollars (\$50,000,000), the extra cost for any change or addition to the work so ordered shall not exceed seven hundred fifty thousand dollars (\$750,000), adjusted annually to reflect the percentage change in the California Consumer Price Index.

(3) If the board of supervisors delegates authority in the manner specified in subdivision (a) with regard to the contract costs specified in this subdivision, the decision by the county engineer or other county officer whom authority was delegated to shall be binding on the County of Los Angeles, and all existing protest and grievance procedures regarding that decision remain valid.

(4) At the time the board of supervisors delegates authority in the manner specified in subdivision (a) with regard to the contract costs specified in this subdivision, the board shall implement appropriate measures to prevent fraud and ensure accountability for that delegated authority.

(5) This subdivision does not apply if the sum of the contracts modified under this subdivision, subdivision (b) of Section 20395, subdivision (e) of Section 20405, subdivision (b) of Section 20614, and subdivision (b) of Section 20998, exceeds seven contracts.

(6) If a contract is modified under this subdivision, the County of Los Angeles shall provide a review report to the Assembly Committee on Local Government and the Senate Committee on Governance and Finance no later than July 1, 2026.

(d) This section shall remain in effect only until January 1, 2027, and as of that date is repealed.

### **SEC. 2.** Section 20142 is added to the Public Contract Code, to read:

**20142.** (a) The board of supervisors may, by ordinance, resolution, or board order, authorize the county engineer, or other county officer, to order changes or additions in the work being performed under construction contracts. When so authorized, any change or addition in the work shall be ordered in writing by the county engineer, or other designated officer, and the extra cost to the county for any change or addition to the work so ordered shall not exceed five thousand dollars (\$5,000) when the total amount of the original contract does not exceed fifty thousand dollars (\$50,000), nor 10 percent of the amount of any original contract that exceeds fifty thousand dollars (\$50,000), but does not exceed two hundred fifty thousand dollars (\$250,000).

(b) For contracts whose original cost exceeds two hundred fifty thousand dollars (\$250,000), the extra cost for any change or addition to the work so ordered shall not exceed twenty-five thousand dollars (\$25,000), plus 5 percent of the amount of the original contract cost in excess of two hundred fifty thousand dollars (\$250,000). In no event shall any such change or alteration exceed two hundred ten thousand dollars (\$210,000).

(c) This section shall become operative on January 1, 2027.

**SEC. 3.** Section 20395 of the Public Contract Code is amended to read:

**20395.** (a) In any county that has appointed a road commissioner pursuant to Section 2006 of the Streets and Highways Code, or in any county that has abolished the office of road commissioner and complied with Section 2006.1 of the Streets and Highways Code, the board of supervisors may authorize the road commissioner, or a registered civil engineer under the direction of the county director of transportation, to have any work upon county highways done under their supervision and direction. The work may be done in any of the following ways:

(1) By letting a contract covering both work and material. In that event, the contract shall be let to the lowest responsible bidder as provided in this article.

(2) By purchasing the material and letting a contract for the performance of the work. In that event, the material shall be bought at the lowest possible cost and the contract let to the lowest responsible bidder as provided in this article.

(3) By purchasing the material and having the work done by day labor, in which case advertising for bids is not required.

(4) (A) By authorizing the county road commissioner or a registered civil engineer under the direction of the county director of transportation to execute changes or additions to the work for any contract pursuant to this section in an amount not to exceed five thousand dollars (\$5,000) for contracts of fifty thousand dollars (\$50,000) or less, or 10 percent for contracts over fifty thousand dollars (\$50,000) but not to exceed two hundred fifty thousand dollars (\$250,000). In no event shall any change or addition to the work exceed a net total addition of twenty-five thousand dollars (\$25,000).

(B) For contracts whose original cost exceeds two hundred fifty thousand dollars (\$250,000), the extra cost for any change or addition to the work so ordered shall not exceed twenty-five thousand dollars (\$25,000), plus 5 percent of the amount of the original contract cost in excess of two hundred fifty thousand dollars (\$250,000). Notwithstanding subdivision (b), no change or alteration shall exceed two hundred ten thousand dollars (\$210,000).

(b) The County of Los Angeles may elect to be subject to all of the following provisions:

(1) For contracts whose original cost exceeds twenty-five million dollars (\$25,000,000), the extra cost for any change or addition to the work so ordered shall not exceed four hundred thousand dollars (\$400,000), adjusted annually to reflect the percentage change in the California Consumer Price Index.

(2) For contracts whose original cost exceeds fifty million dollars (\$50,000,000), the extra cost for any change or addition to the work so ordered shall not exceed seven hundred fifty thousand dollars (\$750,000), adjusted annually to reflect the percentage change in the California Consumer Price Index.

(3) If the board of supervisors delegates authority in the manner specified in subdivision (a) with regard to the contract costs specified in this subdivision, the decision by the county engineer or other county officer whom authority was delegated to shall be binding on the County of Los Angeles, and all existing protest and grievance procedures regarding that decision remain valid.

(4) At the time the board of supervisors delegates authority in the manner specified in subdivision (a) with regard to the contract costs specified in this subdivision, the board shall implement appropriate measures to prevent fraud and ensure accountability for that delegated authority.

(5) This subdivision does not apply if the sum of the contracts modified under this subdivision, subdivision (c) of Section 20142, subdivision (e) of Section 20405, subdivision (b) of Section 20614, and subdivision (b) of Section 20998, exceeds seven contracts.

(6) If a contract is modified under this subdivision, the County of Los Angeles shall provide a review report to the Assembly Committee on Local Government and the Senate Committee on Governance and Finance no later than July 1, 2026.

(c) By purchasing the material and letting a contract for the work or by letting a contract covering both work and material without advertising for bids when the estimated cost of emergency work necessitated by the imminence or occurrence of a landslide, flood, storm damage, or other emergency exceeds twenty-five thousand dollars (\$25,000) and the public interest and necessity demand immediate action to safeguard life, health, or property.

(d) This section shall remain in effect only until January 1, 2027, and as of that date is repealed.

**SEC. 4.** Section 20395 is added to the Public Contract Code, to read:

**20395.** In any county that has appointed a road commissioner pursuant to Section 2006 of the Streets and Highways Code, or in any county that has abolished the office of road commissioner and complied with Section 2006.1 of the Streets and Highways Code, the board of supervisors may authorize the road commissioner, or a registered civil engineer under the direction of the county director of transportation, to have any work upon county highways done under their supervision and direction. The work may be done in any of the following ways:

(a) By letting a contract covering both work and material. In that event, the contract shall be let to the lowest responsible bidder as provided in this article.

(b) By purchasing the material and letting a contract for the performance of the work. In that event, the material shall be bought at the lowest possible cost and the contract let to the lowest responsible bidder as provided in this article.

(c) By purchasing the material and having the work done by day labor, in which case advertising for bids is not required.

(d) (1) By authorizing the county road commissioner or a registered civil engineer under the direction of the county director of transportation to execute changes or additions to the work for any contract pursuant to this section in an amount not to exceed five thousand dollars (\$5,000) for contracts of fifty thousand dollars (\$50,000) or less, or 10 percent for contracts over fifty thousand dollars (\$50,000) but not to exceed two hundred fifty thousand dollars (\$250,000). In no event shall any change or addition to the work exceed a net total addition of twenty-five thousand dollars (\$25,000).

(2) For contracts whose original cost exceeds two hundred fifty thousand dollars (\$250,000), the extra cost for any change or addition to the work so ordered shall not exceed twenty-five thousand dollars (\$25,000), plus 5 percent of the amount of the original contract cost in excess of two hundred fifty thousand dollars (\$250,000). In no event shall any change or alteration exceed two hundred ten thousand dollars (\$210,000).

(e) By purchasing the material and letting a contract for the work or by letting a contract covering both work and material without advertising for bids when the estimated cost of emergency work necessitated by the imminence or occurrence of a landslide, flood, storm damage, or other emergency exceeds twenty-five thousand dollars (\$25,000) and the public interest and necessity demand immediate action to safeguard life, health, or property.

(f) This section shall become operative on January 1, 2027.

**SEC. 5.** Section 20405 of the Public Contract Code is amended to read:

**20405.** (a) The board shall afford all bidders an opportunity to examine the plans, specifications, and working details, and shall award the contract to the lowest responsible bidder. The board may provide by resolution that the bids be opened, examined, and declared by an officer designated in the resolution. The resolution shall require that the bids be opened at a public meeting called by the officer and that the results of the bidding be reported to the board at a subsequent regular board meeting. The notice inviting bids shall state the time and place of the public meeting and the name of the designated officer.

(b) All bids for construction work shall be presented under sealed cover and shall be accompanied by one of the following forms of bidder's security:

(1) Cash.

(2) A cashier's check made payable to the county.

(3) A certified check made payable to the county.

(4) A bidder's bond executed by an admitted surety insurer, made payable to the county.

Upon an award to the lowest bidder, the security of an unsuccessful bidder shall be returned in a reasonable period of time, but in no event shall that security be held by the county beyond 60 days from the time the award is made.

(c) The person to whom the contract is awarded shall execute a bond, approved by the board, for the faithful performance of the contract. The person shall perform the work in accordance with the plans, specifications, and working details, unless all or any of them are modified by a four-fifths vote of the members of the board. In that case, if the cost of the work is reduced by reason of the modification, the person to whom the contract is awarded shall make an allowance on the contract price to the extent of the reduction.

(d) In any county that has appointed a road commissioner pursuant to Section 2006 of the Streets and Highways Code, or in any county that has abolished the office of road commissioner and complied with Section 2006.1 of the Streets and Highways Code, the board may authorize the road commissioner, or a registered civil engineer under the direction of the county director of transportation, to execute changes or additions to the work for any contract made pursuant to this article in an amount not to exceed:

(1) For contracts whose original cost is less than fifty thousand dollars (\$50,000), the amount of the change or addition shall not exceed five thousand dollars (\$5,000).

(2) For contracts whose original cost is fifty thousand dollars (\$50,000), but less than two hundred fifty thousand dollars (\$250,000), the amount of the change or addition shall not exceed 10 percent of the amount of the cost of the original contract.

(3) For contracts whose original cost exceeds two hundred fifty thousand dollars (\$250,000), the extra cost for any change or addition to the work so ordered shall not exceed twenty-five thousand dollars (\$25,000), plus 5 percent of the amount of the cost of the original contract that is in excess of two hundred fifty thousand dollars (\$250,000). Notwithstanding subdivision (e), no change or addition shall exceed two hundred ten thousand dollars (\$210,000).

(e) The County of Los Angeles may elect to be subject to all of the following provisions:

(1) For contracts whose original cost exceeds twenty-five million dollars (\$25,000,000), the extra cost for any change or addition to the work so ordered shall not exceed four hundred thousand dollars (\$400,000), adjusted annually to reflect the percentage change in the California Consumer Price Index.

(2) For contracts whose original cost exceeds fifty million dollars (\$50,000,000), the extra cost for any change or addition to the work so ordered shall not exceed seven hundred fifty thousand dollars (\$750,000), adjusted annually to reflect the percentage change in the California Consumer Price Index.

(3) If the board of supervisors delegates authority in the manner specified in subdivision (d) with regard to the contract costs specified in this subdivision, the decision by the county engineer or other county officer whom authority was delegated to shall be binding on the County of Los Angeles, and all existing protest and grievance procedures regarding that decision remain valid.

(4) At the time the board delegates authority in the manner specified in subdivision (d) with regard to the contract costs specified in this subdivision, the board shall implement appropriate measures to prevent fraud and ensure accountability for that delegated authority.

(5) This subdivision does not apply if the sum of the contracts modified under this subdivision, subdivision (c) of Section 20142, subdivision (b) of Section 20395, subdivision (b) of Section 20614, and subdivision (b) of Section 20998, exceeds seven contracts.

(6) If a contract is modified under this subdivision, the County of Los Angeles shall provide a review report to the Assembly Committee on Local Government and the Senate Committee on Governance and Finance no later than July 1, 2026.

(f) This section shall remain in effect only until January 1, 2027, and as of that date is repealed.

**SEC. 6.** Section 20405 is added to the Public Contract Code, to read:

**20405.** (a) The board shall afford all bidders an opportunity to examine the plans, specifications, and working details, and shall award the contract to the lowest responsible bidder. The board may provide by resolution that the bids be opened, examined, and declared by an officer designated in the resolution. The resolution shall require that the bids be opened at a public meeting called by the officer and that the results of the bidding be reported to the board at a subsequent regular board meeting. The notice inviting bids shall state the time and place of the public meeting and the name of the designated officer.

(b) All bids for construction work shall be presented under sealed cover and shall be accompanied by one of the following forms of bidder's security:

(1) Cash.

(2) A cashier's check made payable to the county.

(3) A certified check made payable to the county.

(4) A bidder's bond executed by an admitted surety insurer, made payable to the county.

Upon an award to the lowest bidder, the security of an unsuccessful bidder shall be returned in a reasonable period of time, but in no event shall that security be held by the county beyond 60 days from the time the award is made.

(c) The person to whom the contract is awarded shall execute a bond, approved by the board, for the faithful performance of the contract. The person shall perform the work in accordance with the plans, specifications, and working details, unless all or any of them are modified by a four-fifths vote of the members of the board. In that case, if the cost of the work is reduced by reason of the modification, the person to whom the contract is awarded shall make an allowance on the contract price to the extent of the reduction.

(d) In any county that has appointed a road commissioner pursuant to Section 2006 of the Streets and Highways Code, or in any county that has abolished the office of road commissioner and complied with Section 2006.1 of the Streets and Highways Code, the board may authorize the road commissioner, or a registered civil engineer under the direction of the county director of transportation, to execute changes or additions to the work for any contract made pursuant to this article in an amount not to exceed:

(1) For contracts whose original cost is less than fifty thousand dollars (\$50,000), the amount of the change or addition shall not exceed five thousand dollars (\$5,000).

(2) For contracts whose original cost is fifty thousand dollars (\$50,000), but less than two hundred fifty thousand dollars (\$250,000), the amount of the change or addition shall not exceed 10 percent of the amount of the cost of the original contract.

(3) For contracts whose original cost exceeds two hundred fifty thousand dollars (\$250,000), the extra cost for any change or addition to the work so ordered shall not exceed twenty-five thousand dollars (\$25,000), plus 5 percent of the amount of the cost of the original contract that is in excess of two hundred fifty thousand dollars (\$250,000). In no event shall any change or addition exceed two hundred ten thousand dollars (\$210,000).

(e) This section shall become operative on January 1, 2027.

**SEC. 7.** Section 20614 of the Public Contract Code is amended to read:

**20614.** (a) The board of supervisors and the board of directors of the district, if any, may, by ordinance, resolution, or board order, authorize the general manager or other district officer to order changes or additions in the work being performed under contracts made pursuant to this article in an amount not to exceed:

(1) For contracts whose original cost is less than fifty thousand dollars (\$50,000), the amount of the change or addition shall not exceed five thousand dollars (\$5,000).

(2) For contracts whose original cost is fifty thousand dollars (\$50,000), but less than two hundred fifty thousand dollars (\$250,000), the amount of the change or addition shall not exceed 10 percent of the amount of the cost of the original contract.

(3) For contracts whose original cost exceeds two hundred fifty thousand dollars (\$250,000), the extra cost for any change or addition to the work so ordered shall not exceed twenty-five thousand dollars (\$25,000), plus 5 percent of the amount of the cost of the original contract that is in excess of two hundred fifty thousand dollars (\$250,000). Notwithstanding subdivision (b), no change or addition shall exceed two hundred ten thousand dollars (\$210,000).

(b) The County of Los Angeles may elect to be subject to all of the following provisions:

(1) For contracts whose original cost exceeds twenty-five million dollars (\$25,000,000), the extra cost for any change or addition to the work so ordered shall not exceed four hundred thousand dollars (\$400,000), adjusted annually to reflect the percentage change in the California Consumer Price Index.

(2) For contracts whose original cost exceeds fifty million dollars (\$50,000,000), the extra cost for any change or addition to the work so ordered shall not exceed seven hundred fifty thousand dollars (\$750,000), adjusted annually to reflect the percentage change in the California Consumer Price Index.

(3) If the board of supervisors delegates authority in the manner specified in subdivision (a) with regard to the contract costs specified in this subdivision, the decision by the county engineer or other county officer whom authority was delegated to shall be binding on the County of Los Angeles, and all existing protest and grievance procedures regarding that decision remain valid.

(4) At the time the board delegates authority in the manner specified in subdivision (a) with regard to the contract costs specified in this subdivision, the board shall implement appropriate measures to prevent fraud and ensure accountability for that delegated authority.

(5) This subdivision does not apply if the sum of the contracts modified under this subdivision, subdivision (c) of Section 20142, subdivision (b) of Section 20395, subdivision (e) of Section 20405, and subdivision (b) of Section 20998, exceeds seven contracts.

(6) If a contract is modified under this subdivision, the County of Los Angeles shall provide a review report to the Assembly Committee on Local Government and the Senate Committee on Governance and Finance no later than July 1, 2026.

(c) This section shall remain in effect only until January 1, 2027, and as of that date is repealed.

**SEC. 8.** Section 20614 is added to the Public Contract Code, to read:

**20614.** The board of supervisors and the board of directors of the district, if any, may, by ordinance, resolution, or board order, authorize the general manager or other district officer to order changes or additions in the work being performed under contracts made pursuant to this article in an amount not to exceed:

(a) For contracts whose original cost is less than fifty thousand dollars (\$50,000), the amount of the change or addition shall not exceed five thousand dollars (\$5,000).

(b) For contracts whose original cost is fifty thousand dollars (\$50,000), but less than two hundred fifty thousand dollars (\$250,000), the amount of the change or addition shall not exceed 10 percent of the amount of the cost of the original contract.

(c) For contracts whose original cost exceeds two hundred fifty thousand dollars (\$250,000), the extra cost for any change or addition to the work so ordered shall not exceed twenty-five thousand dollars (\$25,000), plus 5 percent of the amount of the cost of the original contract that is in excess of two hundred fifty thousand dollars (\$250,000). In no event shall any change or addition exceed two hundred ten thousand dollars (\$210,000).

(d) This section shall become operative on January 1, 2027.

**SEC. 9.** Section 20998 of the Public Contract Code is amended to read:

**20998.** (a) The board of supervisors of the district may, by ordinance, resolution, or board order, authorize the chief engineer or other district officer to order changes or additions in the work being performed under contracts made pursuant to this article in an amount not to exceed:

(1) For contracts whose original cost is less than fifty thousand dollars (\$50,000), the amount of the change or addition shall not exceed five thousand dollars (\$5,000).

(2) For contracts whose original cost is fifty thousand dollars (\$50,000), but less than two hundred fifty thousand dollars (\$250,000), the amount of the change or addition shall not exceed 10 percent of the amount of the cost of the original contract.

(3) For contracts whose original cost exceeds two hundred fifty thousand dollars (\$250,000), the extra cost for any change or addition shall not exceed twenty-five thousand dollars (\$25,000), plus 5 percent of the amount of the cost of the original contract that is in excess of two hundred fifty thousand dollars (\$250,000). Notwithstanding subdivision (b), no change or addition shall exceed two hundred ten thousand dollars (\$210,000).

(b) The County of Los Angeles may elect to be subject to all of the following provisions:

(1) For contracts whose original cost exceeds twenty-five million dollars (\$25,000,000), the extra cost for any change or addition to the work so ordered shall not exceed four hundred thousand dollars (\$400,000), adjusted annually to reflect the percentage change in the California Consumer Price Index.

(2) For contracts whose original cost exceeds fifty million dollars (\$50,000,000), the extra cost for any change or addition to the work so ordered shall not exceed seven hundred fifty thousand dollars (\$750,000), adjusted annually to reflect the percentage change in the California Consumer Price Index.

(3) If the board of supervisors delegates authority in the manner specified in subdivision (a) with regard to the contract costs specified in this subdivision, the decision by the county engineer or other county officer whom authority was delegated to shall be binding on the County of Los Angeles, and all existing protest and grievance procedures regarding that decision remain valid.

(4) At the time the board delegates authority in the manner specified in subdivision (a) with regard to the contract costs specified in this subdivision, the board shall implement appropriate measures to prevent fraud and ensure accountability for that delegated authority.

(5) This subdivision does not apply if the sum of the contracts modified under this subdivision, subdivision (c) of Section 20142, subdivision (b) of Section 20395, subdivision (e) of Section 20405, and subdivision (b) of Section 20614, exceeds seven contracts.

(6) If a contract is modified under this subdivision, the County of Los Angeles shall provide a review report to the Assembly Committee on Local Government and the Senate Committee on Governance and Finance no later than July 1, 2026.

(c) This section shall remain in effect only until January 1, 2027, and as of that date is repealed.

**SEC. 10.** Section 20998 is added to the Public Contract Code, to read:

**20998.** The board of supervisors of the district may, by ordinance, resolution, or board order, authorize the chief engineer or other district officer to order changes or additions in the work being performed under contracts made pursuant to this article in an amount not to exceed:

(a) For contracts whose original cost is less than fifty thousand dollars (\$50,000), the amount of the change or addition shall not exceed five thousand dollars (\$5,000).

(b) For contracts whose original cost is fifty thousand dollars (\$50,000), but less than two hundred fifty thousand dollars (\$250,000), the amount of the change or addition shall not exceed 10 percent of the amount of the cost of the original contract.

(c) For contracts whose original cost exceeds two hundred fifty thousand dollars (\$250,000), the extra cost for any change or addition shall not exceed twenty-five thousand dollars (\$25,000), plus 5 percent of the amount of the cost of the original contract that is in excess of two hundred fifty thousand dollars (\$250,000). In no event shall any change or addition exceed two hundred ten thousand dollars (\$210,000).

(d) This section shall become operative on January 1, 2027.

**SEC. 11.** The Legislature 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 unique need for flexibility given the contract costs of public contracts within the County of Los Angeles.