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AB-783 Public contracts: construction materials: disaster relief. (2025-2026)

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AMENDED IN ASSEMBLY MAY 01, 2025

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CALIFORNIA LEGISLATURE— 2025–2026 REGULAR SESSION

ASSEMBLY BILL

NO. 783

Introduced by Assembly Member Caloza

February 18, 2025

An act to add and repeal Chapter 12.5 (commencing with Section 14983) of Part 5.5 of Division 3 of Title 2 of the Government Code, relating to public contracts.

LEGISLATIVE COUNSEL'S DIGEST

AB 783, as amended, Caloza. Public contracts: construction materials: disaster relief.

Existing law authorizes the Department of General Services to enter into contracts on a bid or negotiated basis with manufacturers and suppliers of single source or multisource drugs, and to obtain from them discounts, rebates, or refunds as permissible under federal law.

This bill would, until January 1, 2031, authorize the department to negotiate and enter into contracts on a bid or negotiated basis for construction materials commonly used in residential structures that may include price discounts, rebates, refunds, or other strategies aimed at lowering the cost of these materials. The bill would require that these materials be offered at cost or with minimal administrative fees added to homeowners, contractors, nonprofit organizations, and local governments in any area affected by a state of emergency resulting from an earthquake, flood, fire, ~~riot~~, storm, or other natural disaster, as specified. The bill would require that the materials only be used for recovery efforts that are directly linked to housing losses caused by a state of emergency.

This bill would ~~require the department to coordinate with local governments, housing agencies, and nonprofit organizations to establish sufficient distribution of the materials within areas affected by a state of emergency resulting from an earthquake, flood, fire, riot, storm, or other natural disaster.~~ *prohibit its provisions from being interpreted to require the department to store or distribute materials.* The bill would also require the department to report annually to *specified committees of* the Legislature on the implementation, cost savings, and effectiveness of these provisions.

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

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

SECTION 1. Chapter 12.5 (commencing with Section 14983) is added to Part 5.5 of Division 3 of Title 2 of the Government Code, to read:

CHAPTER 12.5. Bulk Procurement of Housing Construction Materials for Disaster Relief

14983. The purpose of this chapter is to authorize the Department of General Services to act as a bulk purchaser of essential construction materials to ensure timely and cost-effective rebuilding of housing lost as a result of natural disasters with the goal of reducing the cost of, and streamlining access to, these materials, and to expedite rebuilding efforts in communities affected by a state of emergency resulting from an earthquake, flood, fire, ~~riot~~, storm, or other natural disaster.

14983.1. As used in this chapter, "department" means the Department of General Services.

14983.2. (a) Notwithstanding any other provision, the department may negotiate and enter into exclusive or nonexclusive contracts on a bid or negotiated basis for construction materials commonly used in residential structures. Contracts entered into pursuant to this chapter may include price discounts, rebates, refunds, or other strategies aimed at lowering the cost of these materials. The materials may include, but are not limited to, all of the following:

- (1) Structural materials, such as lumber, concrete, rebar, and steel beams.
- (2) Insulation and weatherproofing materials, including, but not limited to, roofing supplies.
- (3) Interior and flashing materials, such as drywall, paint, windows, doors, and fasteners.
- (4) Mechanical and electrical systems, including, but not limited to, wiring and fixtures.

(b) The department shall, if possible, give priority to sustainable and locally sourced materials.

(c) Contracts under this chapter shall be exempt from Chapter 2 (commencing with Section 10290) of Part 2 of Division 2 of the Public Contract Code.

14983.3. (a) The materials procured by the department pursuant to this chapter shall be made available to homeowners, contractors, nonprofit organizations, and local governments in any area affected by a state of emergency resulting from an earthquake, flood, fire, ~~riot~~, storm, or other natural disaster declared by the President of the United States or the Governor, or upon the declaration of a local emergency resulting from an earthquake, flood, fire, ~~riot~~, storm, or other natural disaster by the executive officer of any county, city, or city and county for a period of five years following that proclamation or declaration.

(b) The materials shall only be used for recovery efforts that are directly linked to housing losses caused by a state of emergency.

(c) The materials shall be offered to homeowners, contractors, nonprofit organizations, and local governments at cost or with minimal administrative fees added in order to ensure affordability for disaster survivors.

~~14983.4. The department shall coordinate with local governments, housing agencies, and nonprofit organizations to establish sufficient distribution of the materials within areas affected by a state of emergency resulting from an earthquake, flood, fire, riot, storm, or other natural disaster.~~

14983.4. Nothing in this chapter shall be interpreted to require the department to store or distribute materials.

14983.5. (a) The department shall maintain transparency in procuring construction materials pursuant to this chapter and, notwithstanding Section 10231.5, report annually to the ~~Legislature~~ *Assembly Committee on Emergency Management and the Senate Committee on Governmental Organization* on the implementation, cost savings, and effectiveness of this chapter. The report shall include, but not be limited to, ~~all~~ *both* of the following:

(1) Quantities purchased.

~~(2) Distribution metrics.~~

~~(3)~~

(2) Rebuilding outcomes in areas affected by a state of emergency resulting from an earthquake, flood, fire, ~~riot~~, storm, or other natural disaster.

(b) A report to be submitted pursuant to subdivision (a) shall be submitted in compliance with Section 9795 of the Government Code.

14983.6. This chapter shall remain in effect only until January 1, 2031, and as of that date is repealed.