
Legislature Launches Pilot Program Allowing CMAS Contracts for Installation of Certain Materials SB 1422

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Senate Bill (SB) 1422, signed by the Governor in September 2022, permits State and local agencies, including school districts and community college districts, to use State-approved California Multiple Award Schedule (CMAS) contracts for the installation, or purchase and installation, of resilient flooring, carpet, lighting fixtures, and synthetic turfs, which have limitations that are different from standard CMAS contracts.

Background

Existing law allows local agencies to use CMAS and other State-awarded agreements for the purchase of goods, information technology, and services without competitive bidding. The CMAS program, which is administered by the Department of General Services (DGS), allows a local agency to use a CMAS contract for public works so long as the total price of all public works services does not exceed the total price of the materials being purchased (i.e., does not exceed 50% of the contract price). For purposes of this “50% Rule,” a public work includes the erection, alteration, construction, improvement, or repair of any public structure, building, or improvement.

Generally, a local agency should follow the DGS procedures when using a CMAS contract.

New Law

Pursuant to SB 1422, State and local agencies may now also enter CMAS “contracts for the installation, and contracts for the purchase and installation” of four categories of materials: carpet, resilient flooring, synthetic turf, and lighting fixtures. By allowing CMAS contracts for installation only, the Legislature has essentially eliminated the above “50% Rule” for these materials.

However, in order to take advantage of these more liberal CMAS contracts, the contractor and the awarding agency must satisfy the following requirements:

- The installation work cannot be performed in connection with new construction;

- The contractor must provide an acknowledgement to the awarding agency that the installation is a public work for purposes of prevailing wages;
- The contractor must provide an enforceable commitment it will use a skilled and trained workforce under Public Contract Code section 2601, unless the awarding agency has entered a project labor agreement that requires the contractor to be bound by that agreement;
- The contract amount cannot exceed the formal competitive bidding amount for public works that otherwise would apply to the contract. For agencies that have adopted the Uniform Public Construction Cost Accounting Act (UPCCAA), the formal competitive bidding threshold is \$200,000; and
- The State or local agency must notify the Department of Industrial Relations of the contract, no matter the size.

Takeaways

SB 1422 eliminated the requirement that the price for the installation portion of a CMAS contract may not exceed the cost of the carpet, resilient flooring, synthetic turf, or lighting fixtures being purchased. However, a State or local agency cannot use the procurement process for new construction, and it only may be used when formal bidding is not required.

SB 1422, described by the Legislature as a “pilot program,” remains in effect until January 1, 2028. The DGS has not issued new guidelines, so interpretation and application of SB 1422 will evolve over time as utilized by State and local agencies.

If you have any questions about SB 1422, or other exceptions to the competitive bidding process in general, please contact the author of this Client News Brief or an attorney at one of our [eight offices](#) located statewide. You can also subscribe to our [podcast](#), follow us on [Facebook](#), [Twitter](#) and [LinkedIn](#) or download our [mobile app](#).

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