

Offshore wind is a nascent industry in California, and actions by the new federal administration are threatening to slow or halt the significant progress made in recent years. Despite these new federal policies, however, state and local leaders are planning infrastructure needed to launch the sector in California, including port facilities suitable for assembling and storing massive offshore wind turbines. Some of these infrastructure projects might present opportunities to benefit nearby communities through the use of [carefully crafted procurement](#) and contracting practices, including creative bidding credits and “best value” contracting processes.

In its offshore wind leasing process in California, the federal Bureau of Ocean Energy Management (BOEM) deployed [bidding credits](#) to support workforce training, among other measures. These [non-price criteria](#) incentivized lessees to develop plans for workforce training, floating offshore wind domestic supply chain components, and community benefits in order to receive credits against the prices they paid to the US Treasury at auction.

Similarly, non-monetary criteria could also be deployed in the construction of other offshore wind infrastructure—for example, in the construction of the [Pier Wind Project](#) at the Port of Long Beach. Using non-price criteria is a feature of [best value contracting](#), “a procurement process [that] allows owners to consider other factors in addition to price in the award and execution of construction contracts.” BOEM’s California auction offers an example of the use of innovative non-price criteria, which local jurisdictions planning offshore wind infrastructure projects could replicate through [innovative](#) and [best value procurement](#) practices.

### **Bureau of Ocean Energy Management (BOEM) California Offshore Wind Bidding Credits: Workforce and/or Supply Chain Development Bidding Credit**

Among other community-beneficial measures and bidding credits (see [Offshore Wind & Community Benefits Agreements in California](#) for additional examples) BOEM offered a Workforce and/or Supply Chain Development bidding credit (20%) as a voluntary element in the [Final Sale Notice](#) and California offshore wind December 2022 auction. Each developer submitted initial plans and strategies for this bidding credit to BOEM, which, upon BOEM approval, reduced the cost of a developer’s winning bid at auction.

In return for those reductions in payment, lessees must provide documentation that they have completed and fulfilled their bidding credit commitments by the time

they submit the first Facility Design Reports (a stage in the [permitting process](#) that comes after developers submit, and BOEM reviews, each windfarm project plan, known as Construction and Operations Plans (COP))—or pay the value of the bid credit to the US Treasury.

Each of the five winning developers received credit for the Workforce and/or Supply Chain Development bidding credit proposal, although each pledged different dollar amounts. These pledges are memorialized in the leases that BOEM executed with the five developers on June 1, 2023 (See the “Existing Leases” tab on BOEM’s “California Activities” [webpage](#)).

For the Workforce and/or Supply Chain Development Bidding Credit, leaseholders may choose whether to contribute to workforce development, supply chain development, or both (for more information on domestic supply chain requirements and incentives in the CA offshore wind leases, see [CLEE's 2025 memo](#)). To fulfill this bidding credit, leaseholders can donate to existing programs or create new programs or incentives, as long as they are “associated with the planning, design, construction, operation, maintenance, or decommissioning of U.S. floating offshore wind energy projects, or the manufacturing or assembling of their components, in the United States.” Monies cannot be given to any of the leaseholder’s affiliated entities and cannot duplicate other benefits, mitigation efforts, or bidding credit plans. Lastly, leaseholders must provide demonstrable evidence of their bidding credit contributions. Research for this post has not yet unearthed copies of the lessees’ Workforce and/or Supply Chain bidding credit proposals, but the amounts committed range from \$20 to \$26.7 million, depending on the developer.

### **Possible State & Local Approaches**

Given how early California lessees are in the overall wind farm permitting process, the concrete community impacts of these BOEM lease provisions have yet to be determined; they are still commitments and have not yet been implemented. However, planning for offshore wind-related infrastructure projects continues at the state and local level, primarily in the areas of transmission and ports. These plans include a 400-acre facility at the Port of Long Beach called “[Pier Wind](#)” to facilitate the future assembly and storage of offshore wind turbines. (State legislation pertinent to Pier Wind includes [AB 3](#) (Zbur, 2023), [AB 2235](#) (Lowenthal, 2024), and if passed, [SB 787](#) (McNerney, 2025).) Investments like Pier Wind are crucial to launching the offshore wind industry in California; state leaders will need to promote more large-scale infrastructure projects like these to ensure that wind

farms can be assembled and serviced and that electricity can be transmitted from the wind farms to the onshore grid.

This raises the question of whether, aside from other forms of policy support for clean energy, local and/or state California agencies could import the non-monetary approach that BOEM used in the federal auction to enhance community benefits on state and local infrastructure projects. For example, could the City of Long Beach replicate BOEM's bidding credits, or similar non-monetary procurement criteria, to incentivize the inclusion of community benefits in Pier Wind contracts?

### **Could The City of Long Beach Implement One or More Community-Beneficial Procurement Methods for Contracting on the Pier Wind Project?**

Historically, probably not, as the California Local Agency Public Construction Act (Cal. Pub. Contract Code §§ 100 — 22355) typically requires government entities to select the lowest cost responsible bidder for a public project. However, recent carveouts include legislation such as [SB 706](#) (Caballero, 2023), which permits cities, counties, local agencies, and others to instead use the [progressive design-build](#) approach for public works projects over five million dollars.

Under legislation passed in 2024 expressly for the Pier Wind project ([AB 2235](#) (Lowenthal, 2024), codified in Cal. Pub. Contract Code §§ 22190 — 22199), the City of Long Beach (the City) has specifically been empowered to enter into best value and other alternative contract delivery mechanisms on construction projects for Pier Wind procurement contracts. The bill, for example, specifically enables a “progressive design-build” method of contracting. As defined in the bill, this is “a project delivery method in which the design, preconstruction services, and construction of the project... are procured, in one or more stages, from a single design-build entity that is selected through a best value-based selection,” which confers more flexibility in project contracting than a pure lowest-cost approach.

[AB 2235](#) defines “best value” as “a value determined by evaluation of objective criteria that may include, but are not limited to, price, features, function, life-cycle costs, experience, and past performance.” This language enables the City to evaluate potential contractors based on factors other than price, including, “features, function” and other measures, and so, similar to BOEM's approach in California's 2022 auction, it is likely the City could implement a contracting method that incorporates community-beneficial measures rather than just lowest cost. Such measures might include workforce training and targeted hiring goals for

disadvantaged workers, as well as other provisions. (See, for example, LA Metro's [local hiring goals](#) and Los Angeles World Airport's [local hire and workforce program](#).)

That said, with respect to workforce measures in particular, the Port's current [Project Labor Agreement](#) (PLA), in effect through 2033, includes hiring goals for local, veteran, and "transitional workers" (meaning the unhoused, single parents, those receiving public assistance, and others). [AB 2235](#) restricted the scope of the current PLA to particular construction activities at the Pier Wind site, so how the current PLA will interact with new best value contracting efforts, and whether the current PLA could, should, or will be amended to reflect updated community local hire and workforce training goals on the Pier Wind project are separate questions for future research.

Due to the City's ability to pursue best value contracting, at least on the construction phase of Pier Wind, community advocates may want to think about beneficial community measures that they would want to advocate for as part of the process. How far best value procurement can stretch, and what measures could feasibly be included in contractor evaluation (equipment electrification? community pollution monitoring?) are issues that merit further research. However, under AB 2235 the City can clearly use best value contracting, giving it the opportunity to adopt a creative approach to Pier Wind and ensure that local communities benefit from a project that could have [potentially large impacts](#) on nearby neighborhoods.