

CONCURRENCE IN SENATE AMENDMENTS

AB 2196 (Low)

As Amended June 8, 2016

Majority vote

ASSEMBLY:

SENATE:

Original Committee Reference: **TRANS.**

SUMMARY: Makes non-substantive changes to the enabling statutes for the Santa Clara Valley Transportation Authority (VTA) and additionally changes the bid thresholds for contracts related to supplies, equipment, and materials, as specified.

The Senate amendments add language to increase the bid thresholds for VTA for the purchase of supplies, equipment and materials consistent with federal guidelines. Specifically, the Senate amendments:

- 1) Increase the bid threshold, from \$100,000 to \$150,000, above which VTA must award contracts for supplies, equipment and materials to the lowest responsible bidder or to the bidder who submits a proposal that provides best value, as defined.
- 2) Increase, from \$100,000 to \$150,000, the maximum procurement amount for supplies, equipment, or materials under which VTA must obtain at least three quotations that permit prices and terms to be compared.
- 3) Increase, from \$2,000 to \$3,500, the minimum procurement amount for supplies, equipment or materials above which VTA must obtain at least three quotations that permit prices and terms to be compared.

EXISTING LAW:

- 1) Creates the Santa Clara Valley Transit District and the Santa Clara Valley Transportation Authority with various and duties relative to transportation projects, planning and services, and the operation of public transit in the County of Santa Clara.
- 2) Defines the Santa Clara Valley Transit District as meaning the Santa Clara Valley Transportation Authority.
- 3) Designates that the governing board of the district shall consists of 12 members, with two representatives of the county who shall be members of the Board of Supervisors, five representatives of the city of San Jose who shall be city council members, and five council members selected from among the cities in the county other than the City of San Jose.
- 4) Requires VTA to let contracts for the purchase of supplies, equipment, and materials to the lowest responsible bidder or to the bidder who submits a proposal that provides best value, as defined, if the amount of the contract exceeds \$100,000.
- 5) Requires VTA to obtain at least three quotations that permit prices and terms to be compared whenever the expected procurement is expected to cost between \$2,500 and does not exceed \$100,000 for supplies, equipment, or materials.

FISCAL EFFECT: Unknown, this bill is keyed non-fiscal by the Legislative Counsel.

COMMENTS: The Santa Clara County Transit District was created through state legislation in 1969 to provide public transit service for the communities of Santa Clara County. In 1989, the Santa Clara County Congestion Management Agency was created to implement the county's congestion management program. Additionally, in the 1980's the Santa Clara County Traffic Authority was established to oversee the Measure A, a voter approved, half cent sales tax measure. In the mid-1990s Santa Clara County reorganized the various transportation agencies and created the VTA to manage and operate the county's transit system, serve as the congestion management agency, develop the county's transportation plan, and implement local sales tax measures approved by voters.

According to the author, AB 2196 is a clean-up bill, making various non-substantive changes to current VTA statutes. A comprehensive review and clean-up of the underlying statutes governing VTA has not been done since the reorganization of the agency occurred. This bill is intended to update provisions that are outdated, delete provisions that are obsolete or inoperable, and modify provisions that are inconsistent.

Additionally, the Senate amendments update the bid thresholds for VTA contracts related to supplies, equipment, and materials to be consistent with federal acquisition thresholds updated in 2015. Specifically, the Simplified Acquisition Threshold (SAT) is set by the federal government for its Simplified Acquisition Procedures (SAP), which are designed to help federal agencies meet their small business procurement targets. SAPs employ streamlined contracting procedures for contracts valued between \$2,500 and \$150,000, such as allowing quotations (including oral quotations) instead of requiring full-blown bids, requiring less stringent reporting, and setting simpler rules for subcontracting. Federal acquisition thresholds are adjusted every five years and published in the Federal Register. The latest adjustment in 2015 raised the micro-purchase threshold to \$3,500. The SAT ceiling remained the same at \$150,000.

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