

Date of Hearing: April 8, 2019

ASSEMBLY COMMITTEE ON TRANSPORTATION

Jim Frazier, Chair

AB 1810 (Committee on Transportation) – As Introduced March 4, 2019

SUBJECT: Transportation

SUMMARY: Makes various changes to transportation-related statutes. Specifically, **this bill:**

- 1) Removes the California Transportation Commission (CTC) from the California Transportation Agency (CalSTA) and establishes CTC as an independent entity in state government.
- 2) Extends an existing pilot program to test the effectiveness of the “best value” procurement method for purchasing and equipping heavy mobile fleet vehicles and special equipment for the California Department of Transportation (Caltrans).
- 3) Removes an inconsistency in current law by deleting motorized scooters from the list of vehicles requiring a motorcycle endorsement or permit, but still requiring that a person must have a valid license or permit of any class to operate a motorized scooter.

EXISTING LAW:

- 1) Establishes CalSTA in state government, consisting of the Department of the California Highway Patrol, CTC, the Department of Motor Vehicles, Caltrans, the High-Speed Rail Authority, and the Board of Pilot Commissioners for the Bays of San Francisco, San Pablo, and Suisun.
- 2) Establishes the 13-member CTC and provides that the commission is responsible for appointing an executive director who is to serve at the pleasure of the commission.
- 3) Directs CTC to advise and assist the Secretary of Transportation and the Legislature in formulating and evaluating state policies and plans for transportation programs in the state.
- 4) Establishes a pilot program at Department of General Services (DGS) to test the effectiveness of the "best value" procurement method for purchasing and equipping heavy mobile fleet vehicles and special equipment for Caltrans.
- 5) Requires an operator of a motorized scooter to have a valid driver's license or permit.

FISCAL EFFECT: Unknown.

COMMENTS: This is the Assembly Transportation Committee policy omnibus bill and makes changes to existing law as follows:

- 1) *CTC independence.* The Legislature originally created the CTC in 1978 as a result of concerns that the state lacked a single, unified transportation policy. The 13-member Commission oversees and coordinates the activities of the state’s transportation sector, including planning and allocating money for the construction of highway, rail, and transit improvements throughout California. CTC is statutorily vested with the responsibility to advise both the Governor and the Legislature on transportation issues.

In 2012, Governor Brown proposed a major restructuring of the Executive Branch, presumably to improve clarity, organization, and accountability by eliminating agencies, forming new agencies around better focused missions, and bringing more state activities under agency structures for greater administrative efficiency. The plan included the disbanding of the Business, Transportation, and Housing Agency, the creation of CalSTA, and the inclusion of CTC within CalSTA.

The shift of CTC to be part of an administrative agency was one of the more contested components of the reorganization plan. At a hearing before California's Little Hoover Commission (which was responsible for reviewing the plan and making recommendations to the Legislature as to whether the plan should go forward or not), opponents to the CTC move suggested that CTC's independence was vital to the administration of the state's transportation programs and that placing CTC within CalSTA would threaten that independence. They cited as an example the fact that this shift makes the CalSTA Secretary statutorily responsible for management control over the administrative, fiscal, and program performance of CTC, yet the CTC Executive Director, who serves at the pleasure of the Commissioners, is accountable for these functions to the Commissioners, not the Secretary.

This bill removes CTC from within CalSTA and reestablishes it as an independent entity in state government. It replicates AB 2734 (Frazier, 2018), a bill that passed unanimously out of both houses of the Legislature and was vetoed by Governor Brown.

- 2) *Caltrans "best-value" procurement.* The majority of public sector contracts in California are awarded strictly on a "low-bid" basis where the contractor submitting the lowest responsive and responsible bid is awarded the contract. While the low-bid procurement system has a long-standing legal precedence and has promoted open competition, there are concerns that a system based strictly on the lowest price does not provide the best overall product value and can result in higher costs over the long-term. As a result, Caltrans is often forced to work with less than adequate equipment, unreliable suppliers, limited warranties and performance, and higher than normal maintenance costs.

In response, the Legislature passed and Governor Brown signed into law AB 1857 (Frazier), Chapter 381, Statutes of 2014, which authorized DGS to conduct a pilot to test the effectiveness of the "best value" procurement method for purchasing and equipping heavy mobile fleet vehicles and special equipment for Caltrans. The DGS pilot sunsets on January 1, 2021.

This bill makes three simple changes to the DGS pilot in order to improve the effectiveness of the program that arose from discussions between Caltrans and industry partners. First, this section extends the sunset for one year to January 1, 2022, due to the delayed roll-out of the program to ensure there is enough time to adequately test the process. Second, it increases the amount DGS can procure through this program each year from \$20 to \$50 million. This is necessary because the vehicles Caltrans purchases are often very expensive and so one order can exceed \$20 million. A higher limit will enable the state to better test the efficacy of this procurement method. And third, this bill shifts the program from a calendar year to a fiscal year to avoid confusion in implementation as Caltrans budgets its procurements on a fiscal year basis.

- 3) *Motorized scooters.* This bill addresses an inconsistency in state law that is creating problems for public safety officers to enforce existing requirements. Currently, one section of the Vehicle Code specifies that operators of motorized scooters must have a valid driver's license, while other sections of the Vehicle Code require a motorized scooter operator to have a motorcycle endorsement. This bill deletes the motorcycle endorsement requirement.

Double referral. This bill will be heard by the Assembly Committee on Accountability and Administrative Review if it passes out of this committee.

REGISTERED SUPPORT / OPPOSITION:**Support**

None on file

Opposition

None on file

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