

Assembly Bill 2763

Job Order Contracting for VTA

Assembly Member Ash Kalra

SUMMARY

Assembly Bill 2763 would authorize the Santa Clara Valley Transportation Authority (VTA) to use job order contracting (JOC) for routine work that may span over a two-year contract. This would benefit VTA with certain activities related to the maintenance of its facilities, including its light rail system, to ensure they remain in a state of good repair.

BACKGROUND

In California, JOC is a procurement method that allows for the awarding of contracts based on prices for specific tasks rather than bids for a whole project. JOC can reduce procurement time and costs associated with putting projects to bid. These tasks are usually unplanned, but foreseeable maintenance projects.

Construction contracts under VTA's maintenance program typically follow a design-bid-build delivery model. The design-bid-build process requires additional time and extra administrative costs related to advertising contracts, selecting a contractor, and administering construction activities. The JOC technique is still competitive in nature but designed for work that does not fit in the traditional design-bid-build model. This method enables agencies to accomplish many repairs, renovation, demolition, refurbishment, and maintenance projects based on a unit cost, with unspecified quantities and at non-pre-determined locations. By establishing fixed costs for set units of work, it reduces the time and expenses.

In utilizing JOC, agencies are still required to be in full compliance with the applicable federal and state laws pertaining to procurement. Just as in the traditional procurement process for construction projects, state or local agency procurement would solicit bids, evaluate responses, and award a contract to the lowest responsive and responsible bidder. This contracting method is not intended for new construction or for more complex projects.

Currently, federal agencies such as the Department of Defense, Department of Transportation, Department of Housing and Urban Development, National Aeronautics and Space Administration, the General Services Administration, and the United States Postal Service utilize job order contracting (JOC) to complete repair work that is needed more frequently and falls in the public interest.

In 2021, the Governor signed AB 846 (Low) into law which allowed for schools and community college districts to administer JOC agreements. Additionally, the first pilot project for JOC was established in 2003 specifically for Los Angeles Unified School District (LAUSD). In 2011, LAUSD reported that actual project costs were reduced by an average of 9.3 percent as compared to the estimates and procurement time. This was later expanded to additional school districts that met specific criteria under AB 1431 (Gomez, 2015).

SOLUTION

By authorizing JOC for VTA, AB 2763 will increase efficiency and accelerate the completion of smaller projects. The bill specifically excludes new construction and places monetary limits on the contracts.

SPONSOR

Santa Clara Valley Transportation Authority (VTA)

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