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TO: City of Cupertino, Legislative Review Committee
FROM: Anthony, Jason, and Paul Gonsalves
SUBJECT: Consider Adopting A Position on AB 2763
(Assemblymember Kalra) Santa Clara Valley
Transportation Authority: Job Order Contracting.
DATE: **August 15, 2022**

Bill Information:

The official text of AB 2763 can be found [here](#)¹:

Summary:

AB 2763 authorizes the Santa Clara Valley Transportation Authority (VTA) to enter into job order contracts (JOCs) only if it is subject to the project labor agreement between VTA and the Santa Clara and San Benito Counties Building and Construction Trades Council. This bill prohibits VTA from entering into a JOC for work that is protected by collective bargaining agreements and prohibits VTA from entering into a JOC for new construction. The bill stipulates that VTA can enter into JOCs only if the JOC and the task orders within them, is subject to the project labor agreement (PLA) between VTA and the Santa Clara and San Benito Counties Building and Construction Trades Council, unless otherwise exempted by that PLA. The bill prohibits a single JOC from exceeding \$5 million in the first term of the JOC and, if extended or renewed, \$10 million over the maximum of two extended terms of the JOC.

AB 2763 allows VTA to execute a JOC for an initial contract term of no more than 12 months, with the option of extending or renewing the JOC for two additional 12-month periods. VTA is required, if it uses the JOC authority, on or before January 1, 2027, to submit to the Legislature a report on the use of JOCs.

¹ https://leginfo.legislature.ca.gov/faces/billNavClient.xhtml?bill_id=202120220AB2763

Requires the report to include, but not be limited to, all of the following: a description of the VTA's system for evaluating JOC bids for award of contracts, including, but not limited to, the criteria used by the VTA to determine a qualified and responsive job order contractor; a description of each JOC awarded and the contractor awarded the contract; and an assessment of the use of JOC.

AB 2763 contains a sunset date of January 1, 2028.

SUPPORT:

According to VTA, the sponsors of the bill, "JOC is a project delivery method designed to accelerate the completion of smaller maintenance projects at lower costs by streamlining some of the requirements of the contracting process without compromising quality, the integrity of the bidding process or compliance with labor laws. In this regard, AB 2763 would speed the delivery of certain maintenance activities that VTA contracts firms to deliver, related to the maintenance of its facilities, including its light rail system, to ensure they remain in a state of good repair."

Supporters:

Santa Clara Valley Transportation Authority (source)

OPPOSITION:

None on File

Status:

AB 2763 passed out of the Senate Transportation Committee on June 28, 2022.

Legislative Platform:

This bill falls under Cupertino's 2022 Legislative Platform in the Transportation & Infrastructure Rehabilitation Section on pgs. 8 and 9, Items #1 and 14:

1. The City supports legislation and policies that support and fund transit solutions that increase the speed and frequency of services.
2. Support legislation and funding to provide free or reduced-price access to public transit to low-income individuals.

Recommended Action:

Consider a support position on AB 2763 and authorize the Mayor to send letters to the Governor.