

AMENDED IN SENATE AUGUST 6, 2012

AMENDED IN SENATE JUNE 26, 2012

AMENDED IN ASSEMBLY MAY 15, 2012

CALIFORNIA LEGISLATURE—2011–12 REGULAR SESSION

**ASSEMBLY BILL**

**No. 2382**

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**Introduced by Assembly Members Gordon and Alejo  
(Coauthors: Assembly Members Beall, Campos, Fong, and Hill)  
(Coauthors: Senators Alquist, Blakeslee, and Simitian)**

February 24, 2012

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An act to add and repeal Article 5 (commencing with Section 14190) of Chapter 2 of Part 5 of Division 3 of Title 2 of the Government Code, relating to transportation.

LEGISLATIVE COUNSEL'S DIGEST

AB 2382, as amended, Gordon. Department of Transportation: Innovative Delivery Team Demonstration Program.

Existing law provides that the Department of Transportation has full possession and control of the state highway system. Existing law creates the Santa Clara Valley Transportation Authority with various transportation responsibilities in the County of Santa Clara.

This bill would, by July 1, 2013, require the department; and the Santa Clara Valley Transportation Authority to enter into a memorandum of understanding to implement the Innovative Delivery Team Demonstration Program, which would, until January 1, 2020, provide a different business model for the application of advanced technologies with the goal of delivering transportation projects and services in the County of Santa Clara in a more responsive, cost-effective, and efficient manner. The bill would require the demonstration program to serve as

a mechanism for testing innovative approaches for improving project delivery and local assistance. The bill would require the department to assign specified personnel to the demonstration program. The bill would also require the authority to provide space, equipment, and other resources, as specified, to the demonstration program. The bill would require the authority to carry out, for purposes of implementing the demonstration program, specified responsibilities for state highway projects in *the County of Santa Clara* ~~County~~. *The bill would require the authority to manage the local assistance process, for purposes of implementing the demonstration program, in the County of Santa Clara.* The bill would require the demonstration program to adhere to all applicable federal rules and regulations, as specified. The bill would require the authority, in consultation with the department, to evaluate the effectiveness of the demonstration program and to report to the Legislature by July 1, 2015, and by July 1, 2018, on specified matters. By requiring the authority to participate in this demonstration program, the bill would impose a state-mandated local program.

The bill would also declare the intent of the Legislature in this regard.

The California Constitution requires the state to reimburse local agencies and school districts for certain costs mandated by the state. Statutory provisions establish procedures for making that reimbursement.

This bill would provide that, if the Commission on State Mandates determines that the bill contains costs mandated by the state, reimbursement for those costs shall be made pursuant to these statutory provisions.

Vote: majority. Appropriation: no. Fiscal committee: yes.  
 State-mandated local program: yes.

*The people of the State of California do enact as follows:*

- 1 SECTION 1. The Legislature hereby finds and declares all of
- 2 the following:
- 3 (a) In this era of increasing demand for public services and
- 4 limited resources, it is important for government at all levels to
- 5 consider innovative ways to become more effective and efficient,
- 6 and to do more with less.
- 7 (b) In California, a typical highway project can take as many
- 8 as 14 to 16 years to complete. Improvements to the various
- 9 processes and procedures related to project development and
- 10 construction would shorten this timeline and would, therefore,

1 reduce costs, allowing more projects to be built with the same  
2 amount of money, and allowing the public to realize the benefits  
3 of these projects, such as increased mobility, sooner.

4 (c) The Department of Transportation is a very large and  
5 extremely complex organization, with a headquarters office in  
6 Sacramento, 12 district offices covering all 58 counties in the state,  
7 and more than 22,000 employees. As a result, attempting to  
8 expedite project delivery and improve the department's local  
9 assistance program on a statewide basis can be a daunting  
10 challenge. Perhaps a better strategy that would have a greater  
11 chance of success would be to first test out innovative approaches  
12 on a small scale to determine which have the potential to be  
13 effective on a statewide basis.

14 (d) In Silicon Valley, the heart of innovation, the Santa Clara  
15 Valley Transportation Authority has a solid track record of  
16 delivering transportation capital improvement projects for the  
17 communities of *the County of Santa Clara County*, either on time  
18 or ahead of schedule, and either on budget or under budget.

19 (e) The authority is willing to commit its own resources to  
20 implement a demonstration program with the department that  
21 envisions the establishment of a partnership between the two  
22 organizations with the goal of testing innovative approaches for  
23 improving project delivery and local assistance.

24 (f) Under this demonstration program, it is envisioned that the  
25 department would identify a core group of existing staff to serve  
26 at the authority's headquarters office in *the City of San Jose* so  
27 that the two organizations could work closely and collaboratively  
28 to develop and implement a different business model for delivering  
29 transportation projects and local assistance services that takes  
30 advantage of the strengths of each organization.

31 (g) By serving as a testing laboratory for trying out innovative  
32 approaches, the demonstration program presents an excellent  
33 opportunity for taking the first steps in working together to improve  
34 project delivery and local assistance. For those ideas that prove  
35 that they can work, the department could then determine the  
36 appropriate way to apply them throughout its operations, thereby  
37 stretching the benefits of the demonstration program throughout  
38 the state.

39 (h) Therefore, the purpose of this act is to establish a  
40 demonstration program involving the department and the authority

1 with the goal of delivering safe, high-quality transportation projects  
2 and local assistance services in the fastest and most affordable way  
3 possible through the development and implementation of an  
4 improved business model that contemplates a realignment of roles  
5 and responsibilities, the use of innovative processes, and the  
6 application of advanced technologies. It is the intent of the  
7 Legislature that the demonstration program serve as a testing  
8 laboratory, with successful innovations being rolled out across the  
9 state, resulting in a more cost-effective, more efficient, and more  
10 responsive business model in terms of delivering transportation  
11 projects and local assistance services to a geographically large and  
12 diverse state.

13 SEC. 2. Article 5 (commencing with Section 14190) is added  
14 to Chapter 2 of Part 5 of Division 3 of Title 2 of the Government  
15 Code, to read:

16  
17 Article 5. Innovative Delivery Team Demonstration Program  
18

19 14190. For purposes of this article, the following terms shall  
20 have the following meanings:

21 (a) “Authority” means the Santa Clara Valley Transportation  
22 Authority established under Part 12 (commencing with Section  
23 100000) of Division 10 of the Public Utilities Code.

24 (b) “Demonstration program” means the Innovative Delivery  
25 Team Demonstration Program.

26 14191. (a) On or before July 1, 2013, the department and the  
27 authority shall enter into a memorandum of understanding to  
28 implement the Innovative Delivery Team Demonstration Program.

29 (b) The authority and the department shall develop the  
30 demonstration program to test, but not be limited to, the following:

31 (1) Operating under a different business model that may consist  
32 of a combination of the following: the realignment of roles and  
33 responsibilities between the department and the authority, the  
34 delegation of decisionmaking authority to department managers  
35 assigned to the demonstration program, the use of innovative  
36 processes, and the application of advanced technologies with the  
37 goal of delivering transportation projects and local assistance  
38 services in the County of Santa Clara in a more responsive,  
39 cost-effective, and efficient manner.

1 (2) Serving as a mechanism for testing innovative approaches  
2 for expediting project delivery and improving the department's  
3 local assistance program.

4 (3) Identifying those innovative approaches that are suitable for  
5 application by the department in other parts of the state.

6 (c) The memorandum of understanding shall, at a minimum,  
7 define roles, responsibilities, conflict resolution, delegation of  
8 authority, empowerment, performance metrics, and financial  
9 support for the purpose of implementing the demonstration  
10 program.

11 14192. (a) From existing staff, the department shall assign the  
12 necessary resources as referred to in the memorandum of  
13 understanding, and which, at a minimum, shall include a program  
14 manager, a local assistance liaison, and at least one project  
15 manager. The department shall locate these staff resources at the  
16 authority's headquarters office in *the City of San Jose* to work with  
17 the authority to implement the demonstration program. The  
18 department staff resources assigned to the demonstration program  
19 shall continue to be employees of the department and shall operate  
20 as an entity of the department separate from the authority.

21 (b) The authority shall provide space, equipment, and other  
22 resources as necessary at its headquarters office in *the City of San*  
23 *Jose* to accommodate department employees assigned to the  
24 demonstration program.

25 14193. Notwithstanding any other provision of law, the  
26 authority, for purposes of implementing the demonstration  
27 program, shall, at a minimum, be responsible for, and take the lead  
28 on, the following with respect to projects on the state highway  
29 system in *the County of Santa Clara County*:

30 (a) Prepare and certify project study reports or equivalent  
31 planning documents.

32 (b) Serve as lead agency for purposes of the environmental  
33 approval process pursuant to the California Environmental Quality  
34 Act and the National Environmental Policy Act.

35 (c) Acquire and certify rights-of-way.

36 (d) Advertise, award, and administer construction contracts.

37 ~~(e) Manage the local assistance process.~~

38 14193.5. *Notwithstanding any other provision of law, the*  
39 *authority, for purposes of implementing the demonstration*

1 *program, shall manage the local assistance process with respect*  
2 *to projects in the County of Santa Clara.*

3 14194. The demonstration program shall adhere to all  
4 applicable federal laws and regulations and shall not jeopardize  
5 the receipt of federal funds by the department or the authority, or  
6 cause a reduction in the federal funds receivable by the department  
7 or the authority.

8 14195. (a) The authority, in consultation with the department,  
9 shall evaluate the demonstration program to determine its  
10 effectiveness. On or before July 1, 2018, the authority shall submit  
11 a report containing the results of this evaluation to the Legislature,  
12 together with recommendations as to whether the demonstration  
13 program should be continued. The report shall also identify those  
14 elements of the demonstration program that are suitable for  
15 application by the department on a statewide basis.

16 (b) On or before July 1, 2015, the authority shall submit a report  
17 to the Legislature on the activities undertaken to date pursuant to  
18 this article and the progress of the demonstration program.

19 (c) The reports required by subdivisions (a) and (b) shall be  
20 submitted in compliance with Section 9795.

21 14196. This article shall remain in effect only until January  
22 1, 2020, and as of that date is repealed, unless a later enacted  
23 statute, that is enacted before January 1, 2020, deletes or extends  
24 that date.

25 SEC. 3. If the Commission on State Mandates determines that  
26 this act contains costs mandated by the state, reimbursement to  
27 local agencies and school districts for those costs shall be made  
28 pursuant to Part 7 (commencing with Section 17500) of Division  
29 4 of Title 2 of the Government Code.