

**TA**

**CORRESPONDENCE**

**as of 3-20-2020**



March 11, 2020

The Honorable Marc Berman  
Assembly Member, 24<sup>th</sup> District  
State Capitol, Room 6011  
Sacramento, CA 95814

**Re: AB 2237 (Berman): Bay Area Transportation Authorities: Procurement Thresholds: Supplies, Materials, Equipment – SPONSOR**

Dear Assembly Member Berman:

On behalf of the San Mateo County Transportation Authority (SMCTA), I am writing to express our appreciation for your authorship of AB 2237, which updates the procurement thresholds for the purchase of supplies, materials, and equipment for transportation authorities in the Bay Area. SMCTA is pleased to sponsor the bill.

Currently, Public Utilities Code Section 131285 only provides for lowest responsible bidder as a competitive bidding procurement method, and a cap of \$75,000, for the purchase of supplies, equipment and materials. AB 2237 would change the bidding requirements to include best value and update the procurement threshold from \$75,000 to \$150,000 so that it is consistent with standards set forth by the federal government. This section of law has not been updated in 15 years (SB 987, Chapter 83, Statutes of 2005) and is needed in order to allow additional help to facilitate project delivery.

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 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.

For these reasons, we thank you for authoring AB 2237. If you have any questions, please contact Casey Fromson, Director Government & Community Affairs, at 650.508.6493 or [Fromsonc@samtrans.com](mailto:Fromsonc@samtrans.com).

Sincerely,

A handwritten signature in blue ink, appearing to read 'Jim Hartnett', is written over a light blue circular stamp.

Jim Hartnett  
Executive Director

cc: San Mateo County Transportation Authority State Legislative Delegation  
San Mateo County Transportation Authority Board of Directors

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The Honorable Marc Berman  
Assembly Member, 24<sup>th</sup> District  
State Capitol, Room 6011  
Sacramento, CA 95814

**Re: AB 2237 (Berman): Bay Area Transportation Authorities: Procurement Thresholds: Supplies, Materials, Equipment - SUPPORT**

Dear Assembly Member Berman:

On behalf of the San Mateo County Transit District and the San Mateo County Transportation Authority (SMCTA), I am writing to express support for AB 2237, which updates the procurement thresholds for the purchase of supplies, materials, and equipment for transportation authorities in the Bay Area. SMCTA is pleased to sponsor the bill.

Currently, Public Utilities Code Section 131285 only provides for lowest responsible bidder as a competitive bidding procurement method, and a cap of \$75,000, for the purchase of supplies, equipment and materials. AB 2237 would change the bidding requirements to include best value and update the procurement threshold from \$75,000 to \$150,000 so that it is consistent with standards set forth by the federal government.

This section of law has not been updated in 15 years (SB 987, Chapter 83, Statutes of 2005) and is needed in order to allow additional help to facilitate project delivery, particularly with the enactment of SB 1. Updating the procurement threshold from a 15-year old cap and allowing for the use of best value as a procurement method will also help maximize the efficient use of taxpayer dollars.

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 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.

For these reasons, we support AB 2237. If you have any questions, please contact Casey Fromson, Director Government & Community Affairs, at 650.508.6493 or [Fromsonc@samtrans.com](mailto:Fromsonc@samtrans.com).

Sincerely,

  
Jim Harthett  
General Manager/CEO/Executive Director

cc: San Mateo County Transit District State Legislative Delegation  
San Mateo County Transportation Authority State Legislative Delegation  
San Mateo County Transit District Board of Directors  
San Mateo County Transportation Authority Board of Directors