



Legislation Text

File #: 17-0639, **Version:** 1

Chief Administrative Office recommending the Board approve a letter expressing the County's opposition to AB 1250 (Jones-Sawyer), as amended May 30, 2017, regarding the use of personal services contracts by cities and counties; authorize submittal to State Legislative representatives and to the California State Association of Counties; authorize the Chair to sign the letter; and authorize County staff to work with the California State Association of Counties and State Legislative representatives as the bill proceeds.

DEPARTMENT RECOMMENDATION

Chief Administrative Office recommending the Board approve and authorize submittal of a letter expressing the County's opposition to AB 1250 regarding the use of personal services contracts by cities and counties.

DISCUSSION / BACKGROUND

This recommendation pertains to AB 1250 (Jones-Sawyer). Counties and Cities: Contracts for Personal Services (as amended 5/30/17).

AB 1250 effectively eliminates almost all contracting services for counties and cities. The California State Association of Counties and the League of California Cities recommend a position of "oppose" on this bill.

California Government Code, the County Charter, and County Ordinance Code currently authorize the County to enter into contracts for special services, and when the Board finds that work can more economically and feasibly be performed by independent contractors. County Ordinance, Section 3.13.030 provides for a number of criteria to be evaluated when considering contracts with independent contractors. This includes instances where contracts are necessary to protect against a conflict of interest or to ensure independent and unbiased findings where there is a need for an outside perspective; instances where the work involves temporary, occasional, urgent or emergency services; or where the contractor will provide equipment, materials, facilities, administration or support services related to providing work that may not be feasibly provided by the County.

El Dorado County relies on the use of independent contractors for a number of services, including specialty medical and mental health services in the jail, juvenile hall, and psychiatric health facility.

AB 1250 would restrict a county's ability to contract for "personal services," which is an undefined term in the bill, unless specific steps are taken by the county and a current or prospective contracted service provider. The service provider could be a non-profit organization, a corporation, partnership or sole proprietorship offering a broad scope of services including but not limited to prehospital EMS care, legal representation, landscaping, information technology support, and senior support services.

AB 1250 provides that counties may only enter into a personal service contract that is valued at more than \$100,000 if the Board of Supervisors "clearly demonstrates" that the contract will result in actual cost savings according to specific cost-benefit analysis standards. However, counties are expressly

prohibited from taking into account savings that could result from the contract through equipment, like specialty vehicles, or materials provided. AB 1250 could restrict contacting based on an incomplete analysis.

Contracted service providers are also required to provide extensive information about their private employees to counties and counties in turn must make that information subject to the California Public Records Act. This opens to the door to major new administrative burdens and new, non-reimbursable administrative costs for records request compliance. It may also open the door to litigation over personal privacy violations brought forward by private employees.

AB 1250 also requires public agencies to provide detailed orientations to employees of contractors. This would be a new internal service, requiring new countywide procedures and oversight, which creates significant cost and administration issues.

Two fact sheets that have been received by the County are included here as Attachments B and C to this item for reference. Additionally, CSAC has provided the following clarifications:

- AB 1250 does impact current contracts: Any contract that is renewed or extended after January 1, 2018, is subject to a performance audit annually to provide a cost benefit analysis. The contract cannot be renewed or extended until the audit is completed and reviewed. Also, all contractors must provide counties with their employees' names and wages that are subject to Public Records Act requests.
- AB 1250 does impact SB 1 transportation projects: Transportation projects will be impacted and possibly delayed. There is a broad exemption for "public works" but this fails to consider other demands for contracted services related to SB 1 transportation projects. For example, private land acquisition of right-of-ways often relies on contracted consultants and appraisers.
- AB 1250 does impact public works and environmental services: There is general exemption for "environmental services" when it is in connection to project development or permit processing (Government Code Section 4525). However, this exemption does not contemplate other environmental impact report (EIR) consulting needs, such as for general plan updates.
- AB 1250 does impact emergency services: The exemption for emergencies only provides for a 90 day contract during any single peak load, temporary absence, or emergency situation. Emergency medical services (EMS) and ambulance transport are subject to AB 1250.

ALTERNATIVES

The Board could choose to not approve the recommendation, or could direct staff to amend the draft letter of opposition.

OTHER DEPARTMENT / AGENCY INVOLVEMENT

N/A

FINANCIAL IMPACT

There is no direct financial impact related to this recommendation. However, as briefly described above, AB 1250 could pose significant future cost implications should it be approved.

CLERK OF THE BOARD FOLLOW UP ACTIONS

Please return signed original letter(s) to Chief Administrative Office for submittal to respective agencies and representatives.

STRATEGIC PLAN COMPONENT

Good Governance

CONTACT

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