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June 24, 2010

Board of Supervisors
County of El Dorado
330 Fair lane
Placerville, CA 95667

**Re: County Counsel Proposing Language for a Ballot Measure to Amend
Section 602 of the Charter of the County of El Dorado**

Honorable Supervisors:

Recommendation:

County Counsel recommends that the Board consider putting a measure on the November, 2010, ballot to amend Section 602 of the County Charter to provide the Board with the power to exempt certain purchases of services from the requirement of having a written contract.

Reasons for Recommendation:

On June 15, 2010, the Board directed County Counsel to prepare wording for the proposed ballot measure and return with it for Board consideration on June 29, 2010.

Section 602 of the Charter requires that there be a written contract in place for payment for any services or functions rendered to the County by a private entity to be made. This is appropriate for virtually all purchases of any consequence when the terms of the purchase need to be spelled out. However, there are occasions when we obtain routine services, usually for small amounts of money, where the vendors are not accustomed to entering into formal contracts and resist doing so. The classic example is the time the Recorder-Clerk had to have the date-stamp clock in his office serviced and took it to a jeweler. It cost less than \$50 to have the repair done, but we had to go through the

process of having the jeweler sign a contract. Although it was an extremely abbreviated contract, the jeweler was reluctant to sign it.

The proposed change to Section 602 of the Charter would allow the Board of Supervisors to exempt certain types of purchases of services of up to \$5,000 from the requirement of having a written contract. This amount was included because it was in the Board's motion. The Chief Administrative Officer, the County Auditor, and County Counsel all agree that the amount should be higher, especially given the lack of indexing the amount.

The Board of Supervisors would have to implement this provision through adoption of an ordinance. The ordinance would have to specify alternate procedures for documenting such purchases. It is important to note that this amendment is not intended to allow purchases of services to be made without proper documentation and authorization. Nor does it transfer authority for the procurement of services from the Purchasing Officer to the departments. It merely means that exempted purchases will not have to have a contract signed by the vendor to comply with the Charter. The proposed alternate procedures may involve issuance of a purchase order or memorandum to document the purchase. It is not carte blanche to departments to go out and start acquiring services without going through a process to authorize and document the purchases. Presumably, the procedures would call for certification from the departments that the service does not include handling of hazardous materials or the performance of hazardous services, or otherwise would call for a contract having special provisions in it.

The proposed language for the revised Section 602 is as follows:

602. Contract Administration.

The Board of Supervisors shall not authorize the payment of money or other compensation for the performance of any service or function by a private entity except pursuant to a written contract meeting all legal requirements for county contracts as established by the Board of Supervisors. Each contract shall identify the county officer or employee with responsibility for administering the contract. The Board of Supervisors, by ordinance, may allow the procurement of services or functions costing less than \$5,000.00 without having a written contract. Such ordinance shall specify alternate procedures for processing and documenting such purchases.

If the Board wishes to place this measure on the November ballot, we have prepared a resolution for your adoption doing so. You should also decide whether the board wants to prepare a ballot argument for the measure or wish to designate a member of the Board to do so. If the Board wishes to prepare a ballot argument, it can be prepared and brought back for Board approval on July 20, 2010.

Fiscal Impact;


The cost of placing the measure on the ballot would be nominal since there is a county-wide election occurring in November. There is no estimate for potential cost savings from the measure.

Action to be Taken After Approval:

Staff will transmit the resolution to the Registrar of Voters. We will return with a ballot argument for Board approval on July 20, 2010, if so directed.

We would be pleased to answer any questions the Board might have.

Respectfully submitted,


Louis B. Green
County Counsel

LBG/stl

Cc: Chief Administrative Officer
County Auditor

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