



A Tradition of Stewardship
A Commitment to Service

Agenda Date: 6/9/2017

Agenda Placement: 7B

Napa County Legislative Subcommittee Board Agenda Letter

TO: Napa County Legislative Subcommittee

FROM: Molly Rattigan for Minh Tran - Interim County Executive Officer
County Executive Office

REPORT BY: Michael Karath, Staff Assistant - BOS - 299-1477

SUBJECT: AB 1250 - Restrictions on Counties Ability to Contract Out for Services

RECOMMENDATION

Interim County Executive Office requests discussion of and possible action on AB 1250 (Jones-Sawyer), as amended on May 30, 2017, that would establish specific standards for the use of personal services contracts by counties and cities, requiring jurisdictions to conduct an audit to clearly demonstrate that a contract valued at \$100,000 or more will result in savings based on specific factors.

EXECUTIVE SUMMARY

Beginning January 1, 2018, AB 1250 would allow a county or county agency, or a city or city agency, to contract for personal services currently or customarily performed by employees, when specified conditions are met.

The bill would require the county or city to clearly demonstrate that the proposed contract will result in actual overall cost savings to the county or city, and also to show that the contract does not cause the displacement of county or city workers.

Additionally, the bill would require the county or city to conduct an audit of the contract to determine whether cost savings have been realized and would require the contractor to reimburse the cost of the audit. The bill would impose additional disclosure requirements for contracts exceeding \$100,000 annually.

AB 1250 is opposed by the California State Association of Counties (CSAC), Rural County Representatives of California (RCRC), Urban Counties of California and California Association of Joint Powers Authorities, asserting in a joint letter (attached to this Board letter) that the bill would "create a chilling effect on all counties' and general law cities' ability to contract for services."

FISCAL IMPACT

Is there a Fiscal Impact? No

ENVIRONMENTAL IMPACT

ENVIRONMENTAL DETERMINATION: The proposed action is not a project as defined by 14 California Code of Regulations 15378 (State CEQA Guidelines) and therefore CEQA is not applicable.

BACKGROUND AND DISCUSSION

AB 1250 would establish specific standards for the use of personal services contracts by counties and cities.

Such contracts would include, but not limited to, the following services: laundry, landscaping, ambulance transport, legal, information technology, revenue collection, and pre-hospital EMS care services. These services and others would be subject to AB 1250's audit and data collection requirements.

Beginning January 1, 2018, AB 1250 would allow a county or county agency, or a city or city agency, to contract for personal services currently or customarily performed by employees, as applicable. The bill would require the county or city to clearly demonstrate that the proposed contract will result in actual overall cost savings to the county or city and also to show that the contract does not cause the displacement of county or city workers.

Additionally, the bill would require the county or city to conduct an audit of the contract to determine whether cost savings have been realized and would require the contractor to reimburse the cost of the audit.

The bill would impose additional disclosure requirements for contracts exceeding \$100,000 annually.

Opposition

California State Association of Counties (CSAC)
Rural County Representatives of California RCRC)
Urban Counties of California
California Association of Joint Powers Authorities

SUPPORTING DOCUMENTS

- A . AB 1250 BILL TEXT
- B . AB 1250 Assembly Analysis
- C . AB 1250 - CSAC-RCRC Oppose Letter

Recommendation: Approve

Reviewed By: Molly Rattigan