RESOLUTION - ACTION REQUESTED 2017-229

MEETING: April 25, 2017

TO: The Board of Supervisors

FROM: Dallin Kimble, Interim CAO

RE: Letter Opposing AB 1250

RECOMMENDATION AND JUSTIFICATION:
Approve a Letter Opposing Assembly Bill 1250, Which Would Add Several Requirements for Contracting Professional Services; and Authorize the Board of Supervisors Chair to Sign the Letter.

The County currently utilizes a number of contracted professionals including engineers, assessors, economic development specialists, psychologists, and many more. Doing so helps provide needed services as efficiently, effectively and equitably as possible.

Assembly Bill 1250 would create several new requirements for contracting those services including providing an orientation to non-County employees, performing full economic and environmental impact analyses for each agreement, conducting an annual audit of every contract, posting the full names and salaries of non-County employees and prohibiting contract renewals until a contract has repeated these requirements and audit reports have been considered by the Board.

In essence, Assembly Bill 1250 would create a de facto ban on virtually on contracting services and increase the County’s exposure to potential liability and litigation. Staff views this bill as a potentially significant impediment to the County’s ability to deliver quality services as efficiently, effectively and equitably as possible.

Please see the attached letter and bill language for additional information.

BACKGROUND AND HISTORY OF BOARD ACTIONS:
The Board has approved letters supporting or opposing legislation.

ALTERNATIVES AND CONSEQUENCES OF NEGATIVE ACTION:
Do not approve the letter. Individual members of the Board may write their own letters of support or opposition as desired.

ATTACHMENTS:
CAO RECOMMENDATION
Requested Action Recommended

Dallin Kimble
Dallin Kimble, Interim CAO 4/19/2017

RESULT: ADOPTED BY CONSENT VOTE [UNANIMOUS]
MOVER: Merlin Jones, District II Supervisor
SECONDER: Kevin Cann, District IV Supervisor
AYES: Smallcombe, Jones, Long, Cann, Menetrey
The Honorable Reginald Jones-Sawyer, Sr.
California State Assembly
State Capitol Building, Room 2117
Sacramento, CA 95814

Re: AB 1250 (Jones-Sawyer) – Counties and Cities: Contracts for Personal Services.
NOTICE OF OPPOSITION (As amended on 4/7/17)

Dear Assembly Member Jones-Sawyer,

On behalf of the County of Mariposa, we must respectfully oppose your Assembly Bill (AB) 1250, which effectively eliminates almost all contracting services for cities and counties.

Local governments have a long history of addressing service delivery challenges with creativity, self-reliance and innovation. Unique local challenges and limited budgets continue to fuel innovative efforts to obtain expertise and provide high quality services. As amended, AB 1250 places substantial burdens on local agencies by adding onerous, over-prescriptive and unnecessary requirements that impede on local control and have significant impacts on local governance. Specifically, AB 1250:

Creates Significant Cost and Workload Requirements:

AB 1250 eliminates local agency hiring discretion by limiting a local agencies’ ability to utilize a contract for the sole purpose of cost savings through salaries and benefits. This creates a significant hurdle as many local agencies continue to struggle financially and have not achieved the same level of economic prosperity compared to pre-2008 recession levels. Unemployment rates remain high in certain areas, agencies are near a breaking point on their unfunded actuarial liability (UAL) and normal pension costs and some communities remain in significant financial difficulty.

Moreover, AB 1250 requires that the agency provide an orientation to contracted employees. Last year, AB 2835 (Cooper), which mandated that public employers must provide an orientation to their own employees, was tagged at $350 million in ongoing costs by the California department of Finance. Having a local agency provide an additional orientation to non-county employees creates significant cost and logistical concerns.

Additionally, there are real and significant privacy concerns about posting full names, job titles and salaries of non-county employees. AB 1250 would require a county to create a new, fully
searchable database that must be posted on the county website which will include substantive and sensitive information including the names, job titles, salary of each contracted employee (and subcontractors) and services of the contract, the name of the agency department or division of the county who manages the contract.

Creates a New and Burdensome Reporting Requirements:

AB 1250 would require a county, before entering a contract or renewing a contract, to perform a full economic analysis of the potential impacts of outsourcing, including the impact on local businesses if consumer spending power is reduced (among other factors). AB 1250 mandates a county to conduct a full environmental impact analysis caused by contracting for the services. Further, the measure forces a county to conduct an annual audit of each contract and prohibits a county from renewing or granting a new contract before the report is released and considered by the board of supervisors.

Each of these measures requires additional staff time and financial resources. While such actions may be beneficial in certain circumstances, we will be more effective and efficient if our focus remains on doing the work that needs to be done rather than studying the possibility of doing the work. With all due respect, too many studies may undermine the County’s mandate to deliver effective, efficient and equitable services to residents and visitors.

Increased Litigation to Local Agencies:

AB 1250 applies joint and several liability for employment law violations arising from performance of the contractor as well as torts committed by the contractor or any of its subcontractors in the course of providing services under the contract would place overly restrictive requirements on cities and potentially open that agency up to litigation.

The workload, privacy concerns, costs and litigation created by this measure places an overwhelming and significant burden on nearly every county department and would create a de facto ban on virtually all contracting services. This de facto ban would apply undue stress to already strained County budgets and is, in our opinion, in direct opposition to the County’s ability to deliver services.

For these reasons, the County of Mariposa opposes Assembly Bill 1250.

Sincerely,

[Signature]

Marshall Long
Chair

cc: Senator Tom Berryhill, 8th District
    Assembly Member Frank Bigelow, 5th District