



Board Agenda Item 4

DATE: February 4, 2020

TO: Board of Supervisors

SUBMITTED BY: Robert W. Bash, Director of Internal Services/Chief Information Officer

SUBJECT: Increase Purchasing Agent Authority to Enter into Service Contracts

RECOMMENDED ACTION(S):

Approve and authorize an increase in the Purchasing Agent's authority, effective immediately, to enter into new service contracts, with a maximum five (5) year term, up to an aggregate limit of \$200,000 pursuant to California Government Code (GC) section 25502.5.

Approval of the recommended action will increase the Purchasing Agent's authority to enter into new service agreements with independent contractors to perform services for the County, including services and supplies, pursuant to California Government Code (GC) Section 25502.5, up to a payment limit that does not exceed \$200,000 in the aggregate. This increase would allow greater flexibility in the contract approval process, and promote economy and efficiency in County procurements by reducing staff time involved in bringing service-related contract items before your Board. The Purchasing Manual will be revised to reflect these changes. This item is countywide.

ALTERNATIVE ACTION(S):

Your Board could choose to maintain the Purchasing Agent's current authority for service contracts; however, this would limit the County's flexibility in the contract process compared to the recommended action.

FISCAL IMPACT:

There is no increase in Net County Cost associated with the recommended action. The recommended action increases the Purchasing Agent's authority to enter into new service contracts, with a maximum five (5) year term, up to an aggregate limit of \$200,000. All service contracts exceeding this dollar limit and/or contract terms will continue to require Board of Supervisor's approval.

This will allow departments to procure services with greater efficiencies, resulting in less staff time and decreasing the costs associated with service-related procurements that are brought before your Board.

DISCUSSION:

On January 28, 2003, the Board of Supervisors authorized the Purchasing Agent to execute service contracts pursuant to the provisions of Government Code Section 25502.5, which increased the Purchasing Agent's authority from \$16,250 total to a total aggregate contract payment limit of \$100,000, an amount that had been in place since 1978.

On March 8, 2011, the Board of Supervisors received and denied a recommendation for the Purchasing

Agent's authority to execute service contracts with an **annual** aggregate limit, as reflected in the then amended GC Section 25502.5, which became effective on January 1, 2010. Approval of that recommendation would have allowed the Purchasing Agent to execute one or more service contracts (which may include services and supplies) with each vendor, within the \$100,000 annual limit, and when each service contract is for different purposes.

Effective January 1, 2019, California Government Code Section 25502.5 was further amended to allow the increase of a county's Purchasing Agent's annual authority to \$200,000, as follows:

"(a) In counties having a population of 200,000 or more, the board of supervisors may authorize the purchasing agent to engage independent contractors to perform services for the county or county officers, with or without the furnishing of material, when the annual aggregate cost does not exceed two hundred thousand dollars (\$200,000)."

As a result of this statutory change, your Board may increase the Purchasing Agent's authority to execute service contracts (for services and supplies) that do not exceed the \$200,000 annual aggregate limit. Sacramento, San Diego, Los Angeles, Stanislaus, and Tulare counties have increased their Purchasing Agents' authority to the fullest extent allowed by the Government Code.

Approval of the recommended action would increase the Purchasing Agent's authority to enter into service contracts from \$100,000 to \$200,000 in the aggregate, providing for greater flexibility in the contract approval process, and decreasing the number of service contracts brought before your Board.

Service contracts falling outside of the defined recommended action would continue to be brought before your Board for approval. In addition, service contracts that may only be approved by the Board of Supervisors are not affected by this item (e.g. Charter section 13 requires your Board's 4/5 vote for a proposed service contract if the service is then being performed by County employees). Should your Board approve staff's recommendation, staff will revise the Purchasing Manual to reflect the Purchasing Agent's increased authority.

REFERENCE MATERIAL:

BAI #36, March 8, 2011
BAI #7, January 28, 2003

CAO ANALYST:

Yussel Zalapa