

THE BOARD OF SUPERVISORS OF THE COUNTY OF STANISLAUS  
BOARD ACTION SUMMARY

DEPT: Chief Executive Office

BOARD AGENDA #: \*B-3

AGENDA DATE: August 8, 2017

**SUBJECT:**

Approval to Adopt a Resolution and a Letter of Opposition to AB 1250 (Jones-Sawyer) Establishing Specific Standards for the Use of Personal Services Contracts by Counties

**BOARD ACTION AS FOLLOWS:**

No. 2017-433

On motion of Supervisor Olsen, Seconded by Supervisor DeMartini  
and approved by the following vote,

Ayes: Supervisors: Olsen, Withrow, Monteith, DeMartini, and Chairman Chiesa

Noes: Supervisors: None

Excused or Absent: Supervisors: None

Abstaining: Supervisor: None

1)  Approved as recommended


2)  Denied

3)  Approved as amended

4)  Other:

MOTION:

ATTEST:

  
ELIZABETH A. KING, Clerk of the Board of Supervisors

File No.

**THE BOARD OF SUPERVISORS OF THE COUNTY OF STANISLAUS  
AGENDA ITEM**

DEPT: Chief Executive Office BOARD AGENDA #: \*B-3  
Urgent  Routine  AGENDA DATE: August 8, 2017

CEO CONCURRENCE:



4/5 Vote Required: Yes  No

---

**SUBJECT:**

Approval to Adopt a Resolution and a Letter of Opposition to AB 1250 (Jones-Sawyer) Establishing Specific Standards for the Use of Personal Services Contracts by Counties

---

**STAFF RECOMMENDATIONS:**

1. Approve a letter of opposition to AB 1250 establishing specific standards for the use of personal services contracts by counties.
2. Authorize the Chairman of the Board to sign the letter of opposition to AB 1250 on behalf of the Board of Supervisors.
3. Adopt a Resolution to oppose AB 1250 (Jones-Sawyer) establishing specific standards for the use of personal services contracts by counties.

**DISCUSSION:**

Current law authorizes county Boards of Supervisors to contract for special services on behalf of various public entities with persons who are specially trained, experienced, expert, and competent to perform the special services including financial, economic, accounting, engineering, legal, and other specified services. AB 1250 would establish specific standards for the use of personal services contracts imposing new restrictions designed to stop counties from contracting with nonprofits, licensed professionals and other providers for critical local services. Restricting the County's ability to contract for the expertise and the most efficient delivery of services would result in reduced access to services or even the elimination of some services in Stanislaus County.

AB 1250 would negatively impact the County's ability to deliver services critical to maintaining continuity of operations. The County concerns range from fundamental local control discretion, to increased costs, operational inefficiencies, unnecessary reporting requirements, and increased exposure to litigation.

AB 1250 targets personal service agreements, which fill a need for specialized skills and experience unavailable through the County's internal general classification system, such as certified Geologists or part-time medical providers, with certain skills and knowledge needed to provide state-mandated services. The County already experiences difficulty recruiting qualified candidates with such specialized skills, even on a part-time basis. AB 1250 would add

## Approval to Adopt a Resolution and a Letter of Opposition to AB 1250 (Jones-Sawyer) Establishing Specific Standards for the Use of Personal Services Contracts by Counties

---

additional hurdles that could impact the County's ability to hire these contractors, and would greatly impact the County's ability to deliver critical services to the public.

AB 1250 would also hinder the County's ability to hire temporary staffing. Existing California Government Code Section 31000.4 authorizes the County's elected Board of Supervisors to contract with temporary help firms for work assignments limited to 90 days, so long as provisions contained therein are met. Temporary staffing needs are typically urgent, but the restrictions imposed by AB 1250 would both undermine local discretionary authority and hinder the County's ability to respond to such needs in a timely manner.

AB 1250 mandates a cost analysis audit whenever contracting for personal services, demonstrating, among other requirements, that contractor employee wages are at market rates but don't significantly undercut County wages. This auditing requirement not only denies the County of cost-saving opportunities, but must also be performed before renewing existing agreements. The net result would be a significant burden on the County's service contracting abilities, resulting in extended lead times and increased costs.

The bill asserts the costs of the required cost analysis audits would be absorbed by contractors and may not be charged back to counties, but in reality, contractors will either pass these costs back to counties through higher prices, or cease doing business with counties altogether. Moreover, it is unclear how counties could assess these audit costs, and the requirement would create a chilling effect on bidding by prospective contractors.

Additionally, AB 1250 would require counties to create a new, fully searchable online database that includes sensitive information, such as the names, job titles, and salary of each contracted employee. There is no direction in the measure on who must update this information or how often it must be updated, and this in itself would create significant costs in staff time and increased workload. Apart from these inherent cost drivers, posting such sensitive personal information sets the stage for right-to-privacy lawsuit by contracted or subcontracted individuals, and the costs associated with this type of litigation could be significant.

In summary, AB 1250 imposes substantial obstacles for counties to contract for personal services. The workload, privacy concerns, costs, and litigation created by this measure would place an overwhelming and significant burden on counties, resulting in a de facto ban on virtually all contracting services. For these reasons it is recommended the Board of Supervisors adopt a resolution to oppose AB 1250 and authorize the Chairman to sign the attached letter of opposition.

### **POLICY ISSUE:**

The Stanislaus County Legislative Platform for 2017 includes the policy for the Board of Supervisors and staff to address support or oppose positions on issues. AB 1250 poses a clear and compelling direct negative impact on County government. Therefore, the Board of Supervisors is asked to approve and authorize the Chairman of the Board to sign the letter of opposition to AB 1250 on behalf of the Board of Supervisors. Further, Board of Supervisors' approval is required to adopt the formal resolution to oppose AB 1250.

Approval to Adopt a Resolution and a Letter of Opposition to AB 1250 (Jones-Sawyer)  
Establishing Specific Standards for the Use of Personal Services Contracts by Counties

---

**FISCAL IMPACT:**

There is no fiscal impact associated with the actions recommended to oppose AB 1250.

**BOARD OF SUPERVISORS' PRIORITY:**

Approval of the recommended actions supports the Board's priority of Efficient Delivery of Public Services by insuring consistency in application of Board policy as contained in the 2017 Legislative Platform, and in opposing legislative changes that burden or increase costs to local government.

**STAFFING IMPACT:**

There is no staffing impact associated with the agenda item; existing staff have prepared the letter of opposition and resolution for the Board's review and approval.

**CONTACT PERSON:**

Keith D. Boggs, Assistant Executive Officer

Telephone: (209) 525-6333

**ATTACHMENT(S):**

1. Letter of opposition to AB 1250
2. Resolution

Attachment 1

Letter of opposition to AB 1250



**BOARD OF SUPERVISORS**

**Kristin Olsen**, 1<sup>st</sup> District  
**Vito Chiesa**, 2<sup>nd</sup> District  
**Terry Withrow**, 3<sup>rd</sup> District  
**Dick Monteith**, 4<sup>th</sup> District  
**Jim DeMartini**, 5<sup>th</sup> District

1010 10th Street, Suite 6500  
Modesto, CA 95354  
Phone: 209.525.6560 Fax: 209.525.4410

August 8, 2017

The Honorable Ricardo Lara  
Chair, Senate Appropriations Committee  
State Capitol, Building, Room 2206  
Sacramento, CA 95814

**Re: AB 1250 (Jones-Sawyer) Counties: contracts for personal services- OPPOSE**

Dear Senator Lara,

On behalf of the County of Stanislaus, I am writing to express strong opposition to Assembly Bill (AB) 1250 (Jones-Sawyer), which would negatively impact the County's ability to deliver services critical to maintaining continuity of operations. The County's concerns range from fundamental local control discretion, to increased costs, operational inefficiencies, unnecessary reporting requirements, and increased exposure to litigation.

The Stanislaus County Board of Supervisors is committed to providing excellent community services and we charge the organization to effectively manage public resources, encourage innovation and continuously improve business efficiencies. We are good fiscal stewards of public funds and serve the public interest daily in an efficient and cost-effective manner. This legislation poses an array of issues that will impede local control and governance, hamper our ability to respond quickly to local challenges and negatively affect the residents that we serve.

AB 1250 targets personal service agreements, which fill a need for specialized skills and experience unavailable through the County's internal general classification system, such as certified Geologists or part-time medical providers, with certain skills and knowledge needed to provide state-mandated services. The County already experiences difficulty recruiting qualified candidates with such specialized skills, even on a part-time basis. AB 1250 would add additional hurdles that impact the County's ability to hire these contractors, and would greatly impact the County's ability to deliver critical services to the public.

Even with recent and proposed amendments, AB 1250 establishes onerous pre-condition standards for contracting and ignores indirect overhead costs. It continues to be drafted in overly broad terms without definition of key items such as personal services contracts. This creates an opportunity for confusion and unintended consequences. For example, the State's definition of personal service contracts (2 CCR 547.59) could be interpreted so broadly that it encompasses not only individual contract employees and short-term temporary staff, but also large scale/long-term service agreements, such as the County's contracted janitorial and security services. This interpretation would have wide-ranging implications, affecting nearly all contracted services and severely limiting the County's ability to operate.

The Honorable Ricardo Lara  
Chair, Senate Appropriations Committee  
August 8, 2017  
Page Two

AB 1250 mandates a cost analysis audit whenever contracting for personal services, demonstrating, among other requirements, that contractor employee wages are at market rates but don't significantly undercut County wages. This auditing requirement not only denies the County of cost-saving opportunities, but must also be performed before renewing existing agreements. The net result would be a significant burden on the County's service contracting abilities, resulting in extended lead time and increased costs.

The bill asserts the costs of the required cost analysis audits would be absorbed by contractors and may not be charged back to counties, but in reality, contractors will either pass these costs back to counties through higher prices, or cease doing business with counties altogether. Moreover, it is unclear how counties could assess these audit costs, and the requirement would create a chilling effect on bidding by prospective contractors.

Additionally, AB 1250 would require counties to create a new, fully searchable online database that includes sensitive information, such as the names, job titles, salary of each contracted employee. There is no direction in the measure on who must update this information or how often it must be updated, and this in itself would create significant costs in staff time and increased workload.

In summary, AB 1250 imposes substantial obstacles for counties to contract for personal services. The workload, privacy concerns, costs, and litigation created by this measure would place an overwhelming and significant burden on counties, resulting in a de facto ban on virtually all contracting services. For these reasons, the County of Stanislaus opposes Assembly Bill 1250.

Sincerely,

A handwritten signature in black ink, appearing to read "Vito Chiesa". The signature is fluid and cursive, with a large initial "V" and "C".

Vito Chiesa, Chairman  
Stanislaus County Board of Supervisors

CC: Honorable Members, Senate Appropriations Committee  
Honorable Cathleen Galgiani, Senator  
Honorable Adam C. Gray, Assembly Member  
Honorable Reggie Jones-Sawyer, California State Assembly  
Honorable Lorena Gonzalez Fletcher, California State Assembly  
California State Association of Counties  
Shaw, Yoder, Antwih, Inc.

Attachment 2

Resolution to oppose AB 1250



THE BOARD OF SUPERVISORS OF THE COUNTY OF STANISLAUS  
STATE OF CALIFORNIA

Date: August 8, 2017

2017-433

On motion of Supervisor Olsen Seconded by Supervisor DeMartini  
and approved by the following vote,

Ayes: Supervisors: Olsen, Withrow, Monteith, DeMartini and Chairman Chiesa

Noes: Supervisors: None

Excused or Absent: Supervisors: None

Abstaining: Supervisor: None

**THE FOLLOWING RESOLUTION WAS ADOPTED:**

Item # \*B-3

**A RESOLUTION TO OPPOSE AB 1250 (JONES-SAWYER) ESTABLISHING SPECIFIC  
STANDARDS FOR THE USE OF PERSONAL SERVICES CONTRACTS BY COUNTIES**

WHEREAS, Assembly Bill 1250 (Jones-Sawyer) would impose a de facto prohibition on counties' ability to contract with non-profits, licensed experts and community business to deliver vital local services; and,

WHEREAS, prohibition of contracting for county services will jeopardize health care, social services, mental health and public safety services for our most vulnerable people; and,

WHEREAS, AB 1250 restricts counties' ability to contact for the expertise and the most efficient delivery of services that would result in decreased quality and access to services or even the elimination of some services for our most vulnerable populations; and,

WHEREAS, AB 1250 will increase costs for taxpayers, reduce funding for local services, and restrict counties' ability to provide services in the most cost-effective manner; and,

WHEREAS, AB 1250 imposes significant new bureaucratic requirements on contractors and counties, which further divert resources away from the delivery of vital local services; and,

WHEREAS, AB 1250 requires that private non-profits and businesses publicly release the names, information and salary data of all private employees providing contracting services (raising significant privacy concerns); and,

WHEREAS, the bill only applies to counties while all other local governments have been excluded from the provision of AB 1250; and,

WHEREAS, AB 1250 imposes significant new burdens on community based organizations and private sector contractors for the sole purpose of discouraging public/private partnerships; and,

WHEREAS, AB 1250 mandates cost analysis audits whenever contracting for personal services that will result in significant burden on the County's services contracting abilities by extending lead times and increasing costs.

NOW, THEREFORE, BE IT RESOLVED THAT THE BOARD OF SUPERVISORS OF THE COUNTY OF STANISLAUS does hereby strongly oppose AB 1250 establishing specific standards for the use of personal services contracts by counties.

ATTEST: ELIZABETH A. KING, Clerk  
Stanislaus County Board of Supervisors,  
State of California



---

File No.