



**GENERAL SERVICES AGENCY
PURCHASING DIVISION**

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June 13, 2017

The Honorable Mike McGuire
Chairman, Senate Governance & Finance Committee
State Capitol, Room 408
Sacramento, CA 95814

Re: AB 1250 (Jones-Sawyer) Counties and cities: contracts for personal services – OPPOSE

Dear Chairman McGuire,

The County of Stanislaus respectfully opposes 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.

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.

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.

Further, 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.

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 these 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

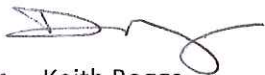
prices, or cease doing business with counties altogether. Moreover, it is unclear how counties could assess these audit costs, and the requirement would create a chilling effect on bidding by prospective contractors.

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.

Apart from these inherent cost drivers, posting such sensitive personal information sets the stage for right-to-privacy lawsuits by contracted or subcontracted employees, and the costs associated with this type of litigation would be significant.

In sum, 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,



DONNA RILEY
GSA DEPUTY DIRECTOR

FOR: Keith Boggs
Assistant Executive Officer/
Director, General Services Agency,
County Purchasing Agent

CC: The Honorable Reginald Jones-Sawyer, California State Assembly
Honorable Members, Senate Governance & Finance Committee
Honorable Members, Stanislaus County State Legislative Delegation