



*** * * ASSEMBLY FLOOR ALERT * * ***

Assembly Bill 1250 (Jones-Sawyer) – NO VOTE REQUESTED

Local Agency Service Contracts

As amended May 30, 2017

The California State Association of Counties (CSAC), Urban Counties of California (UCC), Rural County Representatives of California (RCRC), and the California Association of Joint Powers Authorities (CAJPA) **oppose AB 1250 and urges your NO vote on** this de facto prohibition on contracted services.

Broad Application to Services: AB 1250 would create a chilling effect on all counties' and general law cities' ability to contract for services. Affected service areas are defined only by the narrow exemptions in the measure for engineering, waste management, public works, and federally assisted transit services. That means all other services including **laundry, landscaping, ambulance transport, legal, information technology, revenue collection, and prehospital EMS care services** would be subject to the audit and data collection requirements.

Mandatory Audit Will Paint an Incomplete Picture: Cities and counties must conduct an audit to "clearly demonstrate" that a contract valued at \$100,000 or more will result in savings based on specific factors. However, the **audit cannot consider rent, equipment, utilities, and materials provided in the contract, which can produce substantial savings.** This is especially true for on-going services demanding specialized vehicles or services that are seasonal.

Current Contracts Are Impacted: AB 1250 applies to contracted services that are currently or customarily performed by ANY city or county and includes contracts entered after January 2018 and renewals of existing contracts. Local agencies **cannot extend an established, existing contract** without completing the performance audit.

Private Employer Information Subject to Public Records Act: The May 30 amendments remove the onerous online database requirement but the alternative is no better. For all contracts over \$100,000 the contractor must submit on a monthly basis the names, job titles, and hourly rate of pay of their employees. This information would all be subject to the California Public Records Act and could create an administrative deluge while opening the door to **litigation over personal privacy violations.**

Burden on Contractors Still Hurts Bottom Line: Simply shifting requirements and costs from the local agency to the contractor still hurts the bottom line and the opportunity for local governments to use taxpayer dollars efficiently. AB 1250 won't equate to services being provided by local agency employees. It means **cities and counties will offer fewer services if they can still be offered at all.**

If you have any questions about our request for a NO vote, please contact Dorothy Johnson with CSAC at (916) 650-8133; Jolena Voorhis with UCC at (916) 327-7531; Paul A. Smith with RCRC at (916) 447-4806; or Faith Lane with CAJPA at (916) 441-5050.