



COUNTY OF LOS ANGELES
Internal Services Department
1100 North Eastern Avenue
Los Angeles, California 90063



Tom Tindall
Director

To enrich lives through effective and caring service.

Telephone: (323) 267-2109
FAX: (323) 263-5286

March 29, 2010

To: Each Supervisor
From: Tom Tindall *TAM TINDALL*
Director
Subject: **PURCHASING AGENT AUTHORITY**

This is to inform your Board of a recent revision to the California Government Code that increased the authority of the County's purchasing agent to contract for services.

Prior to the revision, the County interpreted the Government Code to authorize the Internal Service Department, as the County's purchasing agent, to contract for services to a maximum of \$100,000 over the term of the particular contract. Consequently, existing County purchasing policy provides that any service contract exceeding the \$100,000 ceiling over its term requires Board approval.

As a result of the revision to the Government Code, the purchasing agent may now enter into service contracts in excess of \$100,000, provided that no more than \$100,000 in services is purchased in any single year. Your Board's approval would no longer be required for service contracts falling within these limitations.

Background

Los Angeles County Code Section 2.81.870 grants the purchasing agent authority to engage contractors to perform services where the cost does not exceed limitations imposed by law.

In April 2009, the County of Napa petitioned the State Senate Committee on Local Government seeking legislative clarification and revision to the provisions of the Government Code under which limitations on the purchasing agent's authority are established. Consequently, under the Local Government Omnibus Act of 2009 (SB 113), Government Code Section 25502.5 was revised to specify that the \$100,000 ceiling on the purchasing agent's authority to enter into service contracts is an **annual** limitation. SB 113 was approved October 11, 2009.

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Impact of the Increase in Authority

The revision to the law has no impact on Proposition A type contracts. Proposition A contracts valued above \$25,000 require Board approval. The Los Angeles County contracting terms and conditions for purchasing agent services contracts are the same as for Board approved contracts. Therefore, there is no impact on contract terms and conditions.

Currently, departments use the purchasing agent to contract for temporary, one-time or intermittent services (under \$100,000) because it is quicker and it reduces departments' contracting workload. Although this change will increase ISD's purchasing workload, it should increase County efficiency by reducing the time it takes to process contracts and the administrative effort involved.

Implementation

We plan to implement policies and procedures consistent with the purchasing agent's increased service contracting authority on July 1, 2010, and are working with County Counsel and the CEO to ensure proper implementation. We also plan to notify County departments regarding these new procedures prior to implementation.

Please contact me if you have any additional questions. ISD's point of contact for this action is Joe Sandoval, General Manager, ISD Purchasing and Contract Services at (323) 267-2109 or via email at jsandoval@isd.lacounty.gov.

TT:j

c: Chief Executive Officer
County Counsel
Auditor-Controller
ISD Board Deputies
Ellen Sandt, DCEO