



County of Los Angeles CHIEF EXECUTIVE OFFICE

Kenneth Hahn Hall of Administration
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(213) 974-1101
<http://ceo.lacounty.gov>

WILLIAM T FUJIOKA
Chief Executive Officer

March 24, 2011

Board of Supervisors
GLORIA MOLINA
First District
MARK RIDLEY-THOMAS
Second District
ZEV YAROSLAVSKY
Third District
DON KNABE
Fourth District
MICHAEL D. ANTONOVICH
Fifth District

To: All Department Heads
From: William T Fujioka
Chief Executive Officer

REVISED BOARD POLICY – 5.120: AUTHORITY TO APPROVE INCREASES TO BOARD APPROVED CONTRACT AMOUNTS

On March 17, 2011, the Audit Committee approved revisions to Board of Supervisors' Policy 5.120 – Authority to Approve Increases to Board Approved Contract Amounts. The Policy delegates responsibility to the Chief Executive Office (CEO) to review and approve clauses in proposed contracts which delegate to department heads the authority to approve stipulated percentage increases in Board-approved contract amounts.

The Policy (Attachment I) has been revised to provide additional guidelines as follows:

- Chief Executive Office review and approval is required for clauses in proposed contracts which delegate to department heads the authority to approve stipulated percentage increases **of up to 10 percent** in Board-approved contract amounts.
- Any department request for delegated authority to increase a Board-approved contract amount in excess of 10 percent of the total contract amount **must provide detailed justification and advance written notice to the Board of Supervisors, with a copy to the Chief Executive Officer.** While the Policy requires notification two weeks in advance of the targeted Board agenda, we encourage you to provide as early notification to the Board as possible, including via discussion at cluster meetings.

Please make sure your staff is aware of this policy change. A template is attached as a guide to provide advance notice to the Board (Attachment II).

If you have any questions regarding this correspondence, please let me know, or your staff may contact James Hazlett at (213) 974-1148, or jhazlett@ceo.lacounty.gov.

WTF:ES:MKZ
FC:JH:ib

Attachments (2)

c: Each Supervisor

2011 032411 Revised Board Policy – 5.120_Dept Head Memo.docx

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Los Angeles County
BOARD OF SUPERVISORS POLICY MANUAL

Policy #:	Title:	Effective Date:
5.120	Authority To Approve Increases To Board Approved Contract Amounts	02/14/95

(See also 5.070)

PURPOSE

Delegates responsibility to the Chief Executive Officer to review and approve clauses in proposed contracts which delegate to department heads the authority to approve stipulated percentage increases of up to 10 percent in Board approved contract amounts.

REFERENCE

February 14, 1995, Board requested the Chief Administrative Officer to review and approve clauses in proposed contracts that delegate authority to Department Heads to increase contracts up to 10 percent of total contract amount.

February 23, 1995 memo to Department Heads from the Chief Administrative Officer entitled Contract Clauses Delegating Authority to Approve Increases.

POLICY

- The Chief Executive Officer is to review and approve clauses in each proposed contract which delegates to the department head the authority to approve stipulated percentage increases in the total contract amount; and
- Such contract clauses should stipulate as specifically as possible the criteria for allowing a department head to approve such increases; and

- Any department request for a percentage increase exceeding 10 percent of the total contract amount must provide a detailed justification and advance written notice to the Board of Supervisors, with a copy to the Chief Executive Officer, at least two weeks prior to the Board Meeting at which the proposed contract is to be presented.

RESPONSIBLE DEPARTMENT

Chief Executive Office

DATE ISSUED/SUNSET DATE

Issue Date: February 23, 1995
Reissue Date: January 16, 2003
Review Date: January 18, 2007
Review Date: March 17, 2011

Sunset Review Date: January 16, 2003
Sunset Review Date: January 16, 2007
Sunset Review Date: January 16, 2011
Sunset Review Date: January 16, 2015

<USE DEPARTMENT LETTERHEAD>

<Date>

TO: Each Supervisor

FROM: <Department Head Name>
<Department Head Title>

SUBJECT: **NOTICE OF INTENT TO REQUEST DELEGATED AUTHORITY TO APPROVE
A PERCENTAGE INCREASE EXCEEDING 10 PERCENT OF THE TOTAL
CONTRACT AMOUNT**

Briefly describe the nature of the upcoming Board Letter and the requested percentage increase for delegated authority.

In accordance with Board of Supervisors' Policy 5.120, prior Board notice is required for any department requesting delegated authority to increase Board-approved contracts by over 10 percent.

BACKGROUND

Provide the background for the requested increase. Describe your department's operations as they relate to this proposed increase request. State how you will fund the additional contract costs.

JUSTIFICATION

Stipulate as specifically as possible the justification for the increase and the percentage increase being proposed. Explain why delegated authority to approve an increase of only 10 percent may not be practical or efficient in this instance.

NOTIFICATION TIMELINE

Consistent with the procedures of Board Policy 5.120, we are informing your Board of our intention to proceed with the filing of the Board letter with the Executive Office of the Board for the < Date> Board Meeting.

If you have any questions or need additional information, please let me know, or your staff may contact <Staff Name>, at <Phone Number> or < E-mail Address>.

c: <Name of Deputy Chief Executive Officer >, Deputy Chief Executive Officer

[File Name]