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July 16, 2019

The Honorable Board of Supervisors  
County of Los Angeles  
383 Kenneth Hahn Hall of Administration  
500 West Temple Street  
Los Angeles, California 90012

Dear Supervisors:

**ADOPTED**

BOARD OF SUPERVISORS  
COUNTY OF LOS ANGELES

16 July 16, 2019

CELIA ZAVALA  
EXECUTIVE OFFICER

**ADOPT AND IMPLEMENT THE MAXIMUM CONTRACTING AUTHORITY SET FORTH IN  
SECTION 25502.5 OF THE CALIFORNIA GOVERNMENT CODE  
(ALL DISTRICTS - 3 VOTES)**

**SUBJECT**

Recommendation to adopt and implement the maximum contracting authority set forth in Section 25502.5 of the California Government Code ("Section 25502.5") which increases the County purchasing agent's authority to contract for services.

**IT IS RECOMMENDED THAT THE BOARD:**

Adopt and implement the maximum contracting authority set forth in Section 25502.5 which increases the County purchasing agent's authority to contract for services up to \$200,000 annually.

**PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION**

Following legislative action, revised Section 25502.5 became effective January 1, 2019. The revised statute provides that the County Board of Supervisors may now authorize the purchasing agent to contract for services up to a maximum annual amount of \$200,000.

This revised statute increases a purchasing agent's maximum authority to contract for services from \$100,000 annually to \$200,000 annually.

For transparency and visibility, the Internal Services Department (ISD) will submit a semi-annual report to your Board on all purchases for services processed under the Purchasing Agent Service Authority not in conjunction with material or a Board approved contract.

### **Implementation of Strategic Plan Goals**

Board approval of the recommended action supports the County's Strategic Plan, Strategy III.3, Pursue Operational Effectiveness, Fiscal Responsibility, and Accountability by maximizing the effectiveness of processes, structure, and operation to support timely delivery of customer-oriented and efficient public services. The Board's adoption and implementation of the maximum contracting authority set forth in Section 25502.5 is consistent with this goal.

### **FISCAL IMPACT/FINANCING**

No fiscal impact.

### **FACTS AND PROVISIONS/LEGAL REQUIREMENTS**

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.

Section 25502.5 of the Government Code establishes limitations on the purchasing agent's authority to contract for services.

Prior to January 1, 2019, Section 25502.5 specified a \$100,000 maximum annual limitation on a purchasing agent's authority to enter into service contracts.

Effective January 1, 2019, Section 25502.5 was amended to provide certain boards of supervisors the ability to authorize their purchasing agent to enter in to service contracts with an annual cost up to \$200,000.

### **IMPACT ON CURRENT SERVICES (OR PROJECTS)**

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

Currently, departments use the purchasing agent to contract for temporary, one-time or intermittent services up to \$100,000. As a result of the revision to the Government Code, the purchasing agent may now, with some limited exceptions, enter into service contracts up to \$200,000, provided that no more than \$200,000 in services is purchased in any single year. As such, the Board's approval would no longer be required for service contracts that fall within these limitations.

ISD will implement policies and procedures consistent with the purchasing agent's increase authority and will work with County Counsel to ensure proper implementation.

**CONCLUSION**

It is requested that the Executive Office, Board of Supervisors return two stamped copies of the approved Board letter to the Director of ISD.

Respectfully submitted,

A handwritten signature in blue ink that reads "Scott Minnix". The signature is written in a cursive style.

SCOTT MINNIX  
Director

SM:SH:MO:GP:ct

Enclosures

c: Executive Office, Board of Supervisors  
Chief Executive Officer  
Chief Information Officer  
County Counsel

**State of California**

**GOVERNMENT CODE**

**Section 25502.5**

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25502.5. (a) In counties having a population of 200,000 or more, the board of supervisors may authorize the purchasing agent to engage independent contractors to perform services for the county or county officers, with or without the furnishing of material, when the annual aggregate cost does not exceed two hundred thousand dollars (\$200,000).

(b) The board of supervisors may establish rules and regulations to effectuate the purposes of this section.

(Amended by Stats. 2018, Ch. 467, Sec. 3. (SB 1498) Effective January 1, 2019.)