



County of Los Angeles CHIEF EXECUTIVE OFFICE

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Chief Executive Officer

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Third District

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Fifth District

To: Audit Committee

From: William T Fujioka
Chief Executive Officer

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

Based on the request of the Executive Officer of the Board of Supervisors, this Office has reviewed 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.

Consistent with the implementation of the new County organizational structure in 2007, it is now the responsibility of the CEO to review all departmental requests for approval of Board contracts. All contracts presented to the Board for approval must identify potential or anticipated contract increases and request delegated authority to execute those increases if necessary.

Recently, the Board has expressed concern regarding contracts with contingency increases exceeding ten percent of the contract total. Therefore, this Office will notify all CEO Analysts that proposed Board contracts containing delegated authority for contingency increases should not exceed ten percent. The Board will be notified in advance of unique situations where an increase of greater than ten percent is considered necessary.

Based on the facts listed above, we believe Policy 5.120 is no longer necessary and should be allowed to sunset. Questions regarding this memorandum, can be directed to James Hazlett at (213) 974-1148, or at jhazlett@ceo.lacounty.gov

WTF:ES:MKZ
FC:JH:ib

Attachment

c: Executive Officer, Board of Supervisors

2010-12 12210 Policy Review 5.120 Audit memo

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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 Office 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.

REFERENCE

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

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

POLICY

The County Board of Supervisors has ordered, effective immediately, that:

- 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.

RESPONSIBLE DEPARTMENT

Chief Executive Office

DATE ISSUED/SUNSET DATE

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

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