



MICHAEL OWH  
Director

County of Los Angeles  
**INTERNAL SERVICES DEPARTMENT**

1100 North Eastern Avenue  
Los Angeles, California 90063

*Speed. Reliability. Value.*

Telephone: (323) 267-2101  
FAX: (323) 264-7135

September 10, 2024

**ADOPTED**

BOARD OF SUPERVISORS  
COUNTY OF LOS ANGELES

49 September 10, 2024

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:

*Edward Yen*  
EDWARD YEN  
EXECUTIVE OFFICER

**APPROVAL OF REVISED  
BOARD POLICY NUMBER 5.015 – TIMELY SUBMISSION OF CONTRACTS FOR BOARD  
APPROVAL AND NEW BOARD POLICY NUMBER 5.300 – RETROACTIVE CONTRACTS  
(ALL DISTRICTS - 3 VOTES)**

**SUBJECT**

Recommendation to approve revised Board of Supervisors Policy Number 5.015, Timely Submission of Contracts for Board Approval, which establishes a specific protocol, including advance deadlines, for submission of contracts for Board approval, and new Board of Supervisors Policy Number 5.300, Retroactive Contracts, which will establish a separate, stand-alone policy to govern the review and approval of retroactive contracts and ensure department compliance with contracting processes to avoid retroactive contracts.

**IT IS RECOMMENDED THAT THE BOARD:**

1. Approve the attached Board of Supervisors Policy Number 5.015, Timely Submission of Contracts for Board Approval (Attachment 1), revised to strengthen exception criteria for departments seeking Board approval of a contract not meeting the specified policy (timeframe) requirements, and largely remove language specifically pertaining to retroactive contracts.
2. Approve the attached new Board of Supervisors Policy Number 5.300, Retroactive Contracts (Attachment 2), which will establish a separate stand-alone policy to govern the review and approval of retroactive contracts and ensure department compliance with contracting processes to avoid retroactive contracts.

## **PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION**

The recommended revised Board Policy 5.015, Timely Submission of Contracts for Board Approval, was approved by your Audit Committee on May 15, 2024, and language was modified to accomplish the following:

- Revise purpose for clarity and to coincide with policy requirements.
- Remove links that reference retroactive contracts.
- Revise language to strengthen exception criteria for departments seeking Board approval of a contract not meeting the three-week policy requirement (or when it includes a retroactive date).
- Remove language specifically pertaining to retroactive contracts and updating contract information in eCAPS to account for such requirements in the recommended new Board Policy 5.300.
- Minor changes to policy language for accuracy and consistency purposes.
- Extend the sunset review date to July 19, 2028.

The recommended new Board Policy 5.300, Retroactive Contracts, will establish a separate policy to govern the review and approval of retroactive contracts and ensure department compliance with contracting processes to avoid retroactive contracts. The recommended policy includes strengthened exception criteria (as compared to the exception criteria previously included in Board Policy 5.015) and requirements for departments seeking Board approval of an urgent retroactive issue prior to meeting with the Retroactive Contracts Review Committee (RCRC). As specified in the Board policy, if a department deems a retroactive issue is urgent based on the exception criteria provided in the policy, the department will be required to present the retroactive issue to its Cluster (for Cluster review and approval of urgency), and if approved to proceed, may seek Board approval of the retroactive issue prior to meeting with the RCRC. The recommended Board policy was approved by your Audit Committee on May 15, 2024, and was presented to the Operations Cluster prior to seeking your Board's approval.

## **Implementation of Strategic Plan Goals**

Board approval of the recommended actions support the County's Strategic Plan, Goal North Star 3 G (Internal Controls and Processes), II (Manage and Maximize County Assets), by strengthening the County's internal controls and processes through the establishment of new and revised Board policies that seek to ensure department accountability and compliance with contracting processes to avoid retroactive contracts, ensuring the continued good stewardship of public trust and fiscal responsibility.

**FISCAL IMPACT/FINANCING**

No fiscal impact.

**FACTS AND PROVISIONS/LEGAL REQUIREMENTS**

Board Policy 5.015, Timely Submission of Contracts for Board Approval, was revised by the Internal Services Department (ISD), in conjunction with the Auditor-Controller (A-C) and Chief Executive Office (CEO) and approved by the Audit Committee on May 15, 2024. The changes will be effective upon your Board's approval.

Board Policy 5.300, Retroactive Contracts, was developed by ISD, in conjunction with A-C and CEO and approved by the Audit Committee on May 15, 2024. The policy will be effective upon your Board's approval, and ISD will release revised RCRC Procedures to coincide with policy language.

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

Approval of revised Board Policy 5.015, Timely Submission of Contracts for Board Approval, will strengthen the exception criteria for departments seeking Board approval of a contract not meeting the three-week policy requirement (and/or for contracts that include a retroactive date), and will largely remove language pertaining to retroactive contracts, for clarity purposes.

Approval of new Board Policy 5.300, Retroactive Contracts, will establish a process of accountability to ensure department compliance with contracting processes to avoid retroactive contracts and will provide a specified process for the review and approval of retroactive contracts through a separate, stand-alone Board policy governing retroactive contracts.

**CONCLUSION**

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

Respectfully submitted,

A handwritten signature in blue ink, appearing to read "Michael OWH", with a circular flourish at the end.

MICHAEL OWH  
Director

MO:LG:CC:WM:nv

Enclosures

c: Executive Office, Board of Supervisors  
Chief Executive Office  
Auditor-Controller  
County Counsel



*Los Angeles County*  
**BOARD OF SUPERVISORS POLICY MANUAL**

Policy #:	Title:	Effective Date:
5.015	Timely Submission of Contracts for Board Approval	09/19/00

### PURPOSE

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Establishes a specific protocol, including advance deadlines, for submission of contracts for Board approval prior to expiration of an existing contract, or prior to the effective date for new contract services, ~~and establishes a process of accountability to ensure department compliance.~~

### REFERENCE

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August 29, 2000, Board Order, [Synopsis 97](#)

September 7, 2000, Joint Chief Administrative Officer and Auditor-Controller memorandum to each Supervisor, "[County Policy/Procedures - Timely Submission of Contracts for Board Approval](#)"

September 19, 2000, Board Order, [Synopsis 70](#)

September 21, 2000, Chief Administrative Officer memorandum to all department heads, "[Policy/Procedures - Timely Filing of Contracts for Board Approval](#)"

September 21, 2004, [Board Order No. 14](#)

~~October 17, 2007, Chief Executive Officer memorandum to all department heads, "[Retroactive Contract Review Committee Procedures](#)"~~

~~November 5, 2007, Chief Executive Officer memorandum to each Supervisor, "[Retroactive Contracts](#)"~~

~~March 21, 2013, Internal Services Department memorandum to Contract Managers, "[Revised Retroactive Contract Review Committee Procedures](#)"~~

~~April 27, 2020, Internal Services Department memorandum to Contract Managers, "[Revised Retroactive Contract Review Committee Procedures](#)"~~

## POLICY

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Contracts requiring Board approval must be filed no later than the Board agenda three weeks preceding the last agenda date at which the Board can act prior to expiration of an existing contract, or prior to the ~~contract's~~ effective date of a new contract.

The Chief Executive Officer (CEO) will not approve placement of a contract on a Board agenda if it does not meet the three-week requirement provided above, or if it includes a retroactive date, except when a department can demonstrate that the proposed contract meets one (or more) of the exception criteria identified below.

### Exception Criteria:

~~Departments may not accept, receive or allow contractors to perform such contract services without prior approval by the Board, unless the proposed contract meets one (or more) of the following exception criteria:~~

- 1) The relevant department head provides a compelling justification that the contract is of critical nature and an urgent necessity to protect the public health and or safety, and failure to proceed would result in a defined negative impact to the County (and/or constituents);
- 2) The County is receiving, or received funds ~~(normally from a higher level of government)~~ and failure to proceed would result in a defined negative, fiscal impact to the County and/or would hinder County's ability to accept/allocate funds;
- 3) Failure to proceed with filing the contract for the earliest agenda would result in a defined, severe consequence that would cause significant harm, damage, or hardship to the County and/or the contractor.

Contracts submitted for Board approval not meeting at least one of the exception criteria and not compliant with the criteria set forth in this Policy will be returned to the department for appropriate action.

For those contracts meeting one (or more) of the exemption criteria, a statement must be included in the department's Board letter indicating whether late submission was avoidable or wholly outside the department's control.

~~The Chief Executive Officer (CEO) will not approve placement of a contract on a Board agenda if it includes a retroactive date, except when a department can demonstrate that the proposed contract meets one (or more) of the specified circumstances identified above.~~

~~Retroactive contracts submitted for Board approval not meeting at least one of the exception criteria will be returned to the department for appropriate action. All requests for retroactive contracts and purchase order payments must be reviewed and approved by the Retroactive Contracts Review Committee before they are submitted to the Board for approval. The Revised Retroactive Contract Review Committee Procedures are managed by the Internal Services Department and located on the County's Purchasing and Contracts web portal.~~

Departments are required to adequately plan for timely solicitation and development of contracts. ~~Departments must update contract information (e.g., new contracts, contract renewals, contract payments, etc.) in eCAPS at least monthly, where applicable, and review the eCAPS Cognos Contract Management Reports monthly to ensure information is properly maintained and to identify contracts nearing expiration.~~ Departments are also responsible for taking appropriate action to exercise contract extensions to ensure that contracts do not become retroactive, and to initiate the solicitation process with sufficient time to ensure the continuation of services.

**RESPONSIBLE DEPARTMENTS**

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Internal Services Department

Auditor-Controller

Chief Executive Office

**DATE ISSUED/SUNSET DATE**

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**Issue Date: September 19, 2000**  
**Re-issue Date: September 21, 2004**  
**Re-issue Date: July 19, 2008**  
**Reissue Date: April 19, 2012**  
**Review Date: May 18, 2016**  
**Review Date: May 20, 2020**  
**Review Date: July 7, 2020**  
**Review Date: May 1, 2024**

**Sunset Review Date: September 19, 2004**  
**Sunset Review Date: September 19, 2008**  
**Sunset Review Date: July 19, 2012**  
**Sunset Review Date: July 19, 2016**  
**Sunset Review Date: July 19, 2020**  
**Sunset Review Date: July 19, 2024**  
**Sunset Review Date: July 19, 2024**  
**Sunset Review Date: July 19, 2028**



*Los Angeles County*  
**BOARD OF SUPERVISORS POLICY MANUAL**

Policy #:	Title:	Effective Date:
<b>5.300</b>	<b>Retroactive Contracts</b>	<b>00/00/24</b>

### PURPOSE

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Establishes a process of accountability to ensure department compliance with contracting processes to avoid retroactive contracts and establishes a process to review and approve retroactive contracts.

### REFERENCE

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August 29, 2000, Board Order, [Synopsis 97](#)

September 7, 2000, Joint Chief Administrative Officer and Auditor-Controller memorandum to each Supervisor, "[County Policy/Procedures - Timely Submission of Contracts for Board Approval](#)"

September 19, 2000, Board Order, [Synopsis 70](#)

September 21, 2000, Chief Administrative Officer memorandum to all department heads, "[Policy/Procedures - Timely Filing of Contracts for Board Approval](#)"

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October 17, 2007, Chief Executive Officer memorandum-to all department heads, "[Retroactive Contract Review Committee-Procedures](#)"

November 5, 2007, Chief Executive Officer memorandum to each Supervisor, "[Retroactive Contracts](#)"

March 21, 2013, Internal Services Department memorandum to Contract Managers, "[Revised Retroactive Contract Review Committee Procedures](#)"

April 27, 2020, Internal Services Department memorandum to Contract Managers, "[Revised Retroactive Contract Review Committee Procedures](#)"

July 7, 2020, [Board Order No. 29](#)

[Retroactive Contracts Review Committee Procedures](#) (RCRC Procedures)



## POLICY

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Retroactive contracts (“Contracts”) are contracts authorizing payment for goods or services provided during a period when either (a) there was no valid contract in place, or (b) no valid contract in place under which the goods or services were in scope, and/or goods/services were in excess of the contract sum.

The Retroactive Contract Review Committee (RCRC) was established to review all retroactive contracts before they are submitted to the Board. All requests for retroactive contracts must be reviewed and approved by the RCRC before they are submitted to the Board for approval, unless the Department deems a retroactive issue is urgent based on the exception criteria below.

- 1) The relevant department head provides a compelling justification that the contract is of critical nature and an urgent necessity to protect the public health and/or safety, and failure to proceed would result in a defined negative impact to the County (and/or constituents);
- 2) The County is receiving, or received funds and failure to proceed would result in a defined negative, fiscal impact to the County and/or would hinder County’s ability to accept/allocate funds;
- 3) Failure to proceed with filing the contract for the earliest agenda would result in a defined, severe consequence that would cause significant harm, damage, or hardship to the County and/or the contractor.

In these cases, the department must present the item to its Cluster, and if approved to proceed, may seek Board approval of the retroactive issue prior to meeting with the RCRC.

The department must coordinate with Internal Services Department (ISD) to identify and include the RCRC meeting date in the Board letter. The Board letter must be accompanied with recommended corrective actions and best practices for avoiding such retroactive contracts. Upon Board approval, the department will follow RCRC Procedures. The RCRC Procedures are managed by ISD and located on the County’s [Procurement Services](#) website.

Departments are required to adequately monitor their contracts (e.g., contract expenditures, scope, and term) and plan for timely solicitation and development of contracts. Departments are also responsible for taking appropriate action to exercise contract extensions to ensure that contracts do not become retroactive.

Further, departments must update contract information (e.g., new contracts, contract renewals, contract payments, etc.) in eCAPS at least monthly, where applicable, and review the eCAPS Contract Management Reports and Contract Monitoring Dashboards regularly to ensure information is properly maintained and to identify contracts nearing expiration.

ISD will submit a report on all retroactive contracts to the Board on an annual basis.

**RESPONSIBLE DEPARTMENTS**

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Internal Services Department

Auditor-Controller

Chief Executive Office

**DATE ISSUED/SUNSET DATE**

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**Issue Date: XXXX**

**Sunset Review Date: XXXX**