

Contracting Principles
October 1997
Amended October 21, 2008

WHEREAS the County of Santa Clara purchases contract services;

WHEREAS the County of Santa Clara purchases these services in the interests of meeting the needs of its residents and such services are integral to the County's mission to serve the public;

WHEREAS the County of Santa Clara is concerned over the increased costs of providing health care to the uninsured through the services of the Santa Clara Valley Health and Hospital System;

WHEREAS the County of Santa Clara is committed to the provision of quality services, whether provided directly by the County or by contract agencies;

WHEREAS the County of Santa Clara is committed to insuring that services are provided by responsible contract agencies;

WHEREAS the County of Santa Clara seeks to maximize direct resident/client services while minimizing indirect service costs and seeks to promote fiscal responsibility;

WHEREAS the County of Santa Clara has an interest in encouraging, to the extent possible, an environment in which labor and employment disputes do not disrupt the continuous delivery of purchased services;

WHEREAS the County of Santa Clara has a strong and ongoing interest in providing continuous services to the consumers of those services;

WHEREAS the County of Santa Clara needs to know the level of pay and benefits provided by County contractors in order to intelligently consider their impact;

WHEREAS this consideration should take place in the County's open and public discussion of contract awards;

NOW, THEREFORE, be it resolved that effective June 1, 1998, as a condition of the renewal of any contract or the letting of any new contract any agency or company contracting to deliver services for the County shall comply with the following contracting principles;

I. Contracting Principles

A. All Type I and Type II contracts, as hereinafter defined, shall include a contract provision specifying that the contractor shall comply with all applicable federal, state and local rules, regulations and laws.

B. In order to assure fiscal responsibility, strength and compliance with these principles all Type I and Type II contracts shall include a contract provision specifying that the contractor shall maintain financial records, that would be adequate to show that County funds were used for purposes consistent with the terms of the service contract.

C. All Type II contractors shall provide specific information in addition to that which is required of a responsible bidder. The information will be delineated in the contractor selection process document but shall, at a minimum, include the following information pertaining to the actual provision of services and/or expenditures charged to the contract:

1. Information regarding the wage level, pay range and benefits for positions and job classifications.

a) The wage and benefit information for executive, managerial and supervisory positions may be presented as one aggregate figure. For example: "Executive, Managerial and Supervisory wage and benefits costs for this contract are (or in the case of a new program the projected level) \$X for each year of the contract." However, in no instance would an individual be identified by employee name.

b) The wage level, pay range and benefit costs for all other positions and job classifications that will be providing actual services and/or expenditures charged to the contract should specify actual distribution (or in the case of a new program the projected level) of wage rates within each pay range by the specific salary level. However, in no instance would an individual salary be identified by employee name. In the case of single position job classes the information may be aggregated with similar job classes.

For example: "In Job Classification A there are five positions with a pay range of \$X to \$Y. With two employees paid at \$X, two employees paid at \$Y and one paid at \$Z midpoint between \$X and \$Y."

c) If medical insurance is provided a summary of coverage for each plan must be submitted (or in the case of a new program the projected level). In addition, the County may also request the entire plan document.

The summary must include the total premium cost, the amount of the premium paid by the employer and employee, and any co-payments or other employee costs.

If medical insurance is not provided, the County Agency/Department presenting the contract for approval shall calculate and disclose the costs of providing medical insurance to the employees of the contractor. Costs shall be determined by the County Executive based on a standard cost provided by the Santa Clara Valley Health and Hospital System.

2. Length of Service

a) The length of continuous employment with the contractor by job classification (information shall not include employee names).

b) In addition, the contractor may submit information detailing the relevant prior experience of employees within each job classification (information shall not include employee names).

3. The annual rate of staff turnover.

4. The number of hours of training for each position in subject matters directly related to providing services to County residents/clients.

5. The number of legal complaints issued by an enforcement agency for alleged violations of applicable federal, state or local rules, regulations or laws and the number of citations, court findings or administrative findings for violations of applicable federal, state or local rules, regulations or laws. The information must include the date, enforcement agency, the rule, law or regulation involved and any additional information the contractor may wish to submit.

6. Copies of any collective bargaining agreements or summary of personnel policies covering the employees providing services to the County.

D. All Type II contracts shall include a contract provision specifying that in order to determine compliance to these principles as well as the contract, the contractor shall be required to provide the County or its agents, except where prohibited by federal or state laws, regulations or rules, reasonable access, through representatives of the contractor, to facilities, records and employees that are used in conjunction with the provision of contract services.

E. During the term of any contract all Type II contractors shall provide to the County copies of any financial audits that have been completed. The contractor shall use County funds for County services and shall not use County funds for general employer costs that do not support or otherwise directly relate to the scope of contracted services. Consistent with the financial provisions of the contracts, this shall not preclude the realization of profits or savings.

F. During the term of any contract all Type II contractors shall advise the County Department/Agency responsible for monitoring the contract of the issuance of any legal complaint by an enforcement agency, or of any enforcement proceedings by any Federal, State or Local agency for alleged violations of federal, state or local rules, regulations or laws. In addition, the specific contract may include additional provisions regarding notice to the County of specific client/patient service issue complaints.

G. During the term of any contract all Type II contractors shall advise the County of the issuance of citations, court findings or administrative findings for violations of applicable federal, state or local rules, regulations or laws.

H. Violations of this policy may be considered material breaches of any Type I or Type II contract, and may, at the option of the county, constitute grounds for the termination or non-renewal of any such contract, according to its terms. The contractor shall be provided reasonable notice of any intended termination or non-renewal and the opportunity to respond and discuss the County's intended action.

II. Definitions

- A. For purpose of this Resolution renewal of any contract shall not include modifications or amendments that do not extend the original length of the contract.
- B. For purposes of this Resolution services shall not include the rental, purchase, sale, lease, lease back or lease purchase of goods. Nor shall the rental, purchase, sale, lease, lease back or lease purchase of any facility or property be included.
- C. For purposes of this resolution Type 1 Service contracts shall include **any** of the following in which the county purchases services from:
 - 1. Sole Source
 - 2. Construction or other work required by law to be contracted out.
 - 3. Individuals and contractors that employ less than twenty-five (25) employees.
 - 4. Contract which provides for immediate needs necessary to preserve public health, safety or peace and any other emergency work which

cannot be handled because staff and equipment have been allocated and the work must be done post-haste.

5. Contract necessary to provide immediate emergency repair of facilities or equipment in order to preserve or provide continuous public, inmate, patient or client services or for the safety and health of the public or employees.
 6. Contract with other public agencies.
 7. Contract of One Hundred Thousand Dollars (\$100,000) or less (excluding contractors where the aggregate of multiple contracts for the same or similar services with the same contractor exceeds \$100,000), except where a labor contract contains a specific provision that requires notice to the County labor organization, then the labor contract provision and threshold dollar amount shall be applied.
 8. Contract with Professionals (such as legal, financial, engineering, architectural, management consulting services, and physician and medical consulting services) where the primary services contracted for will be provided by those professionals.
 9. Contract requires work to be performed with specialized equipment (such as trucks, cranes and other similar large equipment) including those contracts when the contractor provides an operator for the equipment.
 10. Contract for facility or equipment maintenance except such facility or equipment maintenance provided by County employees at the time of adoption of this resolution (i.e., FY 1998).
 11. Contract is for maintenance services incidental to the purchase (or lease etc.) Of goods or equipment.
 12. Contracts to provide employee benefits pursuant to provisions of County labor contracts.
- D. For purposes of this Resolution Type II Service Contracts includes all service contracts in which the County purchases services not covered under Definitions I.B. and I.C. of this Resolution. Garment rental contracts shall be considered a Type II for the purposes of this resolution.

III. Implementation

- A. The County Executive shall direct the preparation and dissemination of any administrative guidelines and directives to County Departments/Agencies as are necessary to implement this Resolution as of June 1, 1998. These directives shall include a requirement that each

County Department or Agency advise current service contractors of the implementation of this Resolution prior to June 1, 1998.

- B. The County Counsel shall develop and disseminate standardized contract provisions that implement this Resolution.
- C. This Resolution and its requirements shall be a part of, and shall be added to, the previously adopted Board policy on Bidding and Contracting.
- D. The implementation and actual experience under terms of this resolution shall be reviewed by the Board Finance Committee and then the full Board beginning one year after adoption of this resolution. The Board shall affirmatively seek out and consider the input of contractors operating under these contracting principles. In addition, the County Executive shall provide quarterly reports to the Finance Committee.

DECLARATION OF CONTRACTOR

To be completed by all Type I and Type II contractors)

This is a Type I service contract under the Board of Supervisor’s Resolution of Contracting Principles.

If this box is checked, please complete the following:

Type I Category: _____

Explanation: _____

This is a Type II contract under the Board of Supervisor’s Resolution on Contracting Principles.

The contractor currently has other County contracts for the same or similar services:

Yes

No

If **Yes** is checked, please list and describe contracts, types and dollar amounts.

I am authorized to complete this form on behalf of _____

_____ [Name of contracting entity]. I have used due diligence in obtaining this information, and this information contained herein is complete and accurate.

Contractor Signature: _____

Name: _____

Title: _____

Date: _____

**CONTRACT PROVISIONS TO IMPLEMENT THE TERMS OF THE
RESOLUTION RE: CONTRACTING PRINCIPLES
[TYPE I CONTRACTS ONLY]**

This contract is a Type I service contract, subject to the Resolution of Contracting Principles adopted by the Board of Supervisors on October 28, 1997 and subsequently amended on October 21, 2008. Accordingly, Contractor shall comply with all of the following:

a. Contractor shall, during the term of this contract, comply with all applicable federal, state, and local rules, regulations, and laws.

b. Contractor shall maintain financial records adequate to show that County funds paid under the contract were used for purposes consistent with the terms of the contracts. These records shall be maintained during the term of this contract and for a period of three (3) years from termination of this contract or until all claims if any, have been resolved, whichever period is longer, or longer if otherwise required under other provisions of this contract.

The failure of Contractor to comply with this Section or any portion thereof may be considered a material breach of this contract and may, at the option of the County, constitute grounds for the termination and/or non-renewal of the contract. Contractor shall be provided reasonable notice of any intended termination or non-renewal on the ground of non compliance with this Section, and the opportunity to respond and discuss the County's intended action.

**CONTRACT PROVISIONS TO IMPLEMENT THE TERMS OF THE
RESOLUTION RE: CONTRACTING PRINCIPLES
[TYPE II CONTRACTS ONLY]**

This set of forms is applicable generally for contractors providing service to the County of Santa Clara. It is not intended for contractors that provide rental, purchase, sale, lease, lease back or lease purchase of goods to the County.

It should be assumed that contractors are Type II providers unless they meet the exceptions as described in II. C. 1-12 of the Resolution of Contracting Principles.

Contracting Principles Compliance Online Access

Our goal is to create a community for Type II Contractors that among other things makes the process of submitting Contracting Principles and other compliance information to County departments more efficient and consistent.

To take advantage of this service, you must first register. Your registration will allow your organization portal access for submitting and updating information for the Annual Information, RFP-specific Response, and Fiscal Audit described below. The information you submit cannot be viewed through this website by anyone except authorized County staff.

You will have the ability to:

- Create and Maintain your Contracting Principles Type II one-time submission information (Annual Information)
- Create and Maintain multiple Contracting Principles Type II contract-specific information (RFP-specific Response)
- Upload and update your annual financial audit reports sent into the County (Fiscal Audit)

To use the online capability you have to register with the portal as a Type II contractor at:

<http://eservices.sccgov.org/cpc/prepare.do?action=begin>

SECTION 1

Information regarding the wages and benefits for executive, managerial and supervisory positions pertaining to services provided under the proposed contract. (Please do not provide employee names)

Aggregate total wages for the above positions pertaining to services provided under the proposed contract. (Please do not provide employee names)

= _____

Aggregate total medical benefit employer costs for the above positions pertaining to services provided under the proposed contract:

= _____

If no medical benefits are provided, County Agency/Departments will consider and include such costs for these employees, as determined by the Santa Clara Valley health and Hospital system and set by the County Executive.

Equivalent total medical benefit employer costs attributed to the above positions:

= _____

SECTION 2

Information regarding the wages and benefits for all other positions except: executive, managerial and supervisory positions, pertaining to services provided under the proposed contract.

(Please do not provide employee names)

Job Class	Number	Total of Positions	Pay Employees Ranges at this level Subtotals

			A _____

Total medical benefit employer costs attributed to the above positions:

= _____

If no medical benefits are provided, County Agency / Department will consider and include such costs for these employees, as set by the County Executive and determined by the Santa Clara Valley Health and Hospital System.

Equivalent total medical benefit costs attributed to the above positions:

= _____

(Use additional sheets of Section 2 page for more job classes or more positions)

SECTION 3

Medical cost (medical, dental, vision and life insurance premium) breakdown for employees in Sections 1 and 2; if a different benefit package is offered to management employees, please identify and describe:

Medical Cost	Employer Contribution	Employee Self Contribution	Total Cost
Employee only			
Employee plus one dependent			
Employee plus multiple dependents			

Please check one:

- Administrative/Management Employees Only
- Line Employees Only
- All employees

Please attach a summary of all medical (medical, dental, vision and life insurance premium) plans her for employees reported in Sections 2 and 3.

The County reserves the right to have contractor provide entire plan documents.

(Use additional sheets of Section 3 page for additional plans)

SECTION 4

Please provide information for length of service of contractor staff in the area of service currently provided to the County or proposed to be provided to the County:

Job Class:	Length of continuous agency service	Prior Experience (Optional)
Employee A		
Employee B		
Employee C		
Employee D		
Employee E		
Employee F		
Employee G		
Employee H		

Job Class:	Length of continuous agency service	Prior Experience (Optional)
Employee A		
Employee B		
Employee C		
Employee D		
Employee E		
Employee F		
Employee G		
Employee H		

Job Class:	Length of continuous agency service	Prior Experience (Optional)
Employee A		
Employee B		
Employee C		
Employee D		
Employee E		
Employee F		
Employee G		
Employee H		

(Use additional sheets of Section 4 page for more job classes)

SECTION 5

Please provide the annual rate of turnover of staff for prior 1 year.

Immediate past 12 months / prior fiscal year / prior calendar year
[Please circle one]

Note:

This section pertains to contractor staff in the area of service currently provided to the County or proposed to be provided to the County. (Example: if 10 positions are covered and 5 employees left their positions in the last year, the annual turnover rate is 50%)

SECTION 6

Training records for prior 1 year - immediate past 12 months / prior fiscal year / prior calendar year [please circle one] for contractor staff in the area of service currently provided to the County or proposed to be provided to the County:

Training subject matter related to contracted services	Employee classes	Date	Total hours

SECTION 7

Please list legal complaints, citations, court findings, or administrative findings for violations issued by enforcement agencies for the previous five (5) years for alleged violations of applicable federal, state or local rules, regulations or laws:

Rules, laws, regulations involved	Type	Enforcement Agency	Date of Issue

SECTION 8

Please list and provide copies of collective bargaining agreements covering contractor staff in the area of service currently provided to the County or proposed to be provided to the County.

Bargaining Units	Union	Term of Agreement

If there are no collective bargaining agreements, please provide summaries or actual personnel policies covering contractor staff in the area of service currently provided to the County or proposed to be provided to the County.

SECTION 9

DECLARATION THAT INFORMATION IS COMPLETE

I am authorized to complete this packet of forms on behalf of

[Name of contracting entity]

I have used due diligence in obtaining this information, and this information contained herein is complete and accurate.

Signature: _____

Name: _____

Title: _____

Date: _____