

County of Santa Clara
Office of the County Executive
Office of Budget and Analysis




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DATE: May 14, 2009

TO: Supervisor Ken Yeager, Chairperson
Supervisor Dave Cortese, Vice Chair
Finance & Government Operations Committee

FROM: 
Gary A. Graves
Acting County Executive

SUBJECT: Delegation of Authority for the Master Contract List for Fiscal Year 2010.

RECOMMENDED ACTION

Consider recommendation from the County Executive's Office of Budget and Analysis to approve and forward to the full Board with a favorable recommendation the Resolution delegating contracting authority to Agency/Department Heads to implement the Master Contract List identified as Exhibit A for Fiscal Year 2010. The terms are for periods beginning July 1, 2009 through June 30, 2010 for contracts, and June 30, 2014 for grant or revenue agreements, following approval by County Counsel as to form and legality, and approval by the Office of the County Executive. Delegation of authority shall expire on June 30, 2014. (Roll Call Vote)

FISCAL IMPLICATIONS

There is no fiscal impact on the General Fund or on any other County Fund. All of the contracts on Exhibit A, the Master Contract List (MCL), are for existing services, grant-funded or revenue-generating agreements. The MCL contains contracts that are either being renewed or amended to reflect the budget recommendations included in the FY 2010 Recommended Budget. Contracts designated as 'new' in Exhibit A are not new contracts to the County, but contracts added to the MCL process for the first time. Any changes to the FY 2010 County Executive's Recommended Budget that affect this group of contracts will be incorporated into the final execution of the contracts for FY 2010.

CONTRACT HISTORY

At the May 20, 2001 meeting, the Board of Supervisors (Board) approved the use of an authorization process to streamline the approval of routine contracts through a resolution delegating authority to agency and/or department heads for the new fiscal year. Prior to this process, the contracts listed on Exhibit A were submitted to the Board individually or were bundled in small groups that required multiple transmittals. The MCL process has created efficiencies in both County and contractors' offices since the contract process is focused on contract creation rather than on both individual transmittals and contract creation.

REASONS FOR RECOMMENDATION

The attached Resolution stipulates the criteria by which departments must abide when submitting contracts for approval, using the MCL process. Exhibit A contains 172 contracts that have been submitted by 14 Departments. The majority of these contracts are routine health and human service contracts of which at least 89 are anticipated contracts with community-based organizations. Of the total contracts submitted, 41 are revenue agreements in the amount of \$26,164,065 and 131 are expense contracts in the amount of \$30,580,361. The combined total for the entire MCL for FY 2010 is \$56,744,426. This is a \$20.5 million reduction, when compared to contracts approved around this same timeframe last year, an indicator that the County departments anticipate providing fewer services in FY 2010.

Prior to final execution, all contracts on the MCL must be reviewed and approved by County Counsel and the Office of the County Executive to assure that they conform to the information included on Exhibit A, the Eligibility Requirements (Exhibit B), and the Board policies on contracting for services.

Departments that prepare a contract with a pre-approved contract boilerplate developed by the Office of the County Counsel will not require another layer of review process by County

Counsel as to form and legality, to improve efficiency in the contracting and reviewing departments.

Timeframe for Processing Contracts on the MCL

- The majority of the contracts listed in Exhibit A are scheduled to begin on July 1, 2009. The Administration requests the approval and recommendation of this report to the full Board on May 19, 2009.
- Departments will complete negotiations with contractors during the time period prior to July 1, 2009. Once the contractor's signature has been obtained, the contract will then be forwarded to the Offices of the County Counsel, if a pre-approved contract boilerplate was not used by the Department to create the contract, and also to the Office of the County Executive for their respective review and approval processes.
- Departments will schedule review and approval times that are appropriate for contracts with start dates after July 1, 2009.

Criteria for Adding Contracts onto the MCL

- All contracts on the MCL are for existing, routine services that are being added to the MCL process for the first time, or are being renewed or amended to reflect the changes for the coming fiscal year or changes as a result of contracting for services with a different vendor.
- If the Board exercises its option to remove certain contracts from the MCL, the Resolution allows departments to extend the existing contract for up to three months so that services may remain intact while the department explores alternatives.
- The Resolution allows Departments to extend current contracts for up to six months if they are not able to complete negotiations and execute a contract by July 1, 2009 for ongoing services. A six-month extension is also granted to departments that are going through a new bidding process to allow time for the request for proposal and vendor selection processes.
- Contracts may exceed the amount as stated on the MCL by no more than 10%. (This allowance is sometimes necessary when negotiations have not been completed at the time the contract is submitted for placement on the MCL). This however does not apply to revenue or grant agreements.

- Certain contracts on the list are noted as "TBD" (to be determined) because the ongoing services are in the bidding stage, and a contractor is yet to be selected and a new purchase order number will be generated once the contract is executed.
- A complete list of the eligibility criteria for submitting contracts on the List is attached as Exhibit B.

BACKGROUND

The Board approved the MCL process eight years ago. It continues to be an effective and efficient process for Departments and Contractors. The Office of the County Counsel and the Office of Budget and Analysis continue to review, revise and refine the criteria and process for submitting contracts in order to eliminate contracts that are not appropriate for this process and to assist in creating efficiencies for the users. As County Departments and contractors have gained experience in how to best use this tool, the MCL has shown its value in reducing workload and reducing the number of transmittals that would otherwise be agendized for the Board meetings during the busy year-end period, while providing necessary information to the Board.

CONSEQUENCES OF NEGATIVE ACTION

Failure to approve the Resolution and the contracts listed on Exhibit A will result in the contracts on the list not being approved using the MCL process. Departments will be required to submit individual transmittals to the Board of Supervisors for the 172 contracts. Most of the transmittals will need to be agendized for the two June Board meetings in order for contracts to begin on July 1, 2009.

STEPS FOLLOWING APPROVAL

The Clerk of the Board will send Keyboard notification of approval to Margaret Olaiya at margaret.olaiya@oba.sccgov.org.

Departments will forward copies of the contracts to the Office of the County Counsel and Office of the County Executive for review and approval as required by the resolution and delegation of authority process.

Departments will forward a PDF copy of the executed contracts to the Clerk of the Board for retention.

ATTACHMENTS

- Resolution Delegating Authority
- Master Contract List - Exhibit A
- Eligibility Criteria - Exhibit B