



## MEMORANDUM

Date: May 16, 2017  
To: Council Members, Sean McGlynn, Gloria Hurtado, Sue Gallagher, Teresa Stricker, Daisy Gomez  
From: Liz Licursi  
Subject: Oppose AB 1250

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Attached is the letter of opposition for AB 1250 (Jones-Sawyer) Counties and Cities: contracts for personal services.

Due to the time constraints and a matter of urgency, the Mayor has signed this letter and it has been sent to the appropriate Committee/Member. You are receiving a copy of the letter and bill, as per Council Policy 000-40.



May 4, 2017

Assembly Member Lorena Gonzalez Fletcher  
State Capitol  
PO Box 942849  
Sacramento, CA 94249-0080  
Fax: 916-319-2180

**RE: OPPOSE AB 1250**

Dear Assembly Member Gonzalez Fletcher,

The CITY OF SANTA ROSA must respectfully **oppose Assembly Bill (AB) 1250**, which effectively eliminates almost all contracting services for cities and counties.

CHRIS COURSEY  
Mayor

JACK TIBBETTS  
Vice Mayor

Although our concerns range from fundamental local control discretion to increased and unnecessary reporting requirements, for purposes of the Assembly Appropriations committee our City of Santa Rosa will be focused on fiscal objections.

JULIE COMBS  
ERNESTO OLIVARES  
CHRIS ROGERS  
JOHN SAWYER  
TOM SCHWEDHELM

As amended, AB 1250 still requires that the agency provide an orientation to contracted employees. Last year, AB 2835 (Cooper) which mandated that public employers must provide an orientation to their own employees was tagged at \$350 million in ongoing costs by the California Department of Finance. This year there have been various proposals that would apply prescriptive employer mandates for employee orientations—a guaranteed cost-driver for local governments. Having a local agency provide an additional orientation to non-city employees creates significant cost and logistical concerns.

Further, AB 1250 would require a city to create a new, fully searchable database that must be posted on the city website which includes:

- The names, job titles, salary of each contracted employee (and subcontractors).
- The services of the contract, the name of the agency department or division of the city who manages the contract.
- The amount paid to the contract including the total projected cost of the contract for all fiscal years and the funding source.
- The total number of “full time equivalent” employees being contracted out.

There is no direction in the measure on who must update this information or how often this information must be updated; this will create significant costs in staff time and increased workload.

Apart from the inherent cost drivers with this provision, there are privacy concerns about posting full names, job titles and salaries of non-city employees. This will set the scenario whereby a contracted or subcontracted (non-city) employee will have a strong avenue for a right to privacy lawsuit. The costs associated with this type of litigation will be significant.

Additionally, this measure would require a city, before entering a contract or renewing a contract, to perform a full cost-benefit analysis which includes the potential impacts of outsourcing, including the impact on local businesses if consumer spending power is reduced (among other factors). AB 1250 mandates a city conduct a full environmental impact analysis caused by contracting for the services. Further, the measure forces a city to conduct an annual audit of each contract and prohibits a city from renewing or granting a new contract before the report is released and considered by the council.

Although language was taken to pass the cost to the potential contractor and/or the awarded contractor, local agencies believe that companies will simply build these additional costs into their contracts, which yields the same result as if the City simply pays for the cost-benefit analysis. Moreover, it is unclear how a local agency could even assess the cost of the cost-benefit analysis to a prospective contractor. This would only create further confusions and create a chilling effect on prospective contractors from bidding for a service.

The cost drivers noted above only compound existing constitutional limitations on cities to raise additional revenue. Thus, cities are in no position to have their flexibility further curtailed.

The workload, privacy concerns, costs and litigation created by this measure places an overwhelming and significant burden on nearly every City department and would create a de facto ban on virtually all contracting services.

For these reasons City of Santa Rosa opposes Assembly Bill 1250.

Sincerely,



CHRIS COURSEY

Mayor

c: Nancy Hall Bennett, League of California Cities  
David Jones, Emanuels Jones  
Assembly Member Marc Levine  
Assembly Member Jim Wood

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**AB-1250 Counties and cities: contracts for personal services.** (2017-2018)

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Date Published: 04/25/2017 09:00 PM

AMENDED IN ASSEMBLY APRIL 25, 2017

AMENDED IN ASSEMBLY APRIL 17, 2017

AMENDED IN ASSEMBLY APRIL 04, 2017

CALIFORNIA LEGISLATURE— 2017–2018 REGULAR SESSION

**ASSEMBLY BILL**

**No. 1250**

**Introduced by Assembly Member Jones-Sawyer**

**February 17, 2017**

An act to add Sections 31000.10, 31000.11, 37103.1, and 37103.2 to the Government Code, relating to local government.

**LEGISLATIVE COUNSEL'S DIGEST**

AB 1250, as amended, Jones-Sawyer. Counties and cities: contracts for personal services.

Existing law authorizes the board of supervisors of a county to contract for special services on behalf of various public entities with persons who are specially trained, experienced, expert, and competent to perform the special services, as prescribed. These services include financial, economic, accounting, engineering, legal, and other specified services. Existing law also authorizes legislative bodies of cities to contract with any specially trained and experienced person, firm, or corporation for special services and advice in financial, economic, accounting, engineering, legal, or administrative matters.

This bill would establish specific standards for the use of personal services contracts by counties and cities. Beginning January 1, 2018, the bill would allow a county or county agency, or a city or city agency, to contract for personal services currently or customarily performed by county employees, as applicable, when specified conditions are met. Among other things, the bill would require the county or city to clearly demonstrate that the proposed contract will result in actual overall costs savings to the county or city and also to show that the contract does not cause the displacement of county or city workers. The bill would require a contract entered into under these provisions to specify that it may be terminated upon material breach, if notice is provided, as specified. Additionally, the bill would require the county or city to provide an orientation to employees of the contractor who would perform services pursuant to the contract, ~~and would establish liability provisions for employment law violations and torts committed in the course of providing services under contract~~, among other conditions. *The bill would require that the county or city conduct a cost-benefit analysis prior to entering into the contract and would require the prospective contractors to reimburse the cost of the analysis. The bill would also require the county or city to conduct an audit of the contract to determine whether cost savings have been*



*realized and would require the contractor to reimburse the cost of the audit.* The bill would impose additional disclosure requirements for contracts exceeding ~~-\$100,000~~ \$5,000,000 annually, would exempt certain types of contracts from its provisions, and would require each county or city to maintain on its Internet Web site a searchable database of all of its contracts exceeding ~~-\$100,000-~~ \$5,000,000. By placing new duties on local government agencies, the bill would impose a state-mandated local program.

The bill also would provide that its provisions are severable.

The California Constitution requires the state to reimburse local agencies and school districts for certain costs mandated by the state. Statutory provisions establish procedures for making that reimbursement.

This bill would provide that, if the Commission on State Mandates determines that the bill contains costs mandated by the state, reimbursement for those costs shall be made pursuant to the statutory provisions noted above.

Vote: majority Appropriation: no Fiscal Committee: yes Local Program: yes

## THE PEOPLE OF THE STATE OF CALIFORNIA DO ENACT AS FOLLOWS:

**SECTION 1.** Section 31000.10 is added to the Government Code, to read:

**31000.10.** The purpose of this section and Section 31000.11 is to establish standards for the use of personal services contracts by counties.

(a) If otherwise permitted by law, a county or county agency may contract for personal services currently or customarily performed by county employees when all the following conditions are met:

(1) The board of supervisors or county agency clearly demonstrates that the proposed contract will result in actual overall cost savings to the county for the duration of the entire contract as compared with the county's actual costs of providing the same services, provided that:

(A) In comparing costs, there shall be included the county's additional cost of providing the same service as proposed by a contractor. These additional costs shall include the salaries and benefits of additional staff that would be needed and the cost of additional space, equipment, and materials needed to perform the function.

(B) In comparing costs, there shall not be included the county's indirect overhead costs unless these costs can be attributed solely to the function in question and would not exist if that function was not performed in county service. Indirect overhead costs shall mean the pro rata share of existing administrative salaries and benefits, rent, equipment costs, utilities, and materials.

(C) In comparing costs, there shall be included in the cost of a contractor providing a service any continuing county costs that would be directly associated with the contracted function. These continuing county costs shall include, but not be limited to, those for inspection, supervision, and monitoring.

(2) Proposals to contract out work shall not be approved solely on the basis that savings will result from lower contractor pay rates or benefits. Proposals to contract out work shall be eligible for approval if the contractor's wages are at the industry's level and do not significantly undercut county pay rates.

(3) The contract does not cause the displacement of county employees. "Displacement" includes layoff, demotion, involuntary transfer to a new class, involuntary transfer to a new location requiring a change of residence, and time base reductions. "Displacement" does not include changes in shifts or days off or reassignment to other positions within the same class and general location.

(4) The contract does not cause vacant positions in county employment to remain unfilled.

(5) The contract does not adversely affect the county's affirmative action efforts.

(6) The savings shall be large enough to ensure that they will not be eliminated by private sector and county cost fluctuations that could normally be expected during the contracting period.

(7) The amount of savings clearly justifies the size and duration of the contracting agreement.

(8) The contract is awarded through a publicized, competitive bidding process. The county shall reserve the right to reject any and all bids or proposals.

(9) The contract includes specific provisions pertaining to the qualifications of the staff that will perform the work under the contract, as well as assurance that the contractor's hiring practices meet applicable nondiscrimination, affirmative action standards.

(10) The potential for future economic risk to the county from potential contractor rate increases is minimal.

(11) The contract is with a firm. "Firm" means a corporation, partnership, nonprofit organization, or sole proprietorship.

(12) The potential economic advantage of contracting is not outweighed by the public's interest in having a particular function performed directly by county government. Before executing a contract for personal services under this section, the county shall demonstrate that outsourcing the particular functions at issue is in the public interest, addressing the cost of the contract, the cost of administering the contract, the effect on the quality of services provided to the public, and any other relevant circumstances.

(13) The contract shall provide that it may be terminated at any time by the county without penalty if there is a material breach of the contract and notice is provided at least 30 days before termination.

(14) The county shall provide an orientation to employees of the contractor who will perform services pursuant to the contract. The orientation shall include, but is not limited to, all of the following:

(A) A description of the services to be provided pursuant to the contract.

(B) A description of the function and goals of the public agency responsible for providing the services in the absence of the contract.

(C) Any applicable rules governing provision of the services and how the employee may report violations of applicable rules or contractual requirements.

~~(15) The county shall be jointly and severally liable with the contractor and any of its subcontractors for:~~

~~(A) Employment law violations arising from performance of the contract, unless otherwise provided by a bona fide collective bargaining agreement covering the affected employees.~~

~~(B) Torts committed by the contractor or its subcontractors in the course of providing services under the contract.~~

~~(16)~~

(15) If the contract is for personal services in excess of one hundred thousand dollars (\$100,000) annually, all of the following shall occur:

(A) The county shall require the contractor to disclose all of the following information as part of its bid, application, or answer to a request for proposal:

(i) A description of all charges, claims, or complaints filed against the contractor with any federal, state, or local administrative agency during the prior 10 years.

(ii) A description of all civil complaints filed against the contractor in any state or federal court during the prior 10 years.

(iii) A description of all state or federal criminal complaints or indictments filed against the contractor, or any of its officers, directors, or managers, at any time.

(iv) A description of any debarments of the contractor by any public agency or licensing body at any time.

(v) The total compensation, including salaries and benefits, the contractor provides to workers performing work similar to that to be provided under the contract.

(vi) The total compensation, including salaries, benefits, options, and any other form of compensation, provided to the five highest compensated officers, directors, executives, or employees of the contractor.

(vii) Any other information the county deems necessary to ensure compliance with this section.

(B) Prior to entering into the contract, the county shall conduct, and make public, a *study of cost-benefit analysis considering* the potential impact of outsourcing the work covered by the ~~contract, including, but not limited to:~~ *contract. The analysis shall include:*

(i) The potential loss of employment opportunities within the county and resultant loss of income to workers.



(ii) The ~~economic~~ impact on local businesses if consumer spending power is reduced as a result of reduced wages under the contract.

(iii) The impact on the county's ability to provide social services and the effect of any reduction in social services on county residents.

~~(iv) Any environmental impact caused by contracting for the services at issue.~~

*(iv) Potential impacts on the environment, if any.*

*(C) Prospective contractors shall reimburse the county for the cost of the cost-benefit analysis.*

~~(C)~~

*(D) The contract shall provide that the county is entitled to receive a copy of any records related to the contractor's or any subcontractor's performance of the contract, and that any of those records shall be subject to the California Public Records Act (Chapter 3.5 (commencing with Section 6250) of Division 7 of Title 1). In furtherance of this subdivision, contractors and any subcontractors shall maintain records related to performance of the contract that ordinarily would be maintained by the county in performing the same functions.*

~~(D)~~

*(E) The county shall include in the contract specific, measurable performance standards and provisions for a performance audit by the county, or an independent auditor approved by the county, to determine whether the performance standards are being met and whether the contractor is in compliance with applicable laws and regulations. The county shall not renew or extend the contract prior to receiving and considering the audit report.*

~~(E)~~

*(F) (1) The contract shall include provisions for an audit by the county, or an independent auditor approved by the county, to determine whether and to what extent the anticipated cost savings have actually been realized. The county shall not renew or extend the contract before receiving and considering the audit report.*

*(2) The contractor shall reimburse the county for the cost of the audit.*

(b) This section does not preclude a county from adopting more restrictive rules regarding the contracting of public services.

(c) When otherwise permitted by law, the absence of any requirement of subdivision (a) shall not prevent personal services contracting when any of the following conditions are met:

(1) The contract is for a new county function and the Legislature has specifically mandated or authorized the performance of the work by independent contractors.

*(2) The contract is between the county and another government entity for services to be performed by employees of the other government entity.*

~~(2)~~

*(3) The services contracted cannot be performed satisfactorily by county employees, or are of such a highly specialized or technical nature that the necessary expert knowledge, experience, and ability are not available among county employees.*

~~(3)~~

*(4) The services are incidental to a contract for the purchase or lease of real or personal property. Contracts under this criterion, known as "service agreements," shall include, but not be limited to, agreements to service or maintain office equipment or computers that are leased or rented.*

~~(4)~~

*(5) The legislative, administrative, or legal goals and purposes cannot be accomplished through the utilization of county employees. Contracts are permissible under this criterion to protect against a conflict of interest or to ensure independent and unbiased findings in cases where there is a clear need for a different, outside perspective. These contracts shall include, but not be limited to, obtaining expert witnesses in litigation.*

~~(5)~~

(6) The nature of the work is such that the standards of this part for emergency appointments apply. These contracts shall conform with Section 31000.4.

~~(6)~~

(7) Public entities or officials need private counsel because a conflict of interest on the part of the county counsel's office prevents it from representing the public entity or official without compromising its position. These contracts shall require the written consent of the county counsel.

~~(7)~~

(8) The contractor will provide equipment, materials, facilities, or support services that could not feasibly be provided by the county in the location where the services are to be performed.

~~(8)~~

(9) The contractor will conduct training courses for which appropriately qualified county employee instructors are not available, provided that permanent instructor positions in academies or similar settings shall be filled by county employees.

~~(9)~~

(10) The services are of such an urgent, temporary, or occasional nature that the delay incumbent in their implementation by county employees would frustrate their very purpose.

(d) All persons who provide services to a county under conditions constituting an employment relationship shall be employed directly by the county.

(e) (1) Except as provided in paragraph (2), this section shall apply to all counties, including counties that have adopted a merit or civil service system.

(2) This section does not apply to a charter county formed pursuant to Section 3 of Article XI of the California Constitution.

(f) (1) This section does not apply to any contract for services described in Section 4525 or 4529.10.

(2) This section does not apply to any contract that is subject to Chapter 1 (commencing with Section 1720) of Part 7 of Division 2 of the Labor Code.

(3) This section does not apply to a contract for public transit services, including paratransit services, if the county's transit services are fully funded by Federal Transit Administration assistance and the county is thereby subject to the guidelines established in FTA Circular 4220.1F or any subsequent guidelines or revisions issued by the Federal Transit Administration.

(g) This section shall apply to personal services contracts entered into, renewed, or extended on or after January 1, 2018.

**SEC. 2.** Section 31000.11 is added to the Government Code, to read:

**31000.11.** (a) Each county shall maintain on its Internet Web site a searchable database of all contracts of an annual value in excess of ~~one hundred thousand dollars (\$100,000)~~ *five million dollars (\$5,000,000)* entered into pursuant to Section 31000.10. The database shall include, but is not limited to, the following:

(1) A description of the services provided under the contract.

(2) The name of the agency, department, or division responsible for providing the service in the absence of the contract.

(3) The name of the contractor and any subcontractors providing services under the contract.

(4) The effective and expiration dates of the contract.

(5) The annual amount paid pursuant to the contract to the contractor in the past three fiscal years and the current fiscal year, including the funding source for all amounts paid.

(6) The annual amount expected to be paid pursuant to the contract to the contractor in the next three fiscal years.



(7) The total projected cost of the contract for all fiscal years and the funding source for all amounts to be paid.

(8) The names of the employees of the contractor and any subcontractors providing services pursuant to the contract and their hourly pay rates, and the total number of full-time equivalent positions involved in performing the services under the contract.

(9) The names of any workers providing services pursuant to the contract as independent contractors and the compensation rates for such workers.

(b) The information identified in subdivision (a) shall be compiled in an annual service contractor expenditure budget accompanying the county budget, reflecting all spending on personal services contracts by the county.

**SEC. 3.** Section 37103.1 is added to the Government Code, to read:

**37103.1.** The purpose of this section and Section 37103.2 is to establish standards for the use of personal services contracts by cities.

(a) If otherwise permitted by law, a city or city agency may contract for personal services currently or customarily performed by city employees when all the following conditions are met:

(1) The city council or city agency clearly demonstrates that the proposed contract will result in actual overall cost savings to the city for the duration of the entire contract as compared with the city's actual costs of providing the same services, provided that:

(A) In comparing costs, there shall be included the city's additional cost of providing the same service as proposed by a contractor. These additional costs shall include the salaries and benefits of additional staff that would be needed and the cost of additional space, equipment, and materials needed to perform the function.

(B) In comparing costs, there shall not be included the city's indirect overhead costs unless these costs can be attributed solely to the function in question and would not exist if that function was not performed in city service. Indirect overhead costs shall mean the pro rata share of existing administrative salaries and benefits, rent, equipment costs, utilities, and materials.

(C) In comparing costs, there shall be included in the cost of a contractor providing a service any continuing city costs that would be directly associated with the contracted function. These continuing city costs shall include, but not be limited to, those for inspection, supervision, and monitoring.

(2) Proposals to contract out work shall not be approved solely on the basis that savings will result from lower contractor pay rates or benefits. Proposals to contract out work shall be eligible for approval if the contractor's wages are at the industry's level and do not significantly undercut city pay rates.

(3) The contract does not cause the displacement of city employees. "Displacement" includes layoff, demotion, involuntary transfer to a new class, involuntary transfer to a new location requiring a change of residence, and time base reductions. "Displacement" does not include changes in shifts or days off or reassignment to other positions within the same class and general location.

(4) The contract does not cause vacant positions in city employment to remain unfilled.

(5) The contract does not adversely affect the city's affirmative action efforts.

(6) The savings shall be large enough to ensure that they will not be eliminated by private sector and city cost fluctuations that could normally be expected during the contracting period.

(7) The amount of savings clearly justifies the size and duration of the contracting agreement.

(8) The contract is awarded through a publicized, competitive bidding process. The city shall reserve the right to reject any and all bids or proposals.

(9) The contract includes specific provisions pertaining to the qualifications of the staff that will perform the work under the contract, as well as assurance that the contractor's hiring practices meet applicable nondiscrimination, affirmative action standards.

(10) The potential for future economic risk to the city from potential contractor rate increases is minimal.

(11) The contract is with a firm. "Firm" means a corporation, partnership, nonprofit organization, or sole proprietorship.

(12) The potential economic advantage of contracting is not outweighed by the public's interest in having a particular function performed directly by city government. Before executing a contract for personal services under this section, the city shall demonstrate that outsourcing the particular functions at issue is in the public interest, addressing the cost of the contract, the cost of administering the contract, the effect on the quality of services provided to the public, and any other relevant circumstances.

(13) The contract shall provide that it may be terminated at any time by the city without penalty if there is a material breach of the contract and notice is provided at least 30 days before termination.

(14) The city shall provide an orientation to employees of the contractor who will perform services pursuant to the contract. The orientation shall include, but is not limited to, all of the following:

(A) A description of the services to be provided pursuant to the contract.

(B) A description of the function and goals of the public agency responsible for providing the services in the absence of the contract.

(C) Any applicable rules governing provision of the services and how the employee may report violations of applicable rules or contractual requirements.

~~(15) The city shall be jointly and severally liable with the contractor and any of its subcontractors for:~~

~~(A) Employment law violations arising from performance of the contract, unless otherwise provided by a bona fide collective bargaining agreement covering the affected employees.~~

~~(B) Torts committed by the contractor or any of its subcontractors in the course of providing services under the contract.~~

~~(16)~~

**(15)** If the contract is for personal services in excess of one hundred thousand dollars (\$100,000) annually, all of the following shall occur:

(A) The city shall require the contractor to disclose all of the following information as part of its bid, application, or answer to a request for proposal:

(i) A description of all charges, claims, or complaints filed against the contractor with any federal, state, or local administrative agency during the prior 10 years.

(ii) A description of all civil complaints filed against the contractor in any state or federal court during the prior 10 years.

(iii) A description of all state or federal criminal complaints or indictments filed against the contractor, or any of its officers, directors, or managers, at any time.

(iv) A description of any debarments of the contractor by any public agency or licensing body at any time.

(v) The total compensation, including salaries and benefits, the contractor provides to workers performing work similar to that to be provided under the contract.

(vi) The total compensation, including salaries, benefits, options, and any other form of compensation, provided to *the* five highest compensated officers, directors, executives, or employees of the contractor.

(vii) Any other information the city deems necessary to ensure compliance with this section.

(B) Prior to entering into the contract, the city shall conduct, and make public, a *study of cost-benefit analysis considering* the potential impact of outsourcing the work covered by the ~~contract, including, but not limited to: contract. The analysis shall include:~~

(i) The potential loss of employment opportunities within the city and resultant loss of income to workers.

(ii) The ~~economic~~ impact on local businesses if consumer spending power is reduced as a result of reduced wages under the contract.

(iii) The impact on the city's ability to provide social services and the effect of any reduction in social services on city residents.

~~(iv) Any environmental impact caused by contracting for the services at issue.~~



*(iv) Potential impacts on the environment, if any.*

*(C) Prospective contractors shall reimburse the city for the cost of the cost-benefit analysis.*

~~(E)~~

*(D)* The contract shall provide that the city is entitled to receive a copy of any records related to the contractor's or any subcontractor's performance of the contract, and that any such records shall be subject to the California Public Records Act (Chapter 5 (commencing with Section 6250) of Division 7 of Title 1). In furtherance of this subdivision, contractors and any subcontractors shall maintain records related to performance of the contract that ordinarily would be maintained by the city in performing the same functions.

~~(E)~~

*(E) (1)* The city shall include in the contract specific, measurable performance standards and provisions for a performance audit by the city, or an independent auditor approved by the city, to determine whether the performance standards are being met and whether the contractor is in compliance with applicable laws and regulations. The legislative body shall not renew or extend the contract prior to receiving and considering the audit report.

*(2) The contractor shall reimburse the city for the cost of the audit.*

~~(E)~~

*(F)* The contract shall include provisions for an audit by the city, or an independent auditor approved by the city, to determine whether and to what extent the anticipated cost savings have actually been realized. The city shall not renew or extend the contract before receiving and considering the audit report.

(b) This section does not preclude a city from adopting more restrictive rules regarding the contracting of public services.

(c) When otherwise permitted by law, the absence of any requirement of subdivision (a) shall not prevent personal services contracting when any of the following conditions are met:

(1) The contract is for a new city function and the Legislature has specifically mandated or authorized the performance of the work by independent contractors.

(2) The services contracted cannot be performed satisfactorily by city employees, or are of such a highly specialized or technical nature that the necessary expert knowledge, experience, and ability are not available among city employees.

(3) The services are incidental to a contract for the purchase or lease of real or personal property. Contracts under this criterion, known as "service agreements," shall include, but not be limited to, agreements to service or maintain office equipment or computers that are leased or rented.

(4) The legislative, administrative, or legal goals and purposes cannot be accomplished through the utilization of city employees. Contracts are permissible under this criterion to protect against a conflict of interest or to ensure independent and unbiased findings in cases where there is a clear need for a different, outside perspective. These contracts shall include, but not be limited to, obtaining expert witnesses in litigation.

(5) The nature of the work is such that the standards of this title for emergency appointments apply. These contracts shall conform with Section 45080.

(6) Public entities or officials need private counsel because a conflict of interest on the part of the city attorney's office prevents it from representing the public entity or official without compromising its position. These contracts shall require the written consent of the city attorney.

(7) The contractor will provide equipment, materials, facilities, or support services that could not feasibly be provided by the city in the location where the services are to be performed.

(8) The contractor will conduct training courses for which appropriately qualified city employee instructors are not available, provided that permanent instructor positions in academies or similar settings shall be filled by city employees.

(9) The services are of such an urgent, temporary, or occasional nature that the delay incumbent in their implementation by city employees would frustrate their very purpose.



(d) All persons who provide services to a city under conditions constituting an employment relationship shall be employed directly by the city.

(e) (1) Except as provided in paragraph (2), this section shall apply to all cities, including cities that have adopted a merit or civil service system.

(2) This section does not apply to a charter city formed pursuant to Section 3 of Article XI of the California Constitution.

(f) (1) This section does not apply to any contract for services described in Section 4525 or 4529.10.

(2) This section does not apply to any contract that is subject to Chapter 1 (commencing with Section 1720) of Part 7 of Division 2 of the Labor Code.

(3) This section does not apply to a contract for public transit services, including paratransit services, if the county's transit services are fully funded by Federal Transit Administration assistance and the county is thereby subject to the guidelines established in FTA Circular 4220.1F or any subsequent guidelines or revisions issued by the Federal Transit Administration.

(g) This section shall apply to personal services contracts entered into, renewed, or extended on or after January 1, 2018.

**SEC. 4.** Section 37103.2 is added to the Government Code, to read:

**37103.2.** (a) Each city shall maintain on its Internet Web site a searchable database of all contracts of an annual value in excess of ~~one hundred thousand dollars (\$100,000)~~ *five million dollars (\$5,000,000)* entered into pursuant to Section 37103.1. The database shall include, but is not limited to, the following:

(1) A description of the services provided under the contract.

(2) The name of the agency, department, or division responsible for providing the service in the absence of the contract.

(3) The name of the contractor and any subcontractors providing services under the contract.

(4) The effective and expiration dates of the contract.

(5) The annual amount paid pursuant to the contract to the contractor in the past three fiscal years and the current fiscal year, including the funding source for all amounts paid.

(6) The annual amount expected to be paid pursuant to the contract to the contractor in the next three fiscal years.

(7) The total projected cost of the contract for all fiscal years and the funding source for all amounts to be paid.

(8) The names of the employees of the contractor and any subcontractors providing services pursuant to the contract and their hourly pay rates, and the total number of full-time equivalent positions involved in performing the services under the contract.

(9) The names of any workers providing services pursuant to the contract as independent contractors and the compensation rates for such workers.

(b) The information identified in subdivision (a) shall be compiled in an annual service contractor expenditure budget accompanying the county budget, reflecting all spending on personal services contracts by the county.

**SEC. 5.** The provisions of this act are severable. If any provision of this act or its application is held invalid, that invalidity shall not affect other provisions or applications that can be given effect without the invalid provision or application.

**SEC. 6.** If the Commission on State Mandates determines that this act contains costs mandated by the state, reimbursement to local agencies and school districts for those costs shall be made pursuant to Part 7 (commencing with Section 17500) of Division 4 of Title 2 of the Government Code.