

AMENDED IN ASSEMBLY APRIL 25, 2017

AMENDED IN ASSEMBLY APRIL 17, 2017

AMENDED IN ASSEMBLY APRIL 4, 2017

CALIFORNIA LEGISLATURE—2017–18 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.
State-mandated local program: yes.

The people of the State of California do enact as follows:

- 1 SECTION 1. Section 31000.10 is added to the Government
- 2 Code, to read:
- 3 31000.10. The purpose of this section and Section 31000.11
- 4 is to establish standards for the use of personal services contracts
- 5 by counties.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

11 ~~(16)~~

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

14 ~~(C)~~

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

24 ~~(D)~~

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

32 ~~(E)~~

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

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

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

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

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

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

12 ~~(2)~~
13 (3) The services contracted cannot be performed satisfactorily
14 by county employees, or are of such a highly specialized or
15 technical nature that the necessary expert knowledge, experience,
16 and ability are not available among county employees.

17 ~~(3)~~
18 (4) The services are incidental to a contract for the purchase or
19 lease of real or personal property. Contracts under this criterion,
20 known as “service agreements,” shall include, but not be limited
21 to, agreements to service or maintain office equipment or
22 computers that are leased or rented.

23 ~~(4)~~
24 (5) The legislative, administrative, or legal goals and purposes
25 cannot be accomplished through the utilization of county
26 employees. Contracts are permissible under this criterion to protect
27 against a conflict of interest or to ensure independent and unbiased
28 findings in cases where there is a clear need for a different, outside
29 perspective. These contracts shall include, but not be limited to,
30 obtaining expert witnesses in litigation.

31 ~~(5)~~
32 (6) The nature of the work is such that the standards of this part
33 for emergency appointments apply. These contracts shall conform
34 with Section 31000.4.

35 ~~(6)~~
36 (7) Public entities or officials need private counsel because a
37 conflict of interest on the part of the county counsel’s office
38 prevents it from representing the public entity or official without
39 compromising its position. These contracts shall require the written
40 consent of the county counsel.

1 ~~(7)~~

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

5 ~~(8)~~

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

10 ~~(9)~~

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

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

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

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

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

24 (2) This section does not apply to any contract that is subject
25 to Chapter 1 (commencing with Section 1720) of Part 7 of Division
26 2 of the Labor Code.

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

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

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

37 31000.11. (a) Each county shall maintain on its Internet Web
38 site a searchable database of all contracts of an annual value in
39 excess of ~~one hundred thousand dollars (\$100,000)~~ *five million*

1 *dollars (\$5,000,000)* entered into pursuant to Section 31000.10.

2 The database shall include, but is not limited to, the following:

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

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

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

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

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

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

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

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

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

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

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

29 37103.1. The purpose of this section and Section 37103.2 is
30 to establish standards for the use of personal services contracts by
31 cities.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

1 ~~(16)~~

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

3 ~~(C)~~

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

13 ~~(D)~~

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

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

24 ~~(E)~~

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

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

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

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

38 (2) The services contracted cannot be performed satisfactorily
39 by city employees, or are of such a highly specialized or technical

1 nature that the necessary expert knowledge, experience, and ability
2 are not available among city employees.

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

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

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

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

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

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

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

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

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

39 (2) This section does not apply to a charter city formed pursuant
40 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.

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

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

9 SEC. 6. If the Commission on State Mandates determines that
10 this act contains costs mandated by the state, reimbursement to
11 local agencies and school districts for those costs shall be made
12 pursuant to Part 7 (commencing with Section 17500) of Division
13 4 of Title 2 of the Government Code.