CITY OF FORT BRAGG

Incorporated August 5, 1889
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May 8, 2017

The Honorable Reginald Jones-Sawyer, Sr.
California State Assembly
State Capitol Building, Room 2117
Sacramento, CA 95814
VIA FAX: 916-319-2159

RE: AB 1250 (Jones-Sawyer). Counties and Cities: Contracts for Personal Services.
Notice of Opposition *(as amended 04/25/17)*

Dear Assembly Member Jones-Sawyer:

The City of Fort Bragg must respectfully oppose your Assembly Bill (AB) 1250, which effectively eliminates almost all contracting services for cities and counties.

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 Fort Bragg will be focused on fiscal objections.

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 in itself will create significant costs in staff time and increased workload.

Apart from the inherent cost drivers with this provision, our members have expressed 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 include 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 in 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 confusion 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 the City of Fort Bragg **Opposes** Assembly Bill 1250.

Sincerely,

Lindy Peters
Mayor

Will Lee
Vice Mayor

Michael Cimolino
Councilmember

Bernie Norvell
Councilmember

Dave Turner
Councilmember

cc: State Senator Mike McGuire
State Assembly Member Jim Wood
Sara Rounds, Public Affairs Program Manager, League of California Cities
Michael Bolden, Chief Consultant, Assembly Committee Public Employees, Retirement, and Social Security
Joshua White, Consultant, Assembly Republican Caucus
Camille Wagner, Legislative Secretary, Office of Governor Edmund G. Brown Jr.
Meg Desmond, League of California Cities