



BOARD OF SUPERVISORS
AGENDA LETTER

Agenda Number:

Clerk of the Board of Supervisors
105 E. Anapamu Street, Suite 407
Santa Barbara, CA 93101
(805) 568-2240

Department Name: General Services
Department No.: 063
For Agenda Of: January 10, 2023
Placement: Administrative
Estimated Time: N/A
Continued Item: No
If Yes, date from: N/A
Vote Required: Majority

TO: Board of Supervisors

FROM: Department Janette D. Pell, Director (805) 560-1011
Director(s)
Contact Info: Lynne Dible, Assistant Director (805) 568-2678

SUBJECT: Update to Board Approval Process for Master Service Agreements – All Districts

County Counsel Concurrence

As to form: Yes

Other Concurrence: Purchasing

As to form: Yes

Auditor-Controller Concurrence

As to form: Yes

Recommended Actions: It is recommended that the Board of Supervisors:

- a) Approve administrative changes to the Board approval process and template for Board authorization of multi-department Master Service Agreements (MSAs) exceeding the annual aggregate threshold of \$200,000 in payments to a single vendor set forth in Government Code §25502.5; and
- b) Approve and direct the Purchasing Agent to execute the MSAs listed on the attached Master Service Agreement Listing – January 10, 2023 (Attachment 1); and
- c) Determine that the above actions are not a “project” and are exempt from California Environmental Quality Act (CEQA) pursuant to section 15378(b)(5) of the CEQA guidelines because they are organization or administrative activities of government that will not result in direct or indirect physical changes to the environment.

Summary Text:

County Code §2-42 authorizes the County Purchasing Agent to engage independent contractors to perform services, with or without the furnishing of materials, within the limits provided by state law. Service contracts that would result in aggregate payments to a single vendor in excess of \$200,000 per year are approved and executed by the Board of Supervisors (Board), primarily using the County’s

Board contract process, in accordance with California Government Code §25502.5. Government Code §25502.5 also provides that the Board may establish rules and regulations to effectuate the purposes of that section. The recommended administrative changes to the Board contract approval process would establish a system wherein the Purchasing Division (Purchasing) coordinates a streamlined process to create, package, and present multi-department Master Service Agreements (MSAs) exceeding the aforementioned \$200,000 threshold for the Board's approval and Purchasing execution authorization.

Background: General Services completed an in-depth review of the Purchasing division and all processes as part of the Renew '22 Departmental Operational Reviews initiative with KPMG. As a result of implementing the recommendations, including adding strategic positions to the Purchasing team, the role of Purchasing is now elevated to countywide strategic business partner and resource, positioned to provide the appropriate level of governance, support and oversight to County departments. Purchasing is focused on analyzing contracts, vendors, and spend amounts across County departments, and working on a countywide level to make informed decisions on strategic sourcing opportunities. Purchasing leads the process of evaluating whether to participate in cooperative purchasing agreements, creating and managing countywide purchasing contracts for goods and services below \$200,000, and, more recently, creating and managing MSAs when a vendor is routinely being utilized by multiple County departments for similar services and the annual aggregate payments to such vendor exceeds \$200,000.

County departments currently engage Purchasing when they identify a need to purchase goods or services with a purchase price of more than \$3,500, and less than \$200,000, where the Purchasing Agent is authorized to approve and execute such contracts and Board approval is not required. By virtue of Purchasing's involvement with such contracts, Purchasing has visibility into future demand and can share knowledge among County departments regarding suitable vendors and bid processes, and, if appropriate, develop and administer a countywide purchasing contract and make it available to multiple County departments.

However, County departments have not consistently engaged Purchasing when a need to purchase services costing more than \$200,000 is identified at the department level and Board approval is required, often leaving Purchasing unaware of such processes and unable to assist with identifying and negotiating a single agreement with a vendor for like services that could more efficiently be accessible to multiple County department users.

Currently, County departments prepare separate service agreements with vendors and use the Board contract format and administrative process for the approval and execution of their respective service agreements. Under the proposed streamlined administrative process, County departments would continue with their current internal procurement processes, unless Purchasing identifies services provided by one vendor to more than one County department that could appropriately be combined into one MSA available to multiple County departments. When Purchasing identifies such an opportunity to enter into an MSA, Purchasing would coordinate the process of creating such an MSA in collaboration with applicable County departments, using a streamlined administrative process for Board approval of such MSAs, including authorizing Purchasing execution of such MSAs.

By updating the Purchasing and Board contract administrative process to combine services available to multiple County departments into one MSA, Purchasing is better able to:

- Optimize pricing through economies of scale and contract price negotiation;
- Align contract terms and provisions for consistent pricing, renewals, and future bid timing;

- Provide one contract with standard terms and conditions per vendor annually for like services, leading to clear expectations for future contract negotiations and renewals;
- Streamline and centralize the bidding, negotiation, and contract process for County departments and vendors;
- Reduce the number of individual contracts with a single vendor requiring separate Board approval and execution by consolidating procurement of such services into one standard MSA submitted to the Board in a packet requiring one Board approval action and Purchasing execution authorization; and
- Promote the continuous collaboration of Purchasing with County departments in order to obtain the best value for the County with respect to the procurement of services.

The Updated Process:

County departments would work with Purchasing upon identifying a department-level need to procure services, other than services constituting Public Works under the Public Contract Code, from a vendor when the contemplated contract with such vendor (together with any other then-current County contracts with such vendor) would result in annual aggregate payments by the County to such vendor in excess of \$200,000, so that Purchasing can assist with any competitive processes that may be needed, and can identify opportunities to create multi-department contracts or MSAs for Board approval in connection with such services. When such an MSA opportunity is identified, Purchasing would work with County departments and vendors to develop scope(s) of services, negotiate price, and either consolidate individual service agreements already established separately by multiple County departments into one MSA, or create a new MSA available for use by County departments requiring such services. Purchasing would bring such an MSA to the Board for approval and Purchasing execution authorization as needed throughout the fiscal year. The attached MSA template is a modified version of the County's standard Agreement for Services of Independent Contractor with exhibits (Attachment 2), and MSAs may include other terms and conditions on file and approved by County Counsel and Risk, as appropriate.

Purchasing is enhancing service delivery by:

1. Communicating with County departments to determine new and on-going needs to purchase services;
2. Identifying areas where multi-department MSAs are appropriate;
3. Assisting County departments with bidding requirements if necessary;
4. Negotiating price with selected vendors to develop scope and cost of services identified for MSAs;
5. Providing one Board package for approval on the administrative agenda, on a recurring basis as needed, using the MSA Template Listing to present relevant MSA information to the Board in a concise manner, including standard or other approved terms and conditions, vendor, type of services, County department(s), contract term dates, and aggregate payment amounts.
6. By approving the MSA Template Listing procedure, the Board would enable Purchasing to execute such approved MSAs, facilitating expedient contract turnaround for County departments and vendors, and the ability to include such contracts in County-wide financial system workflow, budget validation, contract management, and reporting tools.
7. Communicating to County departments that MSAs that are available to them, once approved by the Board.

In alignment with the objectives of Renew, this contract approval process improvement provides added opportunities for cost savings, and results in measurable improvements in efficiency internally, as well

as externally for vendors. Through such collaborative efforts of Purchasing, County departments, and the vendor community, there is added value and enhanced capacity for data-driven and informed decisions around strategic sourcing for the County.

- Vendors can provide consistent pricing for like services under one contract.
- Departments can eliminate duplication of efforts and reduce staff time spent on the contracting and Board approval process.
- The County will realize a reduction in the time the Clerk spends on docketing, and the time the Board spends on the contract approval and execution process.
- Purchasing can improve their understanding of, and visibility into, County department spending on services, and provide better contract coordination, oversight, and management.

Fiscal and Facilities Impacts:

Budgeted: N/A

Fiscal Analysis:

Narrative:

Staffing Impacts: Legal Positions:

FTEs:

Special Instructions:

None

Attachments:

Attachment 1: Master Service Agreement Listing – January 10, 2023

Attachment 2: Template Master Service Agreement

Special Instructions:

Please send one (1) copy of the minute order to Lynne Dible, General Services at ldible@countyofsb.org and 1(one) copy to Phung Loman, General Services at ploman@countyofsb.org.

Authored by:

Lynne Dible and Phung Loman, General Services