



COUNTY OF SONOMA

575 ADMINISTRATION
DRIVE, ROOM 102A
SANTA ROSA, CA 95403

SUMMARY REPORT

Agenda Date: 5/13/2025

To: Sonoma County Board of Supervisors; Board of Commissioners of the Sonoma County Community Development Commission; Board of Directors of the Sonoma County Agricultural Preservation and Open Space District; Board of Directors of the Sonoma County Water Agency; Board of Directors of the Russian River County Sanitation District; Board of the Directors of the South Park County Sanitation District; Board of the Directors of the Occidental County Sanitation District; and Board of the Directors of the Sonoma Valley County Sanitation District

Department or Agency Name(s): Public Infrastructure; Community Development Commission; Sonoma County Water Agency; Sonoma County Agricultural Preservation and Open Space District

Staff Name and Phone Number: Johannes J. Hoevertsz-SPI, 707-565-2550

Vote Requirement: Majority

Supervisory District(s): All

Title:

Purchasing Authority: Supplements and Increases to Existing Delegations

Recommended Action:

- A) Adopt a joint Resolution authorizing and approving general use of and certain policies with regard to:
 - i.) The "Standard Professional Services Agreement" (PSA) template, for all services contracts; and
 - ii.) The "Standard Terms and Conditions" template, for all goods contracts. (All Boards)
- B) Adopt a Resolution introducing, reading the title of and waiving further reading of a proposed Ordinance to amend Section 2-54 of the County Code, to increase delegated signature authority for the County Purchasing Agent for services contracts in amounts that do not exceed \$200,000 per year. (Board of Supervisors)
- C) Adopt a joint Resolution delegating supplemental authority to Department, Agency, and District Heads and the County's Purchasing Agent to negotiate and agree to certain forms, terms, and conditions required for certain services, goods, and real property agreements, along with granting waivers of certain Sonoma County Code requirements as needed for such agreements.
- D) Adopt a Resolution delegating authority:
 - i.) To the Director of the Public Infrastructure Department to lease and license real property for County use and to amend real property leases for improvements of alterations, pursuant to Government Code Section 25350.51; and

- ii.) To all Department Heads to enter into venue rental agreements and to license real property for County use, pursuant to Government Code Section 25350.51. (Board of Supervisors)

Executive Summary:

Existing delegated signature authority for the County Purchasing Agent for service contracts is \$100,000 per year. This authority has been set at this level for the past eight years.

As part of ongoing evaluation of current Purchasing rules and procedures, Sonoma County Public Infrastructure (SPI) brought the proposed increase to other County Department Heads and identified several areas for improvement to better facilitate and bring efficiencies, as outlined below, to certain, common procurements. Accordingly, SPI is requesting consideration of an Ordinance amendment and Resolutions to:

1. Increase the County Purchasing Agent authority to engage services contracts in amounts that do not exceed \$200,000 per year.
2. Adopt standardized contracting forms for general use for services and goods contracts.
3. Delegate limited authority to deviate from standard contracting forms and to accept non-standard terms and conditions for certain transactions, subject to restrictions and specified criteria.
4. For County departments, allow department heads to be able to enter into venue rental and short-term agreements for use of property and facilities.

The following Table summarizes existing arrangements and the proposed changes:

Authority / Rule	Current	Proposed
Purchasing Agent – Authority for Services Contracts	\$100,000/year	\$200,00/year
Standard Contract Forms	(Clarification)	County and Agency-tailored PSAs and Goods Terms & Conditions (i.e., County Counsel-approved templates)
Nonstandard Contract Terms or Conditions	(Clarification)	<ul style="list-style-type: none">• Limited to: Emergencies, computers/software/online subscriptions, leases & rentals, legal support, sole source contracts• Criteria: Only if necessary, reasonable, feasible, and affordable• Approval by PA, Agency Head, and/or County Counsel

Leases, Licenses, and Rentals of Others' Real Property and Facilities	SPI Director only	SPI Director: Max under law (5 years, \$10,000/month) County Dept Heads: Short-term licenses and rentals
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Discussion:

This Board item is broad in scope and aims to tackle various issues identified for improvement in County and related agencies' procurement processes and contracting authorities. The various issues and improvement areas are set forth below.

Issue One: Standardized Contracting

Background: Under various Resolutions and acts of your Boards, various County Department Heads, the heads of the Commission, Districts, and Agency, and other officers (for ease of further reference, "County" refers to all such entities, and "Department Heads" refers to all chief executives of their respective entities, unless otherwise specified) have been delegated a variety of authorities for procuring and executing needed contracts and agreements for conducting their respective business. These include:

- Authority for Department Heads to contract for services up to \$50,000 per year (Resolution 16-0102);
- Authority for Department Heads to contract for certain specified goods and services up to \$50,000 per year (Resolution 95-0328);
- Purchasing Agent authority for services (up to \$100,000) and for goods (unlimited amount), pursuant to Sonoma County Code section 2-54;
- Director of Public Infrastructure authority to enter into certain leases and licenses of real property belonging to third parties, pursuant to Government Code section 25350.51 (Reso 19-0578);
- County Executive Officer authority to procure needed goods, services, and properties during emergencies, pursuant to Sonoma County Code Chapter 10.

Typical contracting authority delegations contemplate situations where the County is the lead party, meaning that the County can set the terms, conditions, forms, process, and circumstances for the contracting opportunity. In such situations, the County typically enjoys maximum negotiating position and can set the terms and prerequisites for the eventual contract. To that end, the Purchasing Division and County Counsel maintain a contract template form to be used for professional services agreements ("PSAs"). The PSA form template has been periodically updated and revised and is made available to all departments in its most-current form on the Purchasing Division intranet page. Similarly, for goods-type procurements, Purchasing maintains a "Standard Terms and Conditions" form for inclusion in goods transactions. Both of these contracting forms contain provisions that reflect terms and conditions that are most favorable to the County, such as with regard to payment terms, risk, indemnity, and remedies.

Proposed Solution: To confirm the standardization of the County PSA and goods contract template forms, along with the process around template updates and ensuring best practices and legality, the proposed Resolution confirms those templates as the required forms to be used.

Issue Two: The Exception – The Need To Accept Nonstandard Terms And Waive Certain Requirements

Background: Notwithstanding the need for standardized contracting in general, there are occasions when the County cannot dictate all procurement conditions or contract terms. Situations arise where, despite extensive negotiations, the other party may insist on a particular deal point and the County may be forced to decide whether to accept the nonstandard term or risk losing the deal. For example, owners of needed real property sometimes insist on using their own rental forms, or they may only be willing to allow use of their property based on what they believe gives them the fullest protections, like being indemnified by the County and named as an insured. Another common example is software license agreements, where large software companies dictate non-negotiable terms for off-the-shelf software solutions. Common deal points in these situations include:

- County having to indemnify and hold harmless a landlord against slip and falls or wrongdoing by County users at the site;
- County having to indemnify and hold harmless a software developer or online platform host against data corruption, illegal internet site use, breach of the terms of use, or misuse by a County employee;
- Naming landlords as “additional insureds” under County insurance arrangements, or entering into agreements with parties who lack their own insurance (and thus no insurance is available under the contract, other than County’s);
- Accepting products “as-is,” with no warranties, representations, or guarantees;
- Waiving extraordinary, consequential, punitive, and other types of damages should a contract be breached, or agreeing to liquidated damages or liability/damage exclusions or limits (“caps”);
- Agreeing to alternative dispute resolution terms (e.g. arbitration, mediation), waiving jury trial or class action rights, agreeing to pay prevailing party attorney fees and costs, or agreeing to choice of law or to resolve disputes in jurisdictions outside of Sonoma County;
- Allowing fair use of County participation or usage data for purposes of marketing or supplier profile information.
- Upfront payments and/or deposits for goods, services, or property rentals, and automatic contract renewals.

In these situations, use of County standard forms and terms and conditions is not practical and may not even be possible. As a result, many such agreements are brought to your Board for approval. This not only is inefficient in terms of staff time for preparing and processing Board items, but it also impedes being able to quickly and responsively meet operational needs.

Also, as part of needing to accept another parties’ forms and terms, a conflict may arise with the following Sonoma County Code requirements:

1. The County's AIDS Discrimination Ordinance (Sonoma County Code Chapter 19, Article II – AIDS Discrimination), which requires that contracts for goods or services expressly state a provision for compliance with the AIDS Discrimination Ordinance; and
2. The County's Living Wage Ordinance (Sonoma County Code Chapter 2, Article XXVI – Living Wage), which requires both compliance with the LWO and that agreements expressly state a provision for compliance with the LWO.

For transactions where the County cannot negotiate for the above provisions to be included, a waiver is necessary. Both subject Ordinances allow the Board to grant such waivers. For those situations where acceptance of the other parties' forms and terms is non-negotiable, waiver is warranted given the compelling County and public interest in obtaining the needed agreement.

Proposed Solution: Delegating limited authority to agree to nonstandard contract terms and forms, and to waive the County's AIDS and LWO contract provisions, will facilitate needed County transactions, expedite project delivery and operations, and conserve staff and Board resources. The proposed delegation will provide a framework and clearer authority for the limited and careful use of non-County forms and nonstandard terms and conditions in certain types of contracts. Therefore, the proposed Resolutions, to delegate authority for agreeing to certain terms and forms and waiving certain County contract provisions, are recommended.

Issue 3: Venue Rental Agreements

Background: Pursuant to Resolution 19-0578, the Director of Public Infrastructure has authority to enter into leases, licenses, and rental agreements for County use of other parties' properties and venues. Under this authority the Director can rent auditoriums, theaters, and other event or operation space as needed on behalf of all other County departments.

However, obtaining approval of the Director for another department's event or program causes delay. Events such as the Economic Development Collaborative's "Economic Perspectives" at Luther Burbank Center and Sonoma State University, as well as uses such as Sheriff Office trainings at law enforcement facilities, are standard rental uses where the County is a venue customer like all other facility users. As a result, such rental agreements typically are standardized and non-negotiable, making review and any negotiation both minimal and perfunctory. Efficiency would be served if individual departments could enter into their own rental agreements and book locations for their events and needs. Under Government Code section 25350.51, the Board may delegate such authority pursuant to resolution or ordinance.

Proposed Solution: Staff recommends adoption of a Resolution to memorialize the delegation to the Director of Public Infrastructure as to existing statutory amounts, and to delegate limited authority to all Department Heads for short-term rental and venue use agreements.

Issue 4: Allow Purchasing Agent to Agree to Higher Services Contract Amounts

Background: In Fiscal Year 23/24, a total of 710 professional service agreements were executed by the County of Sonoma. Of those, 395 were less than \$50,000 per year and were approved by Department Heads, 32 were between \$50,000 and \$100,000 and were approved by the Purchasing Agent, and 283 were above \$100,000 and were approved by the Board of Supervisors. Administrative time spent on Board Items for these agreements required significant time and effort by both the Board and County staff.

California Government Code Section 25502.5 states “(a) In counties having a population of 200,000 or more, the Board of Supervisors may authorize the Purchasing Agent to engage independent contractors to perform services for the County or County officers, with or without the furnishing of material, when the annual aggregate cost does not exceed two hundred thousand dollars (\$200,000).” Currently, the Purchasing Agent’s authority is capped at one hundred thousand dollars (\$100,000), per Section 2-54(b) of the Sonoma County Code. This divergence contrasts with other delegated authority arrangements, where County officers have been delegated authority to the maximum amounts allowed by law, such as with regard to goods, commodities, and construction contracts (see, for example, Sonoma County Code Sections 2-350 et seq., adopting the maximum contracting authority limits for construction contracts under the California Uniform Public Construction Cost Accounting Act (CUPCCA)).

Proposed Solution: To streamline the procurement of services, bring services to the public more quickly, and reduce the overall workload on County staff, staff is requesting that County Code Section 2-54(b), be amended and increased to \$200,000, to align with the current maximum amount allowed under state law.

Upon approval of the County Code amendments, staff will update all related Policies and Procedures and other applicable procurement materials.

Under existing County procurement policy, the maximum term of service agreements approved by the County Purchasing Agent under this increased authority would remain three years.

Notwithstanding the proposed changes to services contract authority, these recommended changes do not affect the Purchasing Agent’s powers and duties as set forth in SCC Section 2-52 et seq. regarding the purchase of goods, equipment, and other personal property.

Strategic Plan:

N/A

Racial Equity:

Was this item identified as an opportunity to apply the Racial Equity Toolkit?

No

Prior Board Actions:

Resolution No. 16-0272, approved by the Board July 19, 2016, increasing purchasing authority of the CDC Executive Director, from \$25,000 to \$50,000.

Sonoma County Ordinance No. 6165, dated May 24, 2016, amending Sonoma County Code Section 2-54 et seq., to increase purchasing authority of the Purchasing Agent and establish formal competitive solicitation threshold for service agreements at \$50,000 and above.

Resolution No. 16-0102, approved by the Board March 15, 2016, increasing purchasing authority of County Department Heads and Heads of Specified Agencies and Districts, from \$25,000 to \$50,000.

Resolution No. 16-0103, approved by the Board March 15, 2016, increasing purchasing authority of the General Manager/Chief Engineer of the Sonoma County Water, from \$25,000 to \$50,000.

Resolution No. 02-0405, approved by the Board April 23, 2002, increasing purchasing authority of the General Manager of the Sonoma County Agricultural Preservation and Open Space District from \$10,000 to \$25,000.

Resolution No. 02-0234, approved by the Board March 12, 2002, granting authority of the General Manager/Chief Engineer of the Sonoma County Water Agency to engage independent contractors to perform services up to \$25,000.

Resolution No. 95-0328, approved by the Board March 21, 1995, establishing exemptions from Purchasing procedures for County officers authorized to execute agreements for the purchase of specific items or services, within the limits otherwise established by the Board for the Purchasing Agent.

Sonoma County Ordinance No. 4654, dated April 6, 1993, authorizing the Purchasing Agent to engage independent contractors to perform services up to \$25,000.

FISCAL SUMMARY

Expenditures	FY 24-25 Adopted	FY 25-26 Projected	FY 26-27 Projected
Budgeted Expenses			
Additional Appropriation Requested			
Total Expenditures			
Funding Sources			
General Fund/WA GF			
State/Federal			
Fees/Other			
Use of Fund Balance			
Contingencies			

Total Sources			
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Narrative Explanation of Fiscal Impacts:

There are no fiscal impacts associated with this request.

Narrative Explanation of Staffing Impacts (If Required):

N/A

Attachments:

- 1— Board of Supervisors Resolution - Introducing, Reading Title, and Waiving Further Reading of Ordinance to Amend the Sonoma County Code
- 2 – Ordinance Amending Article V, Chapter 2 of the County Code - Clean version
- 3 – Ordinance Amending Article V, Chapter 2 of the County Code - Red-lined version
- 4 – Joint Resolution - Adopting Standardized Contract Forms and Policies for Use
- 5 – Joint Resolution - Authorizing Certain Exceptions to Standardized Contracting Terms as to Certain Contracts
- 6 – Board of Supervisors Resolution - Delegating Authority to Lease And License Real Property For Use By The County

Related Items “On File” with the Clerk of the Board:

None