

Date of Hearing: April 11, 2018

ASSEMBLY COMMITTEE ON LOCAL GOVERNMENT

Cecilia Aguiar-Curry, Chair

AB 2137 (Mayes) – As Introduced February 12, 2018

**SUBJECT:** Regional park and open-space districts: general manager: powers.

**SUMMARY:** Increases, from \$25,000 to \$50,000, the amount for which the Riverside County Regional Park and Open Space District may enter into contracts without a formal bid process. Specifically, **this bill:**

- 1) Authorizes the general manager of the Riverside County Regional Park and Open Space District (Riverside County RPOSD), with the approval of the board, to bind the District, in accordance with board policy, and without advertising, for the payment for supplies, materials, labor, or other valuable consideration for any purpose, including the new construction of a building, structure, or improvement, in amounts not exceeding \$50,000.
- 2) Requires all expenditures authorized pursuant to 1), above, to be reported to the District's board of directors at its next regular meeting.

**EXISTING LAW:**

- 1) Generally allows the general manager of a park and/or open space district, with the approval of the district's board, to bind the district, in accordance with board policy, and without advertising, for the payment for supplies, materials, labor, or other valuable consideration for any purpose other than new construction of a building, structure, or improvement in amounts not exceeding \$25,000, and for the payment for supplies, materials, or labor or other valuable consideration for new construction of a building, structure, or improvement in amounts not exceeding \$25,000.
- 2) Provides an exception to 1), above, by allowing the general manager of the East Bay Regional Park District (East Bay RPD), the Midpeninsula Regional Open Space District (Midpeninsula ROSD), and the Sonoma County Agricultural Preservation and Open Space District (Sonoma County APOSD), with the approval of their respective boards, to bind those districts, in accordance with board policy, and without advertising, for the payment for supplies, materials, labor, or other valuable consideration for any purpose, including the new construction of a building, structure, or improvement, in amounts not exceeding \$50,000.

**FISCAL EFFECT:** None

**COMMENTS:**

- 1) **Bill Summary.** This bill increases, from \$25,000 to \$50,000, the amount for which the Riverside County RPOSD may enter into contracts without a formal bid process. This bill is sponsored by Riverside County.
- 2) **Author's Statement.** According to the author, "(The District) was the first special district in the State of California to receive accreditation by the National Recreation and Park Association for demonstrating the highest standards of ethical and professional practices in

the delivery of park and recreation programs. (The District's) award-winning park and open space system features more than 75,000 acres and includes camping, parks, fishing, historic sites, ecological reserves, and 169 miles of trails, as well as a state-of-the-art sports park and several actively-managed ecological habitats and environmentally sensitive areas. Park facilities are open year round enriching the lives of all patrons with a special focus on families, seniors, veterans, and people with disabilities.

"The County is seeking to increase (the District's) General Manager purchasing limits to match other county division head limits. Over time, general cost increases have effectively reduced the District's purchasing power. Further, the District estimates that it sees, on average, five bids annually that exceed the \$25,000 threshold. Each bid costs an average of \$8,459 in associated administrative and processing functions. If granted an increase in the no-bid purchasing authority up to \$50,000, the District could put the administrative costs now going toward bid preparation to better use in support of (the District's) mission."

- 3) **Background.** Riverside County RPOSD is a dependent special district. As such, the District is governed by the Riverside County Board of Supervisors, which is vested with all the powers and authority of the District. The District's mission is to acquire, protect, develop, manage, and interpret for the inspiration, use, and enjoyment of all people, a well-balanced system of areas of outstanding scenic, recreational, and historic importance. Many programs are operated under three of the County's bureaus, which include: Parks & Resources, Planning & Development, and Business Services. The District is led by the General Manager/Parks Director and its focus is to provide high-quality recreational opportunities and preserve important features of the County's natural, cultural, and historical heritage.
- 4) **Park/Open Space District Bid Requirements.** Park/open space districts generally must comply with state law requiring them to publicly bid new construction and maintenance work that will exceed specified costs. This is consistent with state law for all local agencies, based on policy that seeks to balance open and transparent use of public funds with efficient and cost-effective government operations.

Prior law sets bid limits for these districts at \$10,000 for non-construction work, and \$25,000 for construction contracts. However, the Legislature allowed exceptions to these thresholds for three districts: the East Bay RPD, Midpeninsula ROSD, and the Sonoma County APOSD. These districts were allowed to contract for any purpose for up to \$25,000 without bidding. These exceptions were based on a recognition that public bidding may not be cost-effective in all cases, particularly when the costs of time delays and resources expended on contract preparation and bidding are disproportionate to a contract's scope and total cost.

AB 745 (Levine), Chapter 42, Statutes of 2014, raised the limit to \$25,000 for all park and open space districts for all purposes, both construction and non-construction, resulting in a uniform statute for all of these districts. However, two subsequent bills – AB 495 (Gordon), Chapter 149, Statutes of 2015, and SB 1082 (McGuire), Chapter 52, Statutes of 2016 – once again created exceptions for East Bay RPD, Midpeninsula ROSD, and the Sonoma County APOSD by raising their bid thresholds for both construction and non-construction contracts to \$50,000.

This bill for the first time adds a fourth park/open space district to the group of districts that enjoy an exception to the general bid threshold rule of \$25,000, by granting the Riverside County RPOSD a bid threshold of \$50,000.

- 5) **Policy Considerations.** The Committee may wish to consider the following:
- a) **Keeping Things Consistent?** As noted above, the Legislature in 2014 set the bid threshold at \$25,000 for all park and open space districts, resulting in a uniform statute for all of the state's park/open space districts. The Committee may wish to consider whether to continue allowing exceptions for specified districts or whether uniformity is a policy goal it wishes to reassert.
  - b) **Who Gets What, and Why?** With this bill, four of the state's park/open space districts have now come forward asking for an exception to the general rule reestablished in 2014 governing bid thresholds for these districts. The Committee may wish to consider what criteria should be weighed to determine which districts must follow the general rule and which districts merit an exception.
  - c) **Adjusting for Inflation?** The Legislature has reviewed and approved several requests to raise the bid threshold for specified park/open space districts based on inflationary pressures. While the proponents of this bill have not raised this issue specifically, the Committee may wish to consider whether to allow for automatic inflationary adjustments to these bid limits.
- 6) **Previous Legislation.** SB 1082 (McGuire), Chapter 52, Statutes of 2016, raised the bid threshold for all purposes, both construction and non-construction, to \$50,000 for the Sonoma County APOSD.
- AB 495 (Gordon), Chapter 149, Statutes of 2015, raised the bid threshold for all purposes, both construction and non-construction, to \$50,000 for the East Bay RPD and the Midpeninsula ROSD.
- AB 745 (Levine), Chapter 42, Statutes of 2014, raised the bid threshold for all purposes, both construction and non-construction, to \$25,000 for all park/open space districts.
- AB 953 (Simitian), Chapter 23, Statutes of 2002, raised the bid threshold for non-construction items to \$25,000 for the Midpeninsula ROSD and the Sonoma County APOSD.
- AB 584 (Aroner), Chapter 135, Statutes of 1999, raised the bid threshold for non-construction items to \$25,000 for the East Bay RPD.
- 7) **Arguments in Support.** Riverside County, the sponsor of this measure, states, "AB 2137 is a narrowly drafted measure that would offer needed administrative and financial relief to the County."
- 8) **Arguments in Opposition.** None on file.

**REGISTERED SUPPORT / OPPOSITION:**

**Support**

Riverside County [SPONSOR]

**Opposition**

None on file

**Analysis Prepared by:** Angela Mapp / L. GOV. / (916) 319-3958