



COUNTY OF SAN MATEO
Inter-Departmental Correspondence
County Manager



Date: September 24, 2013

Board Meeting Date: October 8, 2013

Special Notice / Hearing: None

Vote Required: Majority

To: Honorable Board of Supervisors

From: John L. Maltbie, County Manager

Subject: 2012-13 Grand Jury Response- County Lacks Firm Basis for Outsourcing Work; Charter Revision Recommended

RECOMMENDATION:

Approve the Board of Supervisor's response to the 2012-13 Grand Jury report entitled: County Lacks Firm Basis for Outsourcing Work; Charter Revision Recommended.

BACKGROUND:

On July 15, 2013, the Grand Jury filed a report titled: County Lacks Firm Basis for Outsourcing Work; Charter Revision Recommended. The Board of Supervisors is required to submit comments on the findings and recommendations pertaining to the matters under control of the County of San Mateo within ninety days. The County's response to the report is due to Hon. Richard C. Livermore no later than October 15, 2013.

Acceptance of this report contributes to the Shared Vision 2025 outcome of a Collaborative Community by ensuring that all Grand Jury findings and recommendations are thoroughly reviewed by the appropriate County departments and that, when appropriate, process improvements are made to improve the quality and efficiency of services provided to the public and other agencies.

DISCUSSION:

Findings:

F1. Outsourcing is a point of contention between the County and the two leading unions representing County employees.

Response: Disagree in part. The County remains mindful of the limits placed on services considered for outsourcing as defined in Government Code 31000, and adheres to the standards as defined in that language as follows:

31000. The board of supervisors may contract for special services on behalf of the following public entities: the county, any county officer or department, or any district or court in the county. Such contracts shall be with persons specially trained, experienced, expert and competent to perform the special services. The special services shall consist of services, advice, education or training for such public entities or the employees thereof. The special services shall be in financial, economic, accounting (including the preparation and issuance of payroll checks or warrants), engineering, legal, medical, therapeutic, administrative, architectural, airport or building security matters, laundry services or linen services. They may include maintenance or custodial matters if the board finds that the site is remote from available county employee resources and that the county's economic interests are served by such a contract rather than by paying additional travel and subsistence expenses to existing county employees. The board may pay from any available funds such compensation as it deems proper for these special services. The board of supervisors may, by ordinance, direct the purchasing agent to enter into contracts authorized by this section within the monetary limit specified in Section 25502.5 of the Government Code.

Historically there have been discussions with the unions when the County makes a decision to outsource services traditionally performed as bargaining unit work. The two most populated organizations, AFSCME and SEIU have language in their Memorandum Of Understanding (MOU's) that specifically outline the negotiated process. This process provides the unions with the opportunity to discuss and have other options considered prior to a final decision being made regarding contracting out services.

F2. A Charter revision that clearly authorizes the County Manager to contract out work when deemed economically and/or operationally beneficial would provide improved legal standing for outsourcing.

Response: Agree.

F3. Outsourcing flexibility would give the County another management tool to use when determining how best to deliver services.

Response: Agree.

F4. Communication among the County and the two unions representing the majority of County employees appears less than optimal.

Response: Disagree. San Mateo County has a strong foundation of trust and open communication with all of our labor organizations. Although the unions and the county's

interests may not always be completely aligned, we have a history of respectful and open communication and constructive joint problem-solving.

Recommendations:

The 2012-2013 San Mateo County Civil Grand Jury recommends that the Board of Supervisors do the following:

R1. Submit to the voters for approval a Charter amendment that would allow outsourcing at the County Manager's discretion.

Response: This recommendation requires further analysis. The County will continue to explore outsourcing as a work delivery option in our Agile Organization efforts. A recommendation will be brought to the Board for consideration after preliminary evaluation of Agile pilots in Spring 2014.

R2. Establish clear lines of communication among all parties involved in making the County function as a unit, from managers to employees to unions.

Response: This recommendation has been implemented. There are many formal lines of communication such as contract negotiations and regularly scheduled Labor/Management meetings in a number of departments and divisions. There is a monthly Labor/Management meeting with all of labor which is held specifically to discuss issues related to the State and County budget and other current topics such as the Agile Workforce pilot project. Additionally, Labor Management meetings are convened on an ad hoc basis as circumstances dictate. There are also informal lines of communication between management and union representatives at all levels of the organization.

FISCAL IMPACT:

There is no Net County Cost associated with approving this report.