



County of Monterey

Board of Supervisors
Chambers
168 W. Alisal St., 1st Floor
Salinas, CA 93901

Board Report

File #: ORD 24-018, **Version:** 1

Introduce, waive reading, and set July 9, 2024 at 10:30 a.m. as the date and time to consider adoption of an ordinance amending Section 2.21.060 of the Monterey County Code to provide that the County Risk Manager have the discretion to approve deviations from or modifications to the County standard provisions regarding insurance and indemnification in appropriate circumstances exercising the Risk Manager's professional judgment.

RECOMMENDATION:

It is recommended that the Board of Supervisors introduce, waive reading, and set July 9, 2024 at 10:30 a.m. as the date and time to consider adoption of an ordinance amending Section 2.21.060 of the Monterey County Code to provide that the County Risk Manager have the discretion to approve deviations from or modifications to the County standard provisions regarding insurance and indemnification in appropriate circumstances exercising the Risk Manager's professional judgment.

SUMMARY/DISCUSSION:

The County has standard contract provisions including insurance and indemnification requirements, and any deviation from those requirements requires approval by the Board of Supervisors even if the contract amount is within the authority of the County Administrative Officer, Contracts/Purchasing Officer or department head.

Not all vendors either can or need comply with the County's standard provisions, for example: a sole proprietor with no employees need not have worker's compensation insurance; a vendor providing information technology services from a location in another state and who will not be travelling in California need not have automobile insurance; and a sole proprietor providing educational or entertainment services at County libraries during the summer months need not have \$1 million of commercial general liability insurance.

In such cases, the County's Risk Manager should have the discretion to approve deviations from or modifications to the County standard provisions so such contracts need not require Board approval unless otherwise required due to the fiscal provisions of the contract. Such discretion should be exercised if, in the Risk Manager's opinion, the deviations or modifications are in the best interests of the County, are consistent with standard industry practice, are appropriate for the particular contract, and do not expose the County to any undue or inordinate risk of liability. A draft ordinance is attached along with a redline draft showing the changes.

OTHER AGENCY INVOLVEMENT:

The County Administrative Office and Contracts/Purchasing Officer support the recommendation.

FINANCING:

There is no fiscal impact per se with this item; however, it will result in more contracts being approved by Contracts/Purchasing or department heads, and fewer contracts being presented to the Board of Supervisors for approval.

BOARD OF SUPERVISORS STRATEGIC INITIATIVES:

This action provides for more efficient processing of certain County contracts.

☐ Economic Development
☒ Administration
☐ Health & Human Services
☐ Infrastructure
☐ Public Safety

Prepared and Approved by:

Susan K. Blich, County Counsel, Ext. 5161

Attachments:

Exhibit A: Draft ordinance amending Monterey County Code Section 2.21.060 (clean)

Exhibit B: Draft ordinance amending Monterey County Code Section 2.21.060 (redline)