

CALIFORNIA EDUCATIONAL FACILITIES AUTHORITY (Authority)

STAFF SUMMARY RECOMMENDATION

**RESOLUTION OF THE CALIFORNIA EDUCATIONAL FACILITIES AUTHORITY
AUTHORIZING DELEGATION OF POWER TO ENTER INTO CONTRACTS AND
INTERAGENCY AGREEMENTS**

Resolution No. 2023-02

December 7, 2023

PURPOSE OF THE REQUEST:

Staff is requesting the Authority authorize the Chair, any deputy to the Chair, the Executive Director, and any designee to the Executive Director to enter into contracts and interagency agreements on behalf of the Authority for amounts not to exceed \$500,000. Authority staff seeks approval of a new resolution to take effect immediately upon its adoption. This Resolution shall repeal on January 31, 2026, unless extended by action of the Authority prior to that date.

The delegated actions taken by the Authority under Resolution No. 2022-04 for the calendar year 2023 are summarized in Exhibit A of this staff report.

BACKGROUND:

Education Code section 94125, which is part of the California Educational Facilities Authority Act (Ed. Code, §94100 et seq.) authorizes the Authority to delegate the power to the Executive Director or any other official or employee of the Authority to enter into contracts on behalf of the Authority.

In January 2007, the Authority approved Resolution No. 2007-01 delegating authority to the Executive Director to approve contracts in an amount not to exceed \$250,000. Subsequently, the Authority increased the delegated authority contract amount to its current level of \$300,000, with the approval of Resolution No. 2015-02 in January 2015. Currently, the Authority authorizes the Chair, any deputy to the Chair, and the Executive Director to enter into contracts on behalf of the Authority for amounts not to exceed \$300,000 per Authority approved Resolution No. 2022-04. In addition, the Deputy Executive Director or the Operations Manager are authorized to enter into contracts in limited circumstances when the Chair and Executive Director are unable or unavailable to exercise the delegated authority.

Staff is requesting the Authority to increase the delegated authority amount for contracts from \$300,000 to \$500,000, due to various factors including inflation and cost increases across the market. Contracted service costs have increased in the eight years since the delegated authority amount was increased to \$300,000. CEFA also anticipates entering into an interagency agreement with the California School Finance Authority for specialized consulting services in the near future to assist with the development of the new California Student Housing Revolving Loan Fund Program chaptered into law with the passing of Assembly Bill 190 (2022) and Senate Bill 117 (2023). Increasing the authorized amount from \$300,000 to \$500,000 would greatly improve the timeliness and the overall efficiency of program development and implementation.

The Authority routinely enters into a variety of contracts in its ordinary course of business for its operation and program needs, including an interagency agreement with the State Treasurer's Office for administrative and other related services, and contracts with a Financial Analyst, a Municipal Advisor, an Auditor, and law firms for Issuer's counsel services on an as-needed basis.

State contracting laws require extensive time and multiple processes. Contracts are time sensitive, and thus, any efficiencies in the contracting process would have an immediate effect on overall operational functions. Authorizing the Chair, any deputy to the Chair, the Executive Director, and any designee to the Executive Director to enter into contracts and interagency agreements in amounts not to exceed \$500,000 would improve the Authority's business operations' overall efficiency.

RECOMMENDATION:

Staff recommends the approval of Resolution No. 2023-02 to authorize the Chair, any deputy to the Chair, the Executive Director, and any designee to the Executive Director to enter into and execute contracts and interagency agreements on behalf of the Authority for amounts not to exceed \$500,000. Authority staff seeks approval of this new resolution to take effect immediately upon its adoption. This Resolution shall repeal on January 31, 2026, unless extended by action of the Authority prior to that date.

ATTACHMENT:

Exhibit A – Contracts Delegation of Powers Summary for Calendar Year 2023

EXHIBIT A

CONTRACT DELEGATION OF POWERS SUMMARY

**ACTIONS TAKEN UNDER RESOLUTION NO. 2022-04
CALENDAR YEAR 2023**

<u>Board Meeting</u>	<u>Contract</u>	<u>Delegation Action</u>
April 27, 2023	<u>Financial Analyst</u> TAP International, Inc.	Executed amendment to extend contract through June 30, 2024, to provide financial analyst services.
July 27, 2023	<u>Online Banking Services</u> Bank of America, N.A.	Executed a contract to provide banking services related to the College Access Tax Credit Fund.
July 27, 2023	<u>Interagency Agreement</u> State Treasurer's Office (STO)	Executed an interagency agreement with STO for executive and administrative support services.
July 27, 2023	<u>Interagency Agreement</u> STO	Executed an interagency agreement with STO for rent and security costs.

RESOLUTION NO. 2023-02

RESOLUTION OF THE CALIFORNIA EDUCATIONAL FACILITIES AUTHORITY AUTHORIZING DELEGATION OF POWER TO ENTER INTO CONTRACTS AND INTERAGENCY AGREEMENTS

WHEREAS, the California Educational Facilities Authority (“the Authority”), a public instrumentality of the State of California, was created under the provisions of the California Educational Facilities Act (Ed. Code, §94100 et seq.) (the “Act”); and

WHEREAS, Education Code section 94125 of the Act authorizes the Authority to employ an Executive Director and any other persons as are necessary to enable the Authority to properly perform the duties imposed by the Act and to delegate to the Executive Director or any other official or employee of the Authority the power to enter into contracts on behalf of the Authority;

NOW, THEREFORE, BE IT RESOLVED by the California Educational Facilities Authority as follows:

SECTION 1. Without specific individual Authority approval, the Chair, any deputy to the Chair, the Executive Director, and any designee to the Executive Director, as specified in Section 2, are delegated the responsibility to (1) enter into and execute external contracts and interagency agreements up to an amount of \$500,000, (2) amend contracts and interagency agreements that only extend the term of the contract up to an amount of \$500,000, (3) provide technical amendments that do not involve the encumbrance of Authority moneys, and (4) amend contracts and interagency agreements involving expenditures as long as the total amount of the contract over its full term does not exceed \$500,000.

SECTION 2. If the Executive Director is unavailable or unable to exercise the power delegated under Section 1, the Deputy Executive Director or the Operations Manager may serve as the Executive Director’s designee.

SECTION 3. The Executive Director or, in the Executive Director’s absence, the Deputy Executive Director shall report to the Authority at the next scheduled Authority meeting, any actions taken pursuant to Section 1 for any contract that has been entered into in an amount of \$10,000 up to \$500,000.

SECTION 4. This Resolution supersedes Resolution No. 2022-04 and takes effect immediately upon its adoption. This Resolution shall repeal on January 31, 2026, unless extended by action of the Authority prior to that date.

Date of Adoption: _____