

AGENDA ITEM 4 (ACTION ITEM) CONTRACT DELEGATION AUTHORITY

Staff Report July 15, 2010

THE COMMISSION DELEGATES A LIMITED AMOUNT OF CONTRACT AUTHORITY. Government Code Section 8857 authorizes the Commission to delegate to the Executive Director the authority to enter into contracts on its behalf. At its last hearing, the Commission approved Resolution 08-02, authorizing the Executive Director to enter into contracts and interagency agreements under specified thresholds. Accordingly, an individual contract in the prior fiscal year could not exceed \$300,000, and an interagency agreement for administrative services could not exceed \$450,000.

For purposes of this delegation, counsel advises that the term “contracts” includes purchases of services through service order agreements, and purchases of “goods” through purchase order agreements. The Commission uses service order agreements to pay for equipment maintenance such as copier service agreements and e-mail services (such as ListServ). It uses purchase order agreements to pay for printing costs of Commission publications, association memberships, and office equipment.

As of June 30, 2010, the Commission had contracts that equated to approximately \$1.1 million. This amount is comprised as follows:

- \$401,000 for administrative services;
- \$300,000 with the Center for California Studies at California State University, Sacramento to provide grants for academic research on municipal finance;
- \$205,000 to contract with facilities for educational seminars;
- \$85,000 for rent;
- \$46,000 for various print service orders;
- \$10,000 for service and purchase orders; and,
- \$8,000 for various miscellaneous contracts.

STAFF RECOMMENDATION

Staff respectfully requests that the current \$1.1 million annual limit for total contracts be raised to \$1.5 million by adopting Resolution 10-01. This request is being made to ensure the Commission has sufficient delegated contracting authority to meet its current mandated functions (which now includes purchase and services orders) to meet any cost of living adjustments and to meet potential contractual obligations due to pending legislation (AB 155, AB 2579—discussed in further detail in the Commission’s work plan).