

## AGENDA ITEM 5 (ACTION ITEM) CONTRACT DELEGATION AUTHORITY

### Contract Delegation June 18, 2013

#### STAFF REPORT

Government Code Section 8857 authorizes the Commission to delegate to the Executive Director the authority to enter into contracts on its behalf. 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. CDIAC 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 CDIAC publications, association memberships, and office equipment. In general, most CDIAC Operating Expense and Equipment (“OE&E”) expenditures fall under this broader “contract” category and are therefore relevant to establishing the Executive Director’s contract authority.

On June 20, 2011, the Commission approved Resolution 11-01, authorizing the Executive Director to enter into contracts and interagency agreements under specified thresholds. Specifically, 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. In addition, Resolution 11-01 also decreased the amount of the Executive Director’s delegation from \$1.5 million authorized in FY 2010-11 to \$1.1 million in FY 2011-12.

The projected increase in FY 2013-14 OE&E expenses necessitates an increase in contract authority to \$1.2 million with the same individual contract limitations authorized in Resolution 11-01. This increase will continue to keep the Executive Director’s delegated authority under \$1,384,000, the proposed OE&E in the FY13-14 State Budget.

CDIAC projects its OE&E expenditures through June 30, 2013 to be approximately \$1,092,066, including the following:

Administrative services	\$385,052
Rent & facilities	76,732
General office expenses	61,600
Facilities for educational seminars	3,000
Communications	12,500
Printing and postage	17,100
Travel and training	47,500
Miscellaneous service contracts	5,875
Miscellaneous IT expenses	9,000
Prorata expenses	134,714
Major equipment purchases	1,400
External Contracts <sup>9</sup>	337,593
<b>TOTAL</b>	<b>\$1,092,066</b>

#### STAFF RECOMMENDATION

Based on current year expense projections and CDIAC's FY 2013-14 budget authority, staff respectfully requests that the annual limit for total contracts be increased to \$1.2 million by adopting Resolution 13-01. Resolution 13-01 would provide CDIAC sufficient delegated contracting authority to meet its current mandated functions and inflationary adjustments. It does not, however, address any additional responsibilities that may be added to CDIAC as a result of any future legislative action.

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<sup>9</sup> In FY 2012-13, CDIAC executed several large external contracts including a financial analysis of the Bay-Delta Conveyance Project, a study of the proposed financing by the Foothill/Eastern Transportation Corridor Agency and the assessment of the *California Debt Issuance Primer*.

## Resolution 13-01

Date of Adoption: June 18, 2013

WHEREAS, Government Code Section 8857 provides that the Commission may delegate to the Commission's Executive Director the authority to enter contracts on its behalf; and

WHEREAS, Section 1208 (1)(e) of the State Administrative Manual requires that contracts in excess of \$5,000 entered into by state boards, commissions and authorities must be accompanied by a copy of the approved resolution authorizing the execution of such agreements;

THEREFORE, BE IT RESOLVED, that the California Debt and Investment Advisory Commission hereby authorizes the Commission's Executive Director to enter into contracts in Fiscal Year 2013-14, with the following limitations:

- (a) The value of any single contract shall not exceed \$300,000, except as provided in (b);
- (b) The value of the standard agreement for interagency administrative services with the State Treasurer's Office shall not exceed \$425,000;
- (c) The cumulative amount for all contracts shall not exceed \$1,200,000 in Fiscal Year 2013-14. For purposes of this resolution, a contract shall include, but not be limited to, standard agreements, purchase orders, and service orders.

FURTHER BE IT RESOLVED, the Executive Director may amend contracts, as needed, to change either the allocations for individual contracts, or their terms provided that the amendments do not exceed the amounts specified in paragraphs (a), (b), and (c).

MOREOVER, the Executive Director shall, at the next Commission meeting, report on all contracts, as defined, approved pursuant to this resolution.

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Mark B. Campbell, *Executive Director*