

## AGENDA ITEM 5 (ACTION ITEM)

### CONTRACT DELEGATION AUTHORITY

#### Contract Delegation June 10, 2014

##### 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 18, 2013, the Commission approved Resolution 13-01, authorizing the Executive Director to enter into contracts and interagency agreements in FY 2013-2014 under specified thresholds. Specifically, an individual contract may not exceed \$300,000 and an interagency agreement for administrative services may not exceed \$450,000. In addition, Resolution 13-01 established the cumulative amount of the Executive Director’s delegation at \$1.2 million in FY 2013-14.

Given that there is no proposed increase in the FY 2014-15 budget appropriation for OE&E, maintaining the cumulative amount of the Executive Director’s contract delegation at \$1.2 million with the same individual contract limitations as authorized last year in Resolution 13-01 will be sufficient to meet CDIAC’s operational requirements.

CDIAC projects its OE&E expenditures through June 30, 2014 to be approximately \$930,624, including the following.

Administrative services	\$351,296
Prorata expenses	147,984
Rent & facilities	124,416
Educational facilities contracts	78,146
Travel and training	48,250
General office expenses	35,855
Communications	17,243
Printing and postage	10,939
Miscellaneous IT expenses	3,000
Special items	2,325
Miscellaneous service contracts	2,390
Major equipment purchases	0
External Contracts <sup>11</sup>	108,780
TOTAL	\$930,624

## STAFF RECOMMENDATION

Based on current year expense projections and CDIAC's FY 2014-15 budget authority staff respectfully requests that the annual limit for total contracts be maintained at \$1.2 million by adopting Resolution 14-01. Resolution 14-01 will provide CDIAC sufficient delegated contracting authority to meet its current mandated functions. 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>11</sup> In FY 2013-14, CDIAC was party to external contracts for services including credit card clearance (Elavon), an audit of hiring practices (State Personnel Board), the continuation of the financial analysis of the Bay-Delta Conveyance Project (Blue Sky Consulting Group), and the update of the California Debt Issuance Primer (Nixon Peabody).

## Resolution 14-01

Date of Adoption: June 10, 2014

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 2014-15, 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 2014-15. 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*