

AGENDA ITEM 5 (ACTION ITEM)

CONTRACT DELEGATION AUTHORITY

Contract Delegation June 23, 2015

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 in establishing the Executive Director’s contract authority.

On June 10, 2014, the Commission approved Resolution 14-01, authorizing the Executive Director to enter into contracts and interagency agreements in FY 2014-2015 under specified thresholds. Specifically, an individual contract may not exceed \$300,000 and an interagency agreement for administrative services may not exceed \$425,000. In addition, Resolution 14-01 established the cumulative amount of the Executive Director’s delegation at \$1.2 million in FY 2014-15.

The proposed FY 2015-16 budget appropriation for OE&E is expected to increase to \$1,499,000. The interagency agreement is expected to total approximately \$560,000, which is inclusive of an increase of \$235,256 in the interagency agreement for administrative services to account for increased information technology support. In addition, the proposed budget includes an upward adjustment for increased statewide pro rata administrative costs of \$50,000. The proposed FY 2015-16 budget appropriation for OE&E when adjusted for pro rata administrative costs is \$1,549,000.

CDIAC projects its OE&E expenditures through June 30, 2015 to be approximately \$862,500, including the following.

Administrative services	\$323,000
Pro rata expenses	106,000
Rent & facilities	129,500
Educational facilities contracts	55,000
Travel and training	67,250
General office expenses	38,250
Communications	13,750
Printing and postage	10,500
Information technology	104,500
Miscellaneous service contracts	4,750
External Contracts	10,000
TOTAL	\$862,500

STAFF RECOMMENDATION

Based on current year expense projections, proposed FY 2015-16 increases in both pro rata and administrative services expenses, and the proposed FY 2015-16 budget authority, staff respectfully requests an increase in the contract authority delegated to the Executive Director. Resolution 15-01 resolves to delegate to the Executive Director cumulative contract authority of \$1,550,000, with any single contract authority limited to \$300,000, not including the interagency administrative services agreement authority which is limited to \$560,000.

Resolution 15-01

Date of Adoption: June 23, 2015

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 2015-16, 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 \$560,000;
- (c) The cumulative amount for all contracts shall not exceed \$1,550,000 in Fiscal Year 2015-16. 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.

Mark B. Campbell, *Executive Director*