

AGENDA ITEM 5 (ACTION ITEM) CONTRACT DELEGATION AUTHORITY

Contract Delegation Authority June 21, 2016

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 the context of the executive director’s contract authority.

On June 23, 2015, the Commission approved Resolution 15-01, authorizing the executive director to enter into contracts and interagency agreements in FY 2015-16 under specified thresholds. Specifically, an individual contract may not exceed \$300,000 and an interagency agreement for administrative services may not exceed \$560,000. Resolution 15-01 also established the cumulative amount of the delegation to the executive director at \$1.55 million. In addition, the resolution requires the executive director to report on all contracts approved pursuant to the resolution.

CDIAC OE&E expenditures, included in the broader definition of “contracts” and covered by the cumulative delegated amount, are projected to be approximately \$1,104,000, through June 30, 2016, as follows.

STO Administrative services	\$556,300
State pro-rata expenses	156,000
Rent & facilities operation	141,700
Information technology	116,800
Travel and training	42,100
General office expenses	29,500
Printing and postage	17,900
Communications	17,700
State professional services	12,800
Educational facilities & services	10,400
External professional services	3,000
TOTAL	\$1,104,000

Major contracts or interagency agreements in place or executed in FY 2015-16 include:

VENDOR	SERVICE	START	END	AMOUNT
State Treasurer's Office	Administration & IT	7/1/15	6/30/16	\$556,326
State Treasurer's Office	Rent & facilities operations	7/1/15	6/30/16	132,602
Socrata, Inc.	Software subscription	4/1/15	3/31/16	97,903
Socrata, Inc.	Software subscription	4/1/16	3/31/17	97,687
State Personnel Board*	Compliance audit	7/1/13	6/30/16	9,000
ABC Signup*	Event registration	6/5/15	6/4/16	6,517
Elavon, Inc.*	Credit card processing	6/1/15	5/31/16	5,000
Go To Webinar*	Webinar hosting	5/12/15	5/11/16	2,700

* Renewals will be put in place prior to the end of FY 2015-16.

The proposed FY 2016-17 budget appropriation for OE&E is \$1,684,000. The figure is higher than it has been in the proposed budgets of past years because of a reallocation by the Department of Finance of \$136,000 from personal services to OE&E. This reallocation, based on average historical vacancies, not current CDIAC staffing levels (19/20 PYs filled), was made in the enacted FY 2015-16 and proposed FY 2016-17 budgets. In actuality, CDIAC expects to spend the \$136,000 reallocation on personal services, not OE&E.

STAFF RECOMMENDATION

Given the current year expense projections for OE&E, the amounts of major contracts and agreements in place in FY 2015-16, and the effectively unchanged budget authority for OE&E, staff recommends

that the contract authority delegated to the executive director in FY 2016-17 be the same as that of FY 2015-16. Resolution 16-01 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 16-01

Date of Adoption: June 21, 2016

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 2016-17, 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 2016-17. 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*