

AGENDA ITEM 5 (ACTION ITEM) CONTRACT DELEGATION AUTHORITY

Contract Delegation Authority June 21, 2017

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 21, 2016, the Commission approved Resolution 16-01, authorizing the executive director to enter into contracts and interagency agreements in FY 2016-17 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 16-01 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’s OE&E expenditures, included in the broader definition of “contracts” and covered by the cumulative delegated amount, are projected to be approximately \$1,221,400 through June 30, 2017, as follows.

STO Administrative services	\$527,300
Rent & facilities operation	151,600
Information technology	115,700
Travel and training	38,300
General office expenses	34,700
Printing and postage	8,600
Communications	20,100
State professional services	11,500
Educational facilities & services	44,700
External professional services	268,900
TOTAL	\$1,221,400

Major contracts or interagency agreements in place or executed in FY 2016-17 include:

VENDOR	SERVICE	START	END	AMOUNT
State Treasurer's Office	Administration & IT	7/1/16	6/30/17	\$527,287
State Treasurer's Office	Rent & facilities operations	7/1/16	6/30/17	135,662
Socrata, Inc.	Software subscription	5/1/16	4/30/17	97,687
Socrata, Inc.	Software subscription	5/1/17	4/30/18	102,600
Orrick Herrington	Legal services – Debt Primer	12/1/16	12/31/17	300,000
CSU, Sacramento	On-Demand training	4/18/17	9/30/18	42,149
State Personnel Board ¹	Compliance audit	7/1/16	6/30/19	25,000
ABC Signup	Event registration	6/5/16	6/4/17	6,517
ABC Signup	Event registration	6/5/17	6/4/18	6,517
Elavon, Inc.	Credit card processing	6/1/15	5/31/18	5,000
Go To Webinar ²	Webinar hosting	5/12/16	5/11/17	2,700

¹ Amount is estimated over the term of the agreement. Actual amount is billed hourly in arrears.

² Renewals will be put in place prior to the end of FY 2016-17.

The proposed FY 2017-18 budget appropriation for OE&E of \$1,628,000 is adjusted to \$1,568,000. The negative net adjustment of \$68,000 includes a reduction of \$190,000 for pro rata assessment removal, an increase of \$42,000 for the OE&E costs of the SB 1029 BCP, and an increase of \$88,000 for the cost share of the IT Transparency Unit BCP. The adjustment for the increased costs of the IT Transparency Unit BCP will be added to CDIAC's administrative services contract with the State Treasurer's office in future years.

STAFF RECOMMENDATION

Given the current year expense projections for OE&E, the contracts and agreements in place in FY 2016-17 and projected for FY 2017-18, and the adjusted proposed budget authority for OE&E, staff recommends that the cumulative contract authority delegated to the executive director in FY 2017-18 be increased to \$1,600,000. Further, staff recommends the limit on the contract authority for the interagency agreement with the State Treasurer's Office be increased by \$88,000, the amount allocated to CDIAC for the IT Transparency Unit BCP.

Resolution 17-02 resolves to delegate to the executive director cumulative contract authority of \$1,600,000, with any single contract authority limited to \$300,000, not including the interagency administrative services agreement authority, which is limited to \$648,000.

Resolution 17-02

Date of Adoption: June 21, 2017

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 2017-18, 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 \$648,000;
- (c) The cumulative amount for all contracts shall not exceed \$1,600,000 in Fiscal Year 2017-18. 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*