

AGENDA ITEM 5 (ACTION ITEM) CONTRACT DELEGATION AUTHORITY

Contract Delegation Authority June 17, 2020

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, e-mail services, transcriptions services, etc. 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 13, 2019, the Commission approved Resolution 19-01, authorizing the executive director to enter into contracts and interagency agreements in FY 2019-20 under specified thresholds. Specifically, an individual contract may not exceed \$300,000 and an interagency agreement for administrative services may not exceed \$545,000. Resolution 19-01 also established the cumulative amount of the delegation to the executive director at \$1.7 million. In addition, the resolution requires the executive director to report on all contracts approved pursuant to the resolution.

When considering the amount of contract authority to delegate in the executive director for FY 2020-21, it is relevant to bear in mind prior year OE&E expenditures, the proposed FY 2020-21 budget appropriation for OE&E, and CDIAC’s contract history.

CDIAC OE&E expenditures, included in the broader definition of “contracts” and covered by the cumulative delegated contract amount, are projected to be approximately \$1,105,600 through June 30, 2020, as follows.

STO Administrative services	\$386,900
Rent & facilities operation	153,900
Information technology	114,300
Travel and training	38,700
General office expenses	26,600
Printing and postage	9,200
Communications	19,800
Furniture & Equipment	20,000
State professional services	7,400
Educational facilities & services	34,600
External professional services	294,200
TOTAL	\$1,105,600

The proposed FY 2020-21 budget appropriation for OE&E is \$1,834,000, an increase from \$1,707,000 in FY 2019-20.

Major contracts or interagency agreements open during FY 2019-20 include:

VENDOR	SERVICE	START	END	AMOUNT
State Treasurer's Office	Administration & IT	7/1/19	6/30/20	\$386,883
State Treasurer's Office	Rent, operations, security	7/1/19	6/30/20	\$152,898
Socrata, Inc.	DebtWatch software	5/1/19	4/30/20	\$112,051
Socrata, Inc.	DebtWatch software	5/1/20	4/30/21	\$112,200
Symsoft Solutions	DebtWatch Enhancement	11/12/19	2/11/20	\$20,000
Orrick Herrington	Legal services - Debt Guide	12/1/16	11/30/19	\$300,000
Expanded Apps	Debt Guide Application Dev	8/2/19	1/31/20	\$73,000
Holiday Inn Sacramento	Training event host srvcs	9/3/19	10/20/19	\$27,000
Hilton Irvine	Training event host srvcs	10/30/19	4/17/20	\$14,000
ABC Signup	Event registration	6/5/19	6/4/20	\$6,517
ABC Signup	Event registration	6/5/20	6/4/21	\$6,525
Elavon, Inc.	Credit card processing	6/1/15	5/31/21	\$15,000
GoToWebinar	Webinar hosting	5/12/19	5/11/20	\$2,700
GoToWebinar	Webinar hosting	5/12/20	5/11/21	\$3,000
Adv. Problem Solving	On-demand training	7/10/19	11/30/20	\$185,000
Department of HR	Open enrollment training	11/1/18	6/30/21	\$5,000

STAFF RECOMMENDATION

Given the current fiscal year expense projections for OE&E, proposed budget authority for FY 2020-21 OE&E, the contracts and agreements in place in FY 2019-20 and projected for FY 2020-21, staff recommends that the contract authority delegated to the executive director in FY 2020-21 be increased to \$400,000 for a single contract and to \$1,800,000 for all contracts cumulatively. Further, staff also recommends that the limit on the contract authority for the interagency agreement with the State Treasurer's Office drop to \$425,000 in FY 2020-21, an amount more consistent with FY 2019-20 contract with an inflator.

Resolution 20-01 resolves to delegate to the executive director cumulative contract authority of \$1,800,000, with any single contract authority limited to \$400,000, not including the interagency administrative services agreement authority which is limited to \$425,000.

Resolution 20-01

Date of Adoption: June 17, 2020

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 2020-21, with the following limitations:

- (a) The value of any single contract shall not exceed \$400,000, 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 \$1,800,000 in Fiscal Year 2020-21. 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.

Robert Berry, *Executive Director*