

AGENDA ITEM 5 (ACTION ITEM) CONTRACT DELEGATION AUTHORITY

Amend Contract Delegation Authority FY 2020-21 June 17, 2021

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 17, 2020, the Commission approved Resolution 20-01, authorizing the executive director to enter into contracts and interagency agreements in fiscal year (FY) 2020-21 under specified thresholds. Specifically, an individual contract may not exceed \$400,000 and an interagency agreement for administrative services may not exceed \$425,000. Resolution 20-01 also established the cumulative amount of the delegation to the executive director at \$1.8 million. In addition, the resolution requires the executive director to report on all contracts approved pursuant to the resolution.

On May 11, 2021, CDIAC released a Request for Offer (RFO) for IT Consulting – Software Development services for the Online Filing Interface Project, CDIAC06-20. The selected contractor will provide software development services to design, develop, test, and implement a modernized online filing interface to the California Debt Issuance Database.

Responses to the RFO were due to CDIAC on June 7, 2021 and CDIAC plans to have the contract in place before the end of the current fiscal year.

CDIAC worked closely with the State Treasurer’s Office (STO) Information Technology Division (ITD) to develop the Scope of Work for this RFO. STO ITD has advised CDIAC that the scope of the project is likely to result in a contract in excess of the \$400,000 contract delegation granted under Resolution 20-01. Project costs are estimated to fall between \$400,000 and \$500,000.

Based on current budget authority and projected expenditures, CDIAC has adequate unencumbered spending authority to execute this contract in the current FY 2020-21. CDIAC has included \$500,000 for this project as part of financial planning for FY 2020-21.

CDIAC is seeking an amendment to the previously approved Resolution 20-01 to increase the individual contract delegation authority limitation from \$400,000 to \$500,000 to allow for consideration of responses to the RFO between \$400,000 and \$500,000 and execution of a contract with the selected contractor not to exceed \$500,000.

CDIAC OE&E expenditures, included in the broader definition of “contracts” and covered by the cumulative delegated contract amount, are projected to be approximately \$1,486,500 through June 30, 2021, as follows.

STO Administrative services	\$375,300
Rent & facilities operation	178,100
Information technology	113,100
Travel and training	5,400
General office expenses	29,100
Printing and postage	3,300
Communications	22,400
Furniture & Equipment	22,600
State professional services	7,400
Educational facilities & services	0
External professional services	729,800
TOTAL	\$1,486,500

The *External Professional Services* line item, includes the \$500,000 budgeted for this project.

This resolution includes new boilerplate language that provides detail on the type of actions the executive director can exercise under the delegated contract authority.

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 2020-21 and projected for FY 2020-21, staff recommends that the single contract authority delegated to the executive director in FY 2020-21 be increased to \$500,000 for the sole purpose of executing CDIAC06-20, a contract for IT Consulting – Software Development services for the Online Filing Interface Project. This recommended increase in single contract authority does not increase the cumulative amount of the delegation to the executive director at \$1.8 million nor does it affect the amount of an interagency agreement for administrative services.

Resolution 20-02 amends Resolution 20-01 to delegate to the executive director a increase in single contract authority for FY 2020-21 from \$400,000 to \$500,000 for the sole purpose of executing a contract for IT Consulting – Software Development services for the Online Filing Interface Project, CDIAC06-20.

Resolution 20-02

Date of Adoption: June 17, 2021

WHEREAS, Government Code Section 8857 authorizes the California Debt and Investment Advisory Commission (Commission) to delegate to the Commission's Executive Director the authority to enter contracts on its behalf;

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 shall be accompanied by a copy of the approved resolution authorizing the execution of those agreements;

WHEREAS, the Commission approved Resolution 20-01 on June 17, 2020, which authorized 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.

WHEREAS, on May 11, 2021, the Commission released a Request for Offer (RFO) for IT Consulting – Software Development services for the Online Filing Interface Project, CDIA06-20, and projects costs are estimated to fall between \$400,000 and \$500,000; and

WHEREAS, the Commission has the budget authority and available funds to commit to the Online Filing Interface Project during FY 2020-21.

NOW, THEREFORE, BE IT RESOLVED, by the California Debt and Investment Advisory Commission all of the following:

Section 1. The Executive Director of the Commission has demonstrated the ability to be accountable for the resources of the Commission and, without specific individual Commission approval, shall be delegated for Fiscal Year 2020-21 the responsibility to do all of the following:

- (1) Enter into and execute external contracts and interagency agreements up to an amount of \$400,000 except as provided in the following:

- (A) The value of the agreement for IT Consulting – Software Development services for the Online Filing Interface Project, CDIAC06-20 shall not exceed \$500,000.
 - (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.
- (2) Amend contracts and interagency agreements that only extend the term of the contract or interagency agreement as long as the total amount of the contract or interagency agreement over its full term does not exceed the amounts specified in paragraph (1).
 - (3) Provide technical amendments that do not involve the encumbrance of Commission funds.
 - (4) Amend contracts and interagency agreements involving expenditures as long as the total amount of the contract or interagency agreement over its full term does not exceed the amounts specified in paragraph (1).

Section 2. For the purposes of this resolution, a contract shall include, but need not be limited to, standard agreements, purchase orders, and service orders.

Section 3. The Executive Director of the Commission shall report to the Commission all contracts and interagency agreements approved pursuant to this resolution.

Section 4. This resolution shall take effect immediately upon its adoption.

Robert Berry, Executive Director Robert Berry, *Executive Director*