



AGENDA ITEM 5 (ACTION ITEM)

CONTRACT DELEGATION

JUNE 6, 2024

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, email 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 22, 2023, the Commission approved Resolution 23-01, authorizing the executive director to enter into contracts and interagency agreements in FY 2023-24 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 23-01 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.

When considering the amount of contract authority to delegate to the executive director for FY 2024–25, it is relevant to bear in mind prior year OE&E expenditures, the proposed FY 2024–25 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 \$1,135,137 through June 30, 2024, as follows.

STO Administrative services	\$365,659
Rent & facilities operation ¹⁵	149,225
Information technology ¹⁶	408,640
Travel and training	43,753
General office expenses	24,872
Printing and postage	0
Communications ¹⁷	7,207
Furniture & Equipment ¹⁸	10,712
State professional services ¹⁹	10,000
Educational facilities & services ²⁰	46,798
External professional services ²¹	68,271
TOTAL	\$1,135,137

The proposed FY 2024–25 budget appropriation for OE&E is the same as FY 2023–24 at \$1,435,000.

¹⁵ Includes rent as well as building security and Central Plant heating and cooling services at the Bonderson Building.

¹⁶ Includes interagency agreement with STO ITD for Debt Watch 2.0 and Debt Guide hosting services.

¹⁷ Includes phones (desk/cell) and Constant Contact subscription.

¹⁸ Includes computer equipment purchase for eight replacement laptops.

¹⁹ Includes CalHR fees, DGS fees (Contract legal review, records storage, procurement related), and personnel audit.

²⁰ Includes contract for Land Secured one-day program, Pomona, on May 22, 2024, captioning services, transcriptions services, credit card processing, online registration application, webinar services, and 600 Learning Management System licenses.

²¹ Includes APS EOT Amendment for module 8 and QualApps contract related expenses.

Major contracts or interagency agreements open during FY 2023-24 include:

VENDOR	SERVICE	START	END	AMOUNT
State Treasurer's Office	Debt Watch 2.0 for Data Portal	6/1/23	6/30/24	\$400,000
State Treasurer's Office	Administration & IT	7/1/23	6/30/24	\$356,659
QualApps, Inc.	Data Portal Enhancement	8/15/22	12/31/23	\$208,500
State Treasurer's Office	Rent, operations, security	7/1/23	6/30/24	\$155,592
Socrata, Inc ²²	DebtWatch software	5/1/23	4/30/24	\$112,200
Adv. Problem Solving	On-demand training	3/16/22	5/30/24	\$208,000
DoubleTree by Hilton Pomona	Land-Secured (Current Topics) Venue	4/17/24	6/5/24	\$15,000
Sheraton Fairplex Pomona	Debt Essentials Venue	6/1/24	10/1/24	\$80,000
Elavon, Inc.	Credit card processing	6/1/23	5/31/26	\$15,000
Take 1 Productions	Captioning Services	6/27/22	6/26/24	\$15,000
Dictate Express	Transcription Services	5/26/22	5/25/24	\$15,000
Adv. Problem Solving	Debt Guide Web Hosting	3/1/23	8/30/24	\$8,640
Learning Stream	Event registration	6/1/23	5/31/24	\$4,189
Learning Stream	Event registration	6/1/24	5/31/25	\$4,189
GoToWebinar	Webinar hosting	5/12/23	5/11/24	\$4,788
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STAFF RECOMMENDATION

Given the current fiscal year expense projections for OE&E, the proposed budget authority for FY 2024–25 OE&E, the contracts and agreements in place in FY 2023–24 and projected for FY 2024–25, staff recommends that the contract authority delegated to the executive director in FY 2024–25 be \$400,000 for a single contract and remain at \$1,800,000 for all contracts cumulatively. Further, staff also recommends that the FY 2024–25 limit on contract authority for the interagency agreement with the State Treasurer's Office for administrative services also remain the same as it was in FY 2023–24 at \$425,000.

Resolution 24-01 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.

²² The outside contract for Socrata will no longer be needed with the development and deployment of DebtWatch 2.0.

Resolution 24-01

Date of Adoption: June 6, 2024

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

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 2024–25 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 standard agreement for interagency administrative services with the State Treasurer's Office shall not exceed \$425,000.
 - (b) The cumulative amount for all contracts shall not exceed \$1,800,000 in Fiscal Year 2024–25.
- (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*