

CALIFORNIA HEALTH FACILITIES FINANCING AUTHORITY (Authority)

STAFF SUMMARY RECOMMENDATION

**RESOLUTION OF THE CALIFORNIA HEALTH FACILITIES FINANCING
AUTHORITY AUTHORIZING DELEGATION OF POWER TO ENTER INTO
CONTRACTS AND INTERAGENCY AGREEMENTS**

Resolution No. 2023-08

December 7, 2023

PURPOSE OF THE REQUEST:

Staff is requesting the Authority authorize the Chair, any deputy to the Chair, the Executive Director, and any designee to the Executive Director to enter into contracts and interagency agreements on behalf of the Authority for amounts not to exceed \$500,000. Authority staff seeks approval of a new resolution to take effect immediately upon its adoption. This Resolution shall repeal on January 31, 2026, unless extended by action of the Authority prior to that date.

The delegated actions taken by the Authority under Resolution No. 2022-07 for Calendar Year 2023 are summarized in Exhibit A of this staff report.

BACKGROUND:

Government Code section 15436 of the California Health Facilities Financing Authority Act (Gov. Code, §15430 et seq.) authorizes the Authority to delegate the power to enter into contracts on behalf of the Authority to the Executive Director or any other official or employee of the Authority.

In March 2002, the Authority approved Resolution No. 2002-07 delegating authority to the Executive Director to approve contracts in an amount not to exceed \$250,000. Subsequently, in January 2015, the Authority increased the delegated authority contract amount to its current level of \$300,000 with the approval of Resolution No. 2015-01. Currently, the Authority authorizes the Chair, any deputy to the Chair, and the Executive Director to enter into contracts on behalf of the Authority for amounts not to exceed \$300,000 per Authority approved Resolution No. 2018-11. In addition, the Deputy Executive Director or the Operations Manager are authorized to enter into contracts in limited circumstances when the Chair and Executive Director are unable or unavailable to exercise the delegated authority.

Staff is requesting the Authority increase the delegated authority amount for contracts from \$300,000 to \$500,000, due to various factors, including inflation and cost increases across the market. Contracted service costs have increased in the eight years since the delegated authority amount was increased to \$300,000. Additionally, the approval of this resolution would streamline the Authority's operations and help ensure the quick implementation of new programs containing urgency clauses and provisions, if enacted into law. The approval of Resolution No. 2023-08 would expedite the approval of interagency agreements that the Authority enters into with the State Treasurer's Office annually for its share of rent, security, executive and support services.

The Authority routinely enters into a variety of contracts in its ordinary course of business for its operation and program needs, including an interagency agreement with the State Treasurer's Office for administrative and other related services and contracts with a financial analyst, a Municipal Advisor, an auditor, and law firms for issuer's counsel services, new programs, and sensitive legal matters on an as-needed basis.

State contracting laws require extensive time and multiple processes. Contracts are time sensitive, and thus, any efficiencies in the contracting process would have an immediate effect on overall operational functions. Authorizing the Chair, any deputy to the Chair, the Executive Director, and any designee to the Executive Director to enter into contracts and interagency agreements in amounts not to exceed \$500,000 would improve the Authority's business operations' overall efficiency.

RECOMMENDATION:

Staff recommends the approval of Resolution No. 2023-08 to authorize the Chair, any deputy to the Chair, the Executive Director, and any designee to the Executive Director to enter into and execute contracts and interagency agreements on behalf of the Authority for amounts not to exceed \$500,000. Authority staff seeks approval of this new resolution to take effect immediately upon its adoption. This Resolution shall repeal on January 31, 2026, unless extended by action of the Authority prior to that date.

ATTACHMENT:

Exhibit A - Contracts Delegation of Powers Summary for Calendar Year 2023

EXHIBIT A

CONTRACTS DELEGATION OF POWERS SUMMARY

**ACTIONS TAKEN UNDER RESOLUTION NO. 2022-07
CALENDAR YEAR 2023**

<u>Board Meeting</u>	<u>Contract</u>	<u>Delegation Action</u>
February 23, 2023	<u>Technical Advisor for Specialty Dental Clinic Grant Program</u> California Dental Association Foundation	Executed contract with a technical advisor for the Specialty Dental Clinic Grant Program.
March 30, 2023, and October 26, 2023	<u>Interagency Agreement</u> Department of Health Care Services (DHCS)	Executed the first amendment to the interagency agreement with DHCS to incorporate the Nondesignated Public Hospital Bridge Loan Program II and the second amendment to incorporate the Distressed Hospital Loan Program (DHLP).
May 25, 2023	<u>Financial Analyst</u> TAP International, Inc.	Executed amendment to extend the contract with TAP International, Inc. through June 30, 2024.
June 29, 2023	<u>Interagency Agreement</u> State Treasurer's Office (STO)	Executed an interagency agreement with STO for rent and security costs.
June 29, 2023	<u>Cal-Mortgage</u> Orrick, Herrington & Sutcliffe, LLP	Executed an amendment to extend the contract by one year for outside legal counsel on Cal-Mortgage insured bond financings.
October 26, 2023	<u>Issuer's Counsel</u> Orrick, Herrington & Sutcliffe, LLP	Executed amendment to the contract with Issuer's Counsel to extend the contract by one year and add funds for them to assist in creating and implementing DHLP, a new loan financing program.
December 7, 2023	<u>Special Counsel for DHLP</u> Orrick, Herrington & Sutcliffe, LLP	Executed a new separate contract for highly specialized outside legal services (bankruptcy law) in connection with the DHLP through June 30, 2026.

RESOLUTION NO. 2023-08

**RESOLUTION OF THE CALIFORNIA HEALTH FACILITIES FINANCING
AUTHORITY AUTHORIZING DELEGATION OF POWER TO ENTER
INTO CONTRACTS AND INTERAGENCY AGREEMENTS**

WHEREAS, the California Health Facilities Financing Authority (the “Authority”) was created under the California Health Facilities Financing Authority Act (Gov. Code, §15430 et seq.)(the “Act”); and

WHEREAS, Government Code section 15436 of the Act authorizes the Authority to delegate to the Executive Director or any other official or employee of the Authority the power to enter into contracts on behalf of the Authority;

NOW, THEREFORE, BE IT RESOLVED by the California Health Facilities Financing Authority as follows:

SECTION 1. Without specific individual Authority approval, the Chair, any deputy to the Chair, the Executive Director, and any designee to the Executive Director, as specified in Section 2, are delegated the responsibility to (1) enter into and execute external contracts and interagency agreements up to an amount of \$500,000, (2) amend contracts and interagency agreements that only extend the term of the contract up to an amount of \$500,000, (3) provide technical amendments that do not involve the encumbrance of Authority moneys, and (4) amend contracts and interagency agreements involving expenditures as long as the total amount of the contract over its full term does not exceed \$500,000.

SECTION 2. If the Executive Director is unavailable or unable to exercise the power delegated under Section 1, the Deputy Executive Director or the Operations Manager may serve as the Executive Director’s designee.

SECTION 3. The Executive Director or, in the Executive Director’s absence, the Deputy Executive Director shall report to the Authority at the next scheduled Authority meeting any actions taken pursuant to Section 1 for any contract that has been entered into in an amount of \$10,000 up to \$500,000.

SECTION 4. This Resolution supersedes Resolution No. 2022-07 and takes effect immediately upon its adoption. This Resolution shall repeal on January 31, 2026, unless extended by action of the Authority prior to that date.

Date of Adoption: _____