

AGENDA ITEM 5 (ACTION ITEM) CONTRACT DELEGATION

Contract Delegation FY 2022-23 June 23, 2022

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, 2021, the Commission approved Resolution 21-01, authorizing the executive director to enter into contracts and interagency agreements in FY 2021-22 under specified thresholds. Specifically, an individual contract may not exceed \$300,000 and an interagency agreement for administrative services may not exceed \$425,000. Resolution 21-01 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 2022-23, it is relevant to bear in mind prior year OE&E expenditures, the proposed FY 2022-23 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 \$1,153,000 through June 30, 2022, as follows.

STO Administrative services	\$380,198
Rent & facilities operation	179,000
Information technology	112,340
Travel and training	47,000
General office expenses	56,799
Printing and postage	3,500
Communications	22,725
Furniture & Equipment	26,725
State professional services	10,572
Educational facilities & services	0
External professional services	313,950
TOTAL	\$1,152,809

The proposed FY 2022-23 budget appropriation for OE&E is slightly lower than FY 2021-22 at \$1,425,000.

Major contracts or interagency agreements open during FY 2021-22 include:

VENDOR	SERVICE	START	END	AMOUNT
QualApps, Inc.	Online Filing Interface Project	6/30/21	6/29/22	\$441,375
State Treasurer's Office	Administration & IT	7/1/21	6/30/22	\$375,218
State Treasurer's Office	Rent, operations, security	7/1/21	6/30/22	\$177,051
Socrata, Inc.	DebtWatch software	5/1/21	4/30/22	\$112,200
Socrata, Inc	DebtWatch software	5/1/22	4/30/23	\$112,200
Elavon, Inc.	Credit card processing	6/1/15	5/31/23	\$15,000
Take 1 Productions	Captioning and Transcription	6/13/21	3/31/23	\$15,000
ABC Signup	Event registration	6/5/21	6/4/22	\$6,517
ABC Signup	Event registration	6/5/22	5/31/23	\$6,517
GoToWebinar	Webinar hosting	5/12/21	5/11/22	\$4,788
GoToWebinar	Webinar hosting	5/12/22	5/11/23	\$4,788
Adv. Problem Solving	Debt Guide Web Hosting	11/1/20	2/28/22	\$15,650
Adv. Problem Solving	On-demand training	4/19/22	5/21/23	\$156,000

STAFF RECOMMENDATION

Given the current fiscal year expense projections for OE&E, the proposed budget authority for FY 2022-23 OE&E, the contracts and agreements in place in FY 2021-22 and projected for FY 2022-23, staff recommends that the contract authority delegated to the executive director in FY 2022-23 increase to \$400,000 for a single contract and remain at \$1,800,000 for all contracts cumulatively. Further, staff also recommends that the FY 2022-23 limit on contract authority for the interagency agreement with the State Treasurer's Office also remain the same as it was in FY 2021-22 at \$425,000.

Resolution 22-01 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 22-01

Date of Adoption: June 23, 2022

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 2022-23 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 2022-23.
- (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*