

Attachment A

Contracts and Interagency Agreements

Attached is a listing of all contracts with private third party agreements and interagency agreements (contacts with other state agencies) that have been executed since 12/17/2004, the day that the Independent Citizens' Oversight Committee (ICOC) was established and its members appointed.

At the 1/6/2005 meeting, the ICOC passed Resolution 2005-01 which authorized the Chair of the ICOC to assume a role as Acting President of CIRM and to carry out certain duties, including entering into Contracts and Interagency Agreements as follows:

- Negotiate and execute documents on behalf of the institute.
- Negotiate, enter into and amend all contracts for technical, professional, and administrative services needed to begin day-to-day operations of the institute. However, this delegation shall not authorize the chairperson acting as interim president to enter into or amend any contract for more than \$100,000 without prior approval by a majority vote of a quorum of the ICOC taken at a duly noticed public meeting.
- [E]nter into an inter-agency agreement to obtain, interim technical, professional, and administrative support staff...
- Enter into an agreement with the Attorney General's Office to provide legal services, and retain such other specialized counsel as necessary.

This delegation ended when Zach Hall was appointed Interim President on 3/2/2005.

The attached listing shows that all contacts and interagency agreements entered into during the delegation period were within the limits authorized by the ICOC. (NOTE: The Spencer Stuart contract was specifically approved by the ICOC at the 2/3/2005 meeting.) In addition, Chairman Robert Klein specifically notified the ICOC at the 2/3/2005 meeting that he had retained Remcho, Johansen and Purcell (the original contract was for \$100,000) to provide legal services and Redgate Communications (the original contract was for \$70,000) to assist in communications matters. Both agreements were increased to the amount listed in the attachment and, in the case of Remcho, extended after sufficient experience provided a better estimate of the need and cost for these services.

All contracts have been executed in accordance with the contracting requirements of the University of California as directed by Proposition 71. A Governance Subcommittee will be established at the next ICOC meeting and one

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of its responsibilities will be to review these requirements and to establish a specific contracts policy for CIRM in the future.

CIRM is currently in negotiation to finalize a contract with Edelman to assist in communications matters, including public education and media relations. In the interim, Edelman has agreed to provide month-to-month services at a rate of \$27,550/month plus expenses, with an option to defer payment of any excess costs interest-free to improve CIRM's cash flow. It is anticipated that the final monthly average cost will be consistent with the monthly average cost of Red Gate even though additional services are being provided. (NOTE: This interim rate includes negotiated discounts and pro-bono services that will be absorbed by Edelman and not charged to the CIRM.) It should be noted that Edelman was selected after a review of four other potential contractors.

In addition, the LMI and Diane Watson contracts were selected after interviewing three contractors. Each of them had skills in a particular area and we contracted with both of them to provide separate services. Also, state interagency agreements are not subject to bid requirements.

Finally, each contract has been assigned to a CIRM staff member who is the contract manager. The contract manager is responsible for monitoring the performance and reviewing and approving invoices for payment. Like all invoices, they are subject to a double approval process. Each invoice is signed first by the contract manager attesting that the service has been delivered and then signed by the Chief Administrative Officer attesting that the invoice is approved for payment.

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