

Attachment B

Proposed Policy for Approval Of Contracts and Interagency Agreements

Background

At the July 12, 2005 meeting, the Independent Citizens' Oversight Committee (ICOC) adopted a policy to require that all contracts of more than \$100,000 be approved in advance by the ICOC.

This limit was based on a similar limit that was in the delegation given to Chairman Robert Klein when he was authorized to Act as the President of the California Institute for Regenerative Medicine at the January 6, 2005 ICOC meeting. The delegation also authorized Chairperson Klein to enter into Interagency Agreements of any amount. The authorization did not address amendments to contracts.

Information

All large state agency boards or commissions have policies regarding the limits for approval of contracts. Generally, oversight of these policies is delegated to a Governance Committee when the membership of the board or commission is large and/or when the primary mission is complicated (e.g. – CalPERS and CalSTRS). In addition, the Governance Committee always gets a report at each meeting that provides the status of all contracts and interagency agreements in force or in process of execution be presented each time the Governance Committee meets. This allows the Committee to track how the contracts program is being administered.

Recommendation

The ICOC should be requested to adopt the following policy:

Interagency Agreements – Initial and amendments or extensions:

Delegate approval of interagency agreements to the President, CIRM.

Contracts with Private Third Parties:

Governance Subcommittee: Approval is required when the amount is expected to be more than \$100,000 or when an amendment will cause the contract to exceed \$100,000.

7.29.05, Governance Subcommittee Meeting
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Contracts and Interagency Agreements

ICOC: Approval is required when the amount is expected to be more than \$250,000 or when an amendment will cause the contract to exceed \$250,000.

President, CIRM: Approves all contracts that are not required to be approved by the Governance Subcommittee or the ICOC.

Reporting:

At each meeting of the Governance Subcommittee the President and the Chief Administrative Officer will provide a report on the status of all interagency agreements and contracts and provide information needed to support decisions requiring Governance Committee or ICOC approval.