

BEFORE THE
GOVERNANCE SUBCOMMITTEE OF THE
INDEPENDENT CITIZENS' OVERSIGHT COMMITTEE
TO THE
CALIFORNIA INSTITUTE FOR REGENERATIVE MEDICINE
ORGANIZED PURSUANT TO THE
CALIFORNIA STEM CELL RESEARCH AND CURES ACT
REGULAR MEETING

LOCATION: AS INDICATED ON THE AGENDA

DATE: WEDNESDAY, DECEMBER 3, 2009
3:30 P.M.

REPORTER: BETH C. DRAIN, CSR
CSR. NO. 7152

BRS FILE NO.: 86200

BARRISTERS' REPORTING SERVICE

I N D E X

ITEM	DESCRIPTION	PAGE NO.
CALL TO ORDER		3
ROLL CALL		4
CONSIDERATION OF AGREEMENT WITH TURNER CONSULTING GROUP		23
REPORT ON GRANTS MANAGEMENT SYSTEM EXPENDITURES		27
UPDATE ON CONTRACTS AND INTERAGENCY AGREEMENTS		34
PUBLIC COMMENT		NONE

BARRISTERS' REPORTING SERVICE

1 WEDNESDAY, DECEMBER 3, 2009

2 3:30 P.M.

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CHAIRPERSON LANSING: AND I BELIEVE WE'RE GOING TO HAVE PARTICIPANTS IN SIX LOCATIONS. AND WE'RE HERE IN L.A. AT MY OFFICE. AND WHO'S IN CIRM IN SAN FRANCISCO?

MS. KING: I'M HERE IN SAN FRANCISCO AT THE CIRM, AND THE BOARD MEMBERS THAT ARE HERE ARE JEFF SHEEHY, ART TORRES, AND BOB KLEIN. AND THEY'RE ALL PRESENT.

CHAIRPERSON LANSING: AND STANFORD I KNOW WE'RE WAITING FOR DR. PIZZO.

DR. PIZZO: IT'S PHIL. I JUST JOINED.

CHAIRPERSON LANSING: OH, WOW, PHIL. GREAT. DR. FONTANA, ARE YOU THERE YET? NO. WE'RE STILL WAITING. IRVINE?

DR. STEWARD: YES, I'M HERE.

CHAIRPERSON LANSING: OKAY. AND CONNECT?

MR. ROTH: YES, MA'AM.

CHAIRPERSON LANSING: AND ARE THERE MEMBERS OF THE PUBLIC AT KLEIN FINANCIAL?

MS. KING: THEY'LL ONLY DIAL IN IF THERE ARE MEMBERS OF THE PUBLIC THERE AT KLEIN FINANCIAL.

CHAIRPERSON LANSING: OKAY. THEN I'M

BARRISTERS' REPORTING SERVICE

1 GOING TO THANK YOU ALL VERY MUCH FOR PARTICIPATING
2 IN THIS CALL AND ASK MELISSA TO TAKE THE ROLL.

3 MS. KING: ALL RIGHT. BOB KLEIN.

4 MR. KLEIN: PRESENT.

5 MS. KING: SHERRY LANSING.

6 CHAIRPERSON LANSING: HERE.

7 MS. KING: TED LOVE. PHIL PIZZO.

8 DR. PIZZO: HERE.

9 MS. KING: CLAIRE POMEROY. JEANNIE
10 FONTANA FOR JOHN REED. DUANE ROTH.

11 MR. ROTH: HERE.

12 MS. KING: DAVID SERRANO-SEWELL. JEFF
13 SHEEHY.

14 MR. SHEEHY: HERE.

15 MS. KING: AND OSWALD STEWARD.

16 DR. STEWARD: HERE.

17 MS. KING: AND ART TORRES.

18 MR. TORRES: HERE.

19 MS. KING: WE ARE ONE SHORT OF A QUORUM.

20 WE HOPE TO HAVE DR. FONTANA JOIN US SHORTLY, AND I
21 WILL TURN IT OVER TO YOU, SHERRY.

22 CHAIRPERSON LANSING: WELL, IF WE'RE SHORT
23 OF A QUORUM, WOULD YOU LIKE TO DO THE AGENDA ITEM 5
24 AND 6 THEN, WHICH DOESN'T NEED A QUORUM?

25 MS. KING: YES. I THINK THAT'S A GREAT

BARRISTERS' REPORTING SERVICE

1 IDEA. WHY DON'T WE SWITCH THE ORDER OF THE AGENDA A
2 BIT AND START WITH ITEM NO. 5, REPORT ON GRANTS
3 MANAGEMENT SYSTEM EXPENDITURES.

4 CHAIRPERSON LANSING: SO THEN I'D LIKE TO
5 ASK JOHN ROBSON TO PRESENT THIS ITEM, WHICH IS A
6 REPORT WHICH WAS ACTUALLY REQUESTED BY THIS
7 SUBCOMMITTEE AT OUR PREVIOUS MEETING. SO, JOHN,
8 I'LL TURN IT OVER TO YOU.

9 DR. ROBSON: OKAY. THANK YOU, SHERRY.
10 YEAH. THIS WAS REQUESTED OF US IN JUNE TO PROVIDE
11 YOU WITH A CONSOLIDATED REVIEW OF WHAT CIRM HAS
12 SPENT ON GRANTS MANAGEMENT OR THE GRANTS -- MAKING
13 THE GRANTS MONITORING PROCESS. THIS IS A -- WAS A
14 TASK THAT REQUIRED US TO MAKE SOME JUDGMENT CALLS
15 BECAUSE ARGUABLY YOU COULD MAKE THE CASE THAT EVERY
16 PENNY THAT CIRM SPENDS ON OPERATIONS, BOTH ON THE
17 GENERAL OPERATIONS AND GRANTS ADMINISTRATION
18 OPERATION, IS DEVOTED TO THE MAKING AND MONITORING
19 OF GRANTS BECAUSE, IN ESSENCE, WE ARE A GRANT-MAKING
20 ORGANIZATION.

21 BUT WE TRIED TO FOCUS IN ON THOSE TOPICS
22 THAT WERE MOST GERMANE TO THE GRANTS MANAGEMENT
23 MONITORING PROCESS DIRECTLY -- THAT WERE MOST
24 DIRECTLY INVOLVED.

25 ONE ITEM THAT PROBABLY SHOULD HAVE BEEN

BARRISTERS' REPORTING SERVICE

1 INCLUDED THAT I REALIZED AFTERWARDS I DIDN'T INCLUDE
2 WAS COSTS THAT ARE INCURRED BY THE GRANTS WORKING
3 GROUP. THAT CERTAINLY IS A PROCESS THAT IS DIRECTLY
4 INVOLVED WITH THE GRANT-MAKING OPERATIONS THAT WE
5 DO. THIS YEAR THAT BUDGETED AT ABOUT \$400,000. SO
6 ANYWAY, THAT WAS AN OVERSIGHT ON OUR PART. I
7 APOLOGIZE FOR THAT.

8 BUT LET ME JUST GO THROUGH THIS DOCUMENT A
9 LITTLE. WHAT WE TRIED TO DO WAS GIVE YOU AT FIRST A
10 TABLE ON THE FIRST PAGE THAT SHOWED SORT OF THE LIFE
11 CYCLE OF THE GRANT-MAKING PROCESS FROM THE PREREVIEW
12 PART WHERE THE RFA GETS DEVELOPED THROUGH THE
13 APPLICATION ITSELF, THE REVIEW PROCESS, THE
14 PRESENTATION TO THE ICOC FOR DECISION, THEN
15 PREFUNDING ADMINISTRATIVE REVIEW PROCESS WE GO
16 THROUGH, AND FINALLY THE TRACKING, THE PROGRESS
17 REPORTS, AND CLOSEOUTS.

18 AND THE TABLE THAT WAS PROVIDED
19 SHOWS -- LISTS THOSE VARIOUS TASKS AND SHOWS THE
20 PEOPLE WHO ARE INVOLVED WITH PERFORMING THOSE
21 OPERATIONS.

22 I THINK IF WE GO, THEN, JUST TO THE TABLE,
23 IT'S PROBABLY, WHICH IS ON PAGE 3, IT'S EASIEST TO
24 WORK OFF THE TABLE. I THINK ONE OF THE THINGS THAT
25 WE TRIED TO ILLUSTRATE HERE IS THE DRAMATIC GROWTH

BARRISTERS' REPORTING SERVICE

1 IN THE ORGANIZATION SINCE 2006. 2006 THERE WERE 16
2 GRANTS AWARDED. BY THE END OF THAT FISCAL YEAR, THE
3 GRANTS MANAGEMENT OFFICE WAS MANAGING \$37 MILLION IN
4 FUNDS. WE'VE INCLUDED FIGURES THROUGH THE END OF
5 FISCAL YEAR 2008-9. WE DIDN'T GET INTO THIS YEAR.
6 WE DECIDED NOT TO DO THAT SINCE IT'S A PARTIAL. WE
7 CAN CERTAINLY REPORT ON THAT TO YOU NEXT YEAR IF YOU
8 WOULD LIKE.

9 BUT AS OF JUNE 2009, WE WERE MANAGING 295
10 GRANTS. WE'RE UP OVER 330 NOW AT 765 MILLION. AND
11 AS YOU KNOW NOW, WE'RE UP SOMEWHERE IN THE
12 NEIGHBORHOOD OF LITTLE OVER A BILLION DOLLARS THAT
13 WE'RE MANAGING.

14 AND THE OTHER THING THAT I THINK SHOWS THE
15 HUGE INCREASE IN THE WORKLOAD IS THE ANNUAL PROGRESS
16 REPORTS. THE FIRST ONE OF THOSE THAT CAME IN WERE
17 IN 2006-7 IN THAT FISCAL YEAR, AND THEY WERE ONLY
18 16. SO FAR THIS YEAR WE'VE RECEIVED 118. WE EXPECT
19 TO BE SOMEWHERE AROUND 230 THIS YEAR. SO THAT'S
20 BEEN AN ENORMOUS INCREASE IN WORK FOR THE GRANTS
21 MANAGEMENT OFFICE AND ALSO FOR THE SCIENCE OFFICE.

22 NOW, A LOT OF WHAT WE DO IN THE
23 GRANTS-MAKING PROCESS DOESN'T INVOLVE THE HARDWARE,
24 SOFTWARE, AND SO FORTH. IT INVOLVES HUMAN
25 INVESTMENT, AND SO WE'VE SHOWN THE HUMAN RESOURCES

BARRISTERS' REPORTING SERVICE

1 THAT HAVE BEEN INCLUDED IN THIS PROCESS. THOSE ARE
2 GRANTS MANAGEMENT OFFICERS, I.T. SPECIALISTS,
3 SCIENCE OFFICERS, GRANT REVIEW OFFICERS, AND THOSE
4 NUMBERS HOW THEY'VE GROWN OVER THE YEARS. FOR THE
5 FISCAL YEAR 2008-9, THE SALARIES AND FRINGE BENEFITS
6 FOR THOSE PEOPLE TOTALED ABOUT \$2.5 MILLION. SO
7 THESE ARE PEOPLE WHO SPEND VIRTUALLY ALL OF THEIR
8 TIME ON SOME ASPECT OF THE GRANT MAKING OR THE GRANT
9 MONITORING PROCESS. ALL THE REST OF US WHO WORK AT
10 CIRM SPEND PART OF OUR TIME ON THAT TASK, BUT THESE
11 PEOPLE, THE ONES WHO SPEND ALL OF IT DIRECTLY ON
12 VARIOUS ASPECTS. SO I THOUGHT IT WAS CERTAINLY
13 WORTH INCLUDING THEM IN THIS DISCUSSION.

14 THEN AT THE BOTTOM WE SHOW CONTRACTORS AND
15 CONSULTANTS WHO PARTICIPATE. AND THERE'S BEEN
16 CERTAINLY A LOT OF FOCUS ON THIS ISSUE, THIS
17 PARTICULAR ISSUE. AND THERE HAVE BEEN A COUPLE OF
18 FALSE STARTS THERE. WE DID MAKE AN EFFORT IN 2006-7
19 TO PURCHASE AN OFF-THE-SHELF GRANTS MANAGEMENT
20 SYSTEM. UNFORTUNATELY THAT GROUP, THE ARLINGTON
21 GROUP, WENT OUT OF BUSINESS. WE WEREN'T ABLE TO GET
22 THAT INSTALLED. ANOTHER SEARCH WAS THEN DONE, AND
23 GRANTIUM, A COMPANY FROM CANADA, WAS IDENTIFIED AS
24 ONE THAT COULD MEET OUR NEEDS. BUT AS WE BEGAN
25 WORKING WITH GRANTIUM, OUR PROCESSES KEPT EVOLVING

BARRISTERS' REPORTING SERVICE

1 OVER TIME, AND THEY WERE BASICALLY EVOLVING FASTER
2 THAN GRANTIUM COULD ADAPT, AND IT REALLY LOOKED LIKE
3 THIS WAS GOING TO BE NOT A VERY GOOD MATCH FOR
4 EITHER THEM OR US. SO WE MUTUALLY AGREED TO
5 TERMINATE THAT CONTRACT.

6 NOW, A FAIR AMOUNT OF MONEY WAS INVESTED
7 THERE, ABOUT 260,000; BUT LET ME JUST REMIND YOU
8 WHAT THE ORIGINAL CONTRACT CALLED FOR WAS FOR A
9 LITTLE OVER \$700,000. THAT INCLUDED THREE YEARS OF
10 MAINTENANCE. AFTER THE THREE YEARS, MAINTENANCE FOR
11 THAT WOULD HAVE RUN AT ABOUT 80,000 A YEAR; BUT, IN
12 FACT, BECAUSE OUR PROCESSES WERE EVOLVING, THAT
13 ORIGINAL CONTRACT, WE WERE ALREADY IN DISCUSSIONS
14 WITH GRANTIUM ABOUT AMENDING IT, AND IT WOULD HAVE
15 INCREASED FROM SOMEWHERE BETWEEN A HUNDRED THOUSAND
16 AND \$200,000. SO WE WOULD HAVE ENDED UP WITH A
17 CONTRACT WITH THEM OF SOMETHING IN THE NEIGHBORHOOD
18 OF A MILLION DOLLARS. SO THAT'S JUST REALLY FOR
19 YOUR INFORMATION PURPOSES.

20 THE OTHER GROUPS THAT ARE LISTED HERE ARE
21 MOSTLY CONSULTANTS, I.T. CONSULTANTS. BECAUSE OF
22 OUR 50-PERSON CAP, WE'VE MADE THE DECISION THAT WE
23 SHOULD OUTSOURCE OUR INFORMATION TECHNOLOGY NEEDS
24 BECAUSE THE DEMANDS ON THE SCIENCE OFFICE AND ON
25 OTHER ASPECTS OF THE ORGANIZATION REALLY REQUIRE

BARRISTERS' REPORTING SERVICE

1 THAT WE USE 50 PEOPLE FOR THAT THAT WE'RE ALLOWED TO
2 HIRE. SO WE MADE THE DECISION TO OUTSOURCE THESE
3 OTHER FUNCTIONS.

4 AND THAT'S WHAT'S REFLECTED HERE. KUTIR
5 IS AN ORGANIZATION THAT'S BEEN PROVIDING US INTERNAL
6 I.T. SUPPORT. THEY WORK ALMOST ENTIRELY FOR
7 MAINTAINING OUR CURRENT GRANTS MANAGEMENT SYSTEM TO
8 KEEP THEM RUNNING AND BUILDING NEW RFA'S, NEW
9 APPLICATIONS -- EXCUSE ME -- BUILDING THE
10 APPLICATIONS RELATED TO THE RFA. THEY DON'T
11 ACTUALLY DO THE RFA'S.

12 MICROEDGE IS A PROVIDER FOR WHICH WE
13 BOUGHT AN OFF-THE-SHELF GRANTS MANAGEMENT PROGRAM
14 FOR HANDLING THE POST AWARD PROCESS. SO THAT ON
15 THAT LITTLE TABLE I SHOWED YOU ON THE GRANTS
16 MANAGEMENT SEQUENCE LIFE CYCLE, IT WOULD BE THE LAST
17 TWO ITEMS ON THAT. THAT HAS BEEN INSTALLED. WE'RE
18 STILL IN THE PROCESS OF TRANSFERRING OLD DATA FROM
19 PREVIOUS RFA'S INTO THAT, BUT ALL OF OUR NEW CURRENT
20 RFA'S, THE INFORMATION GOES IN THERE AUTOMATICALLY,
21 AND IT'S BEEN A REAL BOON TO US. IT'S A REAL
22 INCREASE IN OUR CAPABILITY FOR REPORTING. WE CAN
23 NOW REPORT ACROSS RFA'S, WE CAN REPORT ACROSS TIME,
24 AND WE CAN REPORT IN MANY DIFFERENT WAYS. IT'S MUCH
25 EASIER FOR US NOW TO FIND THE DATA. WE ALWAYS HAD

BARRISTERS' REPORTING SERVICE

1 THE DATA, BUT IT SOMETIMES WAS DIFFICULT TO FIND.
2 IT'S NOW VERY EASY TO FIND IN CREATING REPORTS AND
3 LOOKING AT PERFORMANCE.

4 TWO OF THE COMPANIES LISTED THERE, TURNER
5 AND TAINE, THOSE ARE CONSULTING COMPANIES THAT WE'VE
6 BROUGHT IN TO HELP US WITH A NUMBER OF THINGS. ONE
7 IS JUST SYSTEMS DESIGN AND SYSTEMS ARCHITECTURE, HOW
8 DO WE GET A NEW GRANTS MANAGEMENT SYSTEM ACTUALLY
9 INSTALLED ONCE WE'VE EVEN DECIDED WHAT TO DO? AND
10 THEY'VE PROVIDED US SOME PROJECT MANAGER SUPPORT FOR
11 TRYING TO GET THROUGH THIS PROCESS THAT WE'RE IN THE
12 MIDST OF RIGHT NOW.

13 SO WE HAVE MADE ENORMOUS PROGRESS ON THE
14 POST AWARD PART, GETTING THE MICROEDGE INSTALLED AND
15 OPERATIONAL. WE'VE MADE A DECISION TO PULL IN-HOUSE
16 THE REVIEW PROCESS AS I THINK IN THE BOX THERE'S
17 SECTIONS II THROUGH IV. WE DID THAT AFTER
18 CONSULTATION WITH OUR EXTERNAL ADVISORS ON THIS, AND
19 IT WAS BASED ON WHAT WE ALREADY HAD CREATED IN-HOUSE
20 AND OUR PARTICULAR NEEDS. SO THAT'S IN THE PROCESS.
21 THAT'S ONGOING. WE HOPE TO HAVE THAT COMPLETED
22 SHORTLY.

23 SO THE DECISION WE STILL HAVE TO MAKE IS
24 HOW WE'RE GOING TO HANDLE THAT FIRST COMPONENT, THE
25 APPLICATION PROCESS AND SOME OF THE PROGRESS

BARRISTERS' REPORTING SERVICE

1 REPORTING. ARE WE GOING TO DO THAT WITH AN
2 OFF-THE-SHELF PRODUCT, OR ARE WE GOING TO BUILD IT
3 IN-HOUSE? AND WE'RE WORKING WITH OUR EXTERNAL
4 CONSULTANTS. WE'VE NARROWED DOWN TO REALLY JUST A
5 COUPLE OF OPTIONS HERE, ONE EXTERNAL OPTION AND THEN
6 THE OPTION OF BUILDING IT OURSELVES. WE'RE DOING
7 SOME TESTS ON THE EXTERNAL OPTION AND IN-DEPTH
8 ANALYSIS OF WHAT WE'RE CAPABLE OF DOING INSIDE, AND
9 WE WILL MAKE A DECISION ON THAT WITHIN THE NEXT
10 COUPLE OF MONTHS.

11 SO I THINK THAT'S PRETTY MUCH AN OVERVIEW
12 OF WHERE WE ARE. WE THINK WE'RE -- I JUST HAVE TO
13 REMIND YOU THAT WE'VE BEEN GROWING RAPIDLY. I JUST
14 CAN'T EMPHASIZE THAT TOO MUCH. WE'VE BEEN GROWING
15 RAPIDLY, AND WE HAVE BEEN WORKING HARD TO KEEP UP IN
16 OUR GRANTS MAKING, GRANTS MANAGEMENT SYSTEMS AND
17 SOFTWARE WE'VE BEEN INSTALLING. WE HIT A COUPLE OF
18 BUMPS IN THE ROAD ALONG THE WAY, BUT I THINK WE ARE
19 HEADED IN THE RIGHT DIRECTION NOW. AND I THINK THAT
20 THINGS OVER THE NEXT FEW MONTHS WILL BE IN GOOD
21 SHAPE. I'M OPEN TO QUESTIONS ON THIS.

22 CHAIRPERSON LANSING: ALL RIGHT. THANK
23 YOU VERY MUCH, JOHN. WHY DON'T WE GO AROUND. DO I
24 HAVE ANY QUESTIONS FROM ANY MEMBERS OF THE
25 SUBCOMMITTEE?

BARRISTERS' REPORTING SERVICE

1 MR. ROTH: HI. IT'S DUANE ROTH. SO,
2 JOHN, YOU KNOW, THIS IS NOT A VERY ENCOURAGING
3 HISTORY THAT WE'VE HAD TO TRY AND GET THIS UP AND
4 RUNNING. AND MY QUESTIONS ARE REALLY WHO'S GOT THE
5 INTERNAL RESPONSIBILITY FOR ALL OF THIS?

6 DR. ROBSON: PAT OLSON AND I HAVE THAT
7 RESPONSIBILITY. WE'RE THE ONES WHO ARE ULTIMATELY
8 DIRECTING THIS PROJECT.

9 MR. ROTH: ALL RIGHT. BECAUSE WHEN I SEE
10 THIS MANY CONSULTANTS INVOLVED AND MOVING PARTS, AND
11 I'M NOT TRYING TO MICROMANAGE ANYTHING HERE, BUT IT
12 JUST SEEMS TO ME, GIVEN THE HISTORY AND THE
13 IMPORTANCE OF THIS ASSET FOR THE AGENCY, THERE HAS
14 TO BE SOMEBODY REALLY ON THIS THING.

15 DR. ROBSON: YEAH. I THINK, DUANE, IT
16 LOOKS LIKE PERHAPS THERE ARE MORE CONTRACTS ONGOING
17 THAN THERE REALLY ARE. THE TAINÉ GROUP, THAT ONE
18 IS -- IT'S FINISHED. WE'RE NOT WORKING WITH THEM.
19 WE HAVEN'T BEEN WORKING WITH THEM FOR A WHILE. THE
20 TWO THAT WE'RE WORKING WITH RIGHT NOW ARE KUTIR,
21 TURNER, AND 25BY7. THOSE ARE THE THREE. NOW,
22 25BY7, THEY PROVIDE OUR DESKTOP SUPPORT AND OUR
23 SERVER SUPPORT OR OUR NETWORK SUPPORT. SO THAT'S
24 SORT OF A GENERAL I.T. SUPPORT FUNCTION THAT THEY
25 PROVIDE FOR US. OF COURSE, SOME OF THAT INVOLVES

BARRISTERS' REPORTING SERVICE

1 GRANTS MANAGEMENT BECAUSE GRANTS MANAGEMENT INVOLVES
2 THOSE COMPONENTS, BUT THEY'RE NOT REALLY DIRECTLY
3 WORKING WITH US ON THE GRANTS MANAGEMENT SYSTEM.

4 THE TWO THAT ARE ARE TURNER AND KUTIR. ALL RIGHT.

5 SO IT'S REALLY JUST TWO THAT WE HAVE WITH
6 US NOW. AND THE KUTIR CONTRACT PROVIDES US I.T.
7 SUPPORT, PROGRAMMERS WHO WORK ON-SITE 40 HOURS A
8 WEEK, BUT THEY ARE HERE VIRTUALLY EVERY DAY.

9 MR. ROTH: AND THEN JUST THE LAST
10 QUESTION. YOU SAID YOU STILL HAVE SOME SOFTWARE OR
11 SYSTEMS THAT YOU NEED TO --

12 DR. ROBSON: TO EVALUATE, YES, TO MAKE
13 DECISIONS ON THAT. AND WE HAVE A CONSULTANT FROM
14 TURNER, WHO'S THE VICE PRESIDENT FOR OPERATIONS,
15 WHO'S HELPING US WITH THOSE SORT OF SYSTEMS
16 ARCHITECTURE DECISIONS. HE HAS A PH.D. HE'S VICE
17 PRESIDENT FOR OPERATIONS THERE AT TURNER. HE'S BEEN
18 VERY HELPFUL. I SHOULD ALSO ADD THAT WE'RE
19 DEVELOPING AN RFP TO HIRE, I'M NOT SURE EXACTLY WHAT
20 WE'LL CALL IT, BUT JUST FOR THE PURPOSES OF THIS
21 DISCUSSION, A CHIEF TECHNOLOGY OFFICER WHO WOULD DO
22 THE FUNCTIONS THAT THIS FELLOW FROM TURNER HAS
23 PROVIDED, BUT ON A BROADER BASIS, THAT THIS
24 INDIVIDUAL WOULD THEN OVERSEE ALL OF OUR I.T. NEEDS
25 INCLUDING THE GRANTS MANAGEMENT SYSTEM, OUR

BARRISTERS' REPORTING SERVICE

1 INTERACTIONS WITH 25BY7. THAT WOULD BE SOMEONE WITH
2 A BROAD VIEW AND IN-DEPTH KNOWLEDGE OF I.T. SYSTEMS
3 WHO COULD THEN BE OUR CHIEF CONSULTANT AND ADVISOR.

4 MR. ROTH: JUST VERY QUICKLY, JOHN, WHAT'S
5 THE TIMING OF THAT HIRE?

6 DR. ROBSON: TIMING. YEAH, IT'S NOT A
7 HIRE. IT WOULD BE A CONSULTING CONTRACT. I WOULD
8 SAY EARLY IN THE CALENDAR YEAR, HOPEFULLY BY
9 FEBRUARY.

10 MR. ROTH: SO I DON'T WANT TO DRAG THIS
11 OUT, BUT JUST MY EXPERIENCE IN SO MANY OF THESE I.T.
12 CONSULTANTS AND FIRMS OVER MANY, MANY YEARS, EVERY
13 TIME YOU GET SOMEBODY NEW IN, THEY WANT TO DO IT
14 DIFFERENT. SO THAT'S WHAT I WAS GETTING AT. IF
15 YOU'RE ABOUT TO MAKE SOME ADDITIONAL DECISIONS HERE,
16 IT WOULD BE AWFULLY NICE TO HAVE THAT PERSON
17 INVOLVED IN IT.

18 DR. ROBSON: THAT'S OUR PLAN.

19 MR. ROTH: YOU KNOW WHAT HAPPENS. THEY
20 COME IN AND THEY SAY, "WHY DID YOU DO THAT? I DON'T
21 BELIEVE IN THAT." ANYWAY, THAT'S ALL I HAVE,
22 SHERRY. THANKS, JOHN. THE POINT I WAS TRYING TO
23 MAKE IS I HOPE SOMEBODY REALLY GETS CONTROL OF THIS
24 AND OWNS IT. AND I DON'T -- SHARED OWNERSHIP
25 SOMETIMES WORKS, BUT I THINK THERE HAS TO BE AN

BARRISTERS' REPORTING SERVICE

1 ACCOUNTABILITY HERE IN AN AREA THAT'S SO CRITICAL TO
2 THE MISSION OF THIS ORGANIZATION THAT I HOPE THAT
3 GETS RESOLVED. SO THANK YOU, SHERRY.

4 CHAIRPERSON LANSING: NO. THANK YOU,
5 DUANE. I THINK WHAT YOU'RE SAYING, YOU SPEAK FOR A
6 LOT OF US, VERY MUCH SO. CAN I HAVE ANY OTHER
7 COMMENTS FROM MEMBERS OF THE SUBCOMMITTEE?

8 MR. KLEIN: SHERRY, THIS IS BOB KLEIN. I
9 HAVE A COMMENT, BUT I THINK MELISSA WANTS TO KNOW IF
10 WE JUST HAD ANOTHER MEMBER JOIN.

11 DR. FONTANA: YEAH. JEANNIE FONTANA HERE.

12 MS. KING: THANK YOU SO MUCH, DR. FONTANA.
13 SO JUST TO BRING YOU UP TO SPEED, WE'RE ON AGENDA
14 ITEM NO. 5, WHICH IS A REPORT ON THE GRANTS
15 MANAGEMENT SYSTEM. AND AFTER THAT, SINCE YOU'VE
16 BEEN ABLE TO JOIN US, WE WILL CIRCLE BACK TO THE TWO
17 ACTION ITEMS AFTER THIS DISCUSSION. THANK YOU SO
18 MUCH FOR JOINING.

19 MR. KLEIN: JOHN, IN TERMS OF THE PUBLIC
20 UNDERSTANDING THIS PART, WHICH IS VERY HELPFUL, IN
21 TERMS OF THE NUMBER OF GRANTS THAT ARE AWARDED TO
22 DATE, IN FISCAL YEAR '08-'09 YOU HAVE 295 GRANTS.
23 THEN BELOW THAT IT SAYS NUMBER OF ANNUAL PROGRESS
24 REPORTS, 113. THEN PARENTHETICALLY IT SAYS 118
25 RECEIVED IN THE FIRST COUPLE OF MONTHS IN FISCAL

BARRISTERS' REPORTING SERVICE

1 YEAR'09-'10. I ASSUME THE REASON PARENTHETICALLY
2 SHOWN THERE IS THAT BECAUSE GRANTS THAT WE MAY AWARD
3 IN A FISCAL YEAR MAY BE IN THE MIDDLE OR END OF THE
4 YEAR, ACTUALLY THE ANNUAL REPORT SHOWS UP IN THE
5 FOLLOWING FISCAL YEAR.

6 DR. ROBSON: CORRECT.

7 MR. KLEIN: SO THERE'S ACTUALLY 231
8 REPORTS THAT RELATE TO GRANTS THAT WERE MADE OR
9 OUTSTANDING IN '08-'09. IS THAT A CORRECT
10 INTERPRETATION?

11 DR. ROBSON: RIGHT. YEAH.

12 MR. KLEIN: SO WE REALLY HAVE A VERY HIGH
13 PERCENTAGE OF THOSE THAT ARE SUPPOSED TO HAVE
14 REPORTED IN THIS FISCAL YEAR OR IMMEDIATELY
15 THEREAFTER THAT REPORTED. CAN YOU TELL US, ARE THE
16 BALANCE BETWEEN THE 231 AND THE 295 JUST GRANTS THAT
17 ARE GOING TO -- WHERE THE ANNUAL REPORT CAME IN A
18 LITTLE LATER IN THIS FISCAL YEAR AS APPROPRIATE
19 BECAUSE THE GRANTS WERE ORIGINATED LATER IN THE
20 PRIOR FISCAL YEAR?

21 DR. ROBSON: WELL, SOME OF THE GRANTS WERE
22 JUST AWARDED DURING THAT YEAR. MANY OF THE GRANTS
23 WERE AWARDED DURING THAT YEAR. SO THE ONES THAT
24 WERE AWARDED DURING THAT YEAR WOULDN'T PRODUCE A
25 PROGRESS REPORT DURING THAT YEAR.

BARRISTERS' REPORTING SERVICE

1 MR. KLEIN: AND THAT'S EXACTLY WHAT I WAS
2 GETTING TO BECAUSE SOME OF THEM THAT WERE AWARDED AT
3 THE VERY BEGINNING OF '08-'09 MAY HAVE BEEN
4 REPRESENTED IN THE REPORTS THAT ARE PARENTHETICALLY
5 NOTED AT THE VERY BEGINNING OF '09-'10, BUT OTHER
6 REPORTS -- GRANTS THAT WERE MADE LATER IN THAT
7 FISCAL YEAR, THEY JUST -- THEIR DEADLINE HADN'T
8 OCCURRED AT THE TIME YOU DID THE CUTOFF FOR THIS
9 REPORTING CYCLE.

10 DR. ROBSON: CORRECT.

11 MR. KLEIN: OKAY. SO I THINK IT'S HELPFUL
12 TO UNDERSTAND THAT THERE REALLY IS A RIGOROUS
13 COMMITMENT TO MAKING SURE THAT ALL THE GRANTS THAT
14 ARE MADE IN ANY FISCAL YEAR ARE FOLLOWED UP AND
15 ANNUAL REPORTS, AND THE DIFFERENCE BETWEEN THESE
16 NUMBERS IS THE TIMING. IS THAT A CORRECT STATEMENT?

17 DR. ROBSON: THAT'S CORRECT.

18 MR. KLEIN: OKAY.

19 CHAIRPERSON LANSING: THANK YOU, BOB, FOR
20 THE CLARIFICATION. ANY OTHER QUESTIONS FROM MEMBERS
21 OF THE SUBCOMMITTEE?

22 MR. SHEEHY: I'M JUST TRYING TO MAKE SURE
23 I UNDERSTAND IT. SO JUST TO TRY TO GET A SENSE OF
24 WHAT WE HAVE GOING FORWARD BECAUSE OBVIOUSLY I KNOW
25 EVERYBODY HAS WORKED REALLY HARD WITH WHAT WE'VE

BARRISTERS' REPORTING SERVICE

1 DONE UP TO THIS POINT. SO GOING FORWARD, WE'RE
2 TALKING ABOUT A CONTRACT WITH KUTIR THAT'S GOING TO
3 RUN, WHAT, ABOUT 165,000 A YEAR? I MEAN THAT'S WHAT
4 IT WAS LAST YEAR. THAT WILL BE ONGOING, BUT A
5 FULL-TIME I.T. PERSON ON-SITE AND THAT SUPPORTS THE
6 CURRENT SYSTEM WHICH IS ALSO THIS -- THAT SUPPORTS
7 THE CURRENT SYSTEM WHICH INCLUDES THE REVIEW PROCESS
8 THAT WE DO IN-HOUSE. AND THEN THE NEXT PIECE WE
9 HAVE IS 25BY7, AND THIS IS PROBABLY A LITTLE BIT
10 MORE BECAUSE THERE'S HARDWARE INCLUDED IN THIS YEAR.

11 DR. ROBSON: THIS YEAR AND NEXT YEAR WE'LL
12 HAVE SOME HARDWARE. BUT HARDWARE, I HATE TO COMMIT
13 ONE WAY OR THE OTHER BECAUSE HARDWARE DOES HAVE TO
14 BE REPLACED.

15 MR. SHEEHY: I KNOW FOR US WE GENERALLY
16 LIKE A THREE-YEAR LIFE SPAN. AND YOU'RE ADDING
17 STAFF.

18 DR. ROBSON: GROWING, WE HAVE TO ADD
19 SERVERS.

20 MR. SHEEHY: SO THAT'S PROBABLY WHAT IT'S
21 GOING TO BE, AROUND A HUNDRED THOUSAND. AND THEN
22 THE NEXT ONE WE HAVE, SO THIS TAINÉ GROUP IS FALLING
23 OFF.

24 DR. ROBSON: THAT'S FINISHED.

25 MR. SHEEHY: AND THEN WE HAVE --

BARRISTERS' REPORTING SERVICE

1 DR. ROBSON: TURNER.

2 MR. SHEEHY: -- TURNER, THAT'S GOING TO
3 CONTINUE OR FALL OFF?

4 DR. ROBSON: THAT WILL CONTINUE, I WOULD
5 SAY, OVER THE NEXT SIX MONTHS OR SO. YOU KNOW,
6 THEY -- WE ARE STILL GETTING PROGRAMMER SUPPORT FROM
7 THEM IN THE TRANSFER OF DATA FROM THE OLD SYSTEM
8 INTO THE MICROEDGE SYSTEM. SO WE'RE USING A
9 PROGRAMMER FOR THAT. THAT WILL END ONCE THAT
10 PROJECT IS OVER, SOMETIME IN THE NEXT -- CERTAINLY
11 THINK WITHIN THE NEXT SIX MONTHS, LESS THAN THAT, I
12 WOULD THINK. AND WE'RE GETTING SOME CONSULTING
13 SERVICES FROM THEM, WHICH AGAIN, WE WILL TRANSFER
14 THOSE OVER TO THE CTO I'M CALLING THEM.

15 MR. SHEEHY: YOUR CONTRACT CTO.

16 MR. KLEIN: JEFF, I THINK THAT FIGURE FOR
17 25BY7, THE CONTRACT THAT WAS PROPOSED TO US LATER IS
18 FOR A \$200,000 INCREASE INCLUDING EQUIPMENT FOR THE
19 ADDITIONAL YEAR. OKAY.

20 MR. SHEEHY: AND THEN MICROEDGE, YOU
21 BOUGHT THE PRODUCT OR --

22 DR. ROBSON: WE BOUGHT THE PRODUCT. WE DO
23 HAVE AN ANNUAL FEE THAT RUNS EIGHT TO 10,000.

24 MS. SCHAFFER: RIGHT. THERE HAVE BEEN
25 MORE EXPENSES ON MICROEDGE THAT WE WILL SEE NOTED IN

BARRISTERS' REPORTING SERVICE

1 THE CONTRACTS AND INTERAGENCY AGREEMENT SUMMARY.

2 DR. ROBSON: I THINK IT WAS ANOTHER 20,000
3 OR SOMETHING LIKE THAT. I DON'T REMEMBER.

4 MR. SHEEHY: AND HOW MUCH DO YOU
5 ANTICIPATE PAYING FOR THE CONTRACT CTO? YOU HAVE A
6 BALLPARK OF WHAT THE CONTRACT MIGHT LOOK LIKE?

7 MS. SCHAFFER: WE DON'T AT THIS TIME. WE
8 HAVE ANOTHER RFP THAT HAD SOME TECHNICAL SKILLS
9 RELATED TO IT. WE'VE BEEN SEEING PRICE LOWERING
10 COMPARED TO OUR FEES THAT WE PUT OUT TWO YEARS AGO,
11 SO THE ECONOMY MAY HAVE AN EFFECT ON THE PRICES THAT
12 WE'RE FINDING.

13 MR. SHEEHY: OKAY. THAT'S FINE. AND AT
14 SOME POINT IT'S ALWAYS HELPFUL FOR ME TO HAVE A
15 SENSE BY FUNCTION OF WHAT THE COSTS. I MEAN I'M
16 NOT -- SO IF AT SOME POINT GOING FORWARD, AND I KNOW
17 THAT YOU'RE KIND OF TRANSITIONING, BUT WE CAN
18 ANTICIPATE WHAT THE COSTS ARE GOING TO BE FOR THIS
19 CONTRACT SINCE THIS IS A LOT OF DIFFERENT PIECES.
20 BUT THANK YOU.

21 CHAIRPERSON LANSING: OKAY. THANKS, JEFF.
22 ANY MORE COMMENTS?

23 THEN CAN I GO AROUND AND ASK IF THERE'S
24 ANY COMMENTS FROM MEMBERS OF THE PUBLIC IN SAN
25 FRANCISCO AT CIRM?

BARRISTERS' REPORTING SERVICE

1 MS. KING: NO MEMBERS OF THE PUBLIC HERE.
2 JUST SEVERAL MEMBERS OF OUR DILIGENT STAFF.

3 CHAIRPERSON LANSING: STANFORD?

4 DR. PIZZO: NO.

5 CHAIRPERSON LANSING: WEST L.A., JEANNIE?

6 DR. FONTANA: NO MEMBERS OF THE PUBLIC
7 HERE.

8 CHAIRPERSON LANSING: IRVINE?

9 DR. STEWARD: NO PUBLIC. I'M SORRY.

10 CHAIRPERSON LANSING: OKAY. CONNECT.

11 MR. ROTH: I HAVE NO PUBLIC HERE, SO YOU
12 DON'T NEED TO ASK.

13 CHAIRPERSON LANSING: IN L.A.?

14 UNIDENTIFIED SPEAKER: THERE'S NO PUBLIC
15 HERE.

16 CHAIRPERSON LANSING: ALL RIGHT. WELL,
17 THEN I WON'T HAVE TO ASK THAT QUESTION AGAIN. IF
18 ANYONE IS IN FROM THE PUBLIC, PLEASE TELL ME. SO
19 THIS IS A REPORT ONLY. SO THERE'S ACTUALLY NOTHING
20 FOR THE SUBCOMMITTEE TO VOTE ON. AND I THANK JOHN
21 AND ALL THE OTHER STAFF MEMBERS WHO WORKED ON THIS
22 FOR PREPARING THIS REPORT AND ALL THE MEMBERS OF THE
23 SUBCOMMITTEE FOR YOUR INTELLIGENT AND PERCEPTIVE
24 QUESTIONS.

25 AND NOW I'D LIKE TO GO BACK TO AGENDA ITEM

BARRISTERS' REPORTING SERVICE

1 3, WHICH IS THE CONSIDERATION OF THE AGREEMENT WITH
2 TURNER CONSULTING GROUP. AND I'D LIKE TO ASK OUR
3 CONTRACT MANAGER CYNTHIA SCHAFFER TO PRESENT THIS
4 ITEM.

5 MS. SCHAFFER: YES. HELLO. WE'RE
6 REQUESTING AN INCREASE IN THE MAXIMUM AMOUNT TO BE
7 PAID UNDER THE AGREEMENT OVER A MULTIPLE YEAR
8 AGREEMENT. THIS WILL GO INTO A TWO-YEAR TIME PERIOD
9 FOR TURNER CONSULTING GROUP. THE ORIGINAL RFP DATES
10 BACK TO JUNE 2008 FOR I.T. DEVELOPMENT SERVICES,
11 WHICH WE HAVE CONTINUED TO UTILIZE FROM TURNER
12 CONSULTING GROUP AND BEEN VERY SATISFIED WITH THEM.
13 AND OUR INTERPRETATION OF THE POLICY IS THAT WE
14 CONTINUE OVER THE LIFE SPAN OF THE AGREEMENT TO
15 CALCULATE THE MAXIMUM AMOUNT. SO, THEREFORE, TO
16 EXTEND THIS AGREEMENT OUT FOR A NUMBER OF -- COUPLE
17 OF MONTHS, WE'D LIKE TO ASK FOR A NEW MAXIMUM TOTAL
18 OF 350,000.

19 CHAIRPERSON LANSING: ALL RIGHT. CAN I
20 HAVE QUESTIONS FROM ANY MEMBERS OF THE SUBCOMMITTEE
21 IN SAN FRANCISCO?

22 MS. KING: LOOKS LIKE THERE ARE NO
23 QUESTIONS HERE.

24 CHAIRPERSON LANSING: STANFORD, DR. PIZZO?

25 DR. PIZZO: NO QUESTIONS.

BARRISTERS' REPORTING SERVICE

1 CHAIRPERSON LANSING: DR. FONTANA.

2 DR. FONTANA: NO QUESTIONS.

3 CHAIRPERSON LANSING: OS?

4 DR. STEWARD: NO QUESTIONS.

5 CHAIRPERSON LANSING: DUANE?

6 MR. ROTH: YES. CAN YOU JUST GIVE A
7 LITTLE RATIONALE FOR THE INCREASED AMOUNTS, PLEASE?
8 I MEAN WHAT WENT INTO THE DECISION-MAKING PROCESS
9 THAT WE GOT THE ORIGINAL ONE WRONG AND THAT WE
10 SHOULD, IN FACT, PUMP THIS UP BY ANOTHER 30 PERCENT?

11 MS. SCHAFFER: IT'S A DIFFERENCE IN
12 PERCEPTION IN TERMS OF WHEN WE START AN RFP, WE TRY
13 TO ESTIMATE HOW LONG WE THINK WE'LL NEED THE
14 SERVICES FOR. AND WE SOMETIMES WRITE THE RFP
15 CONTEMPLATING A MULTIPLE YEAR AGREEMENT WITH
16 RENEWABLE TIME PERIODS, BUT LOOKING AT THE MAXIMUM
17 FOR THE FIRST YEAR SO WE CAN ESTIMATE HOW THE
18 RELATIONSHIP WILL WORK AND WHAT OUR NEEDS ARE FROM
19 THE CONTRACTOR DURING THAT TIME PERIOD. AND WHEN
20 THIS RFP WAS PUT INTO PLACE, WE WERE STILL WORKING
21 WITH GRANTIUM. AND SO THE SKILL SET THAT WE NEEDED
22 UNDER THIS RFP AND THE TYPES OF ACTIVITIES WE
23 THOUGHT THAT THIS DEVELOPER WOULD BE WORKING ON HAD
24 MORE LIMITED LIFE SPAN.

25 AND AS THAT PORTION OF OUR GRANTS

BARRISTERS' REPORTING SERVICE

1 MANAGEMENT SYSTEMS NEEDS CHANGED, OUR TIMEFRAME FOR
2 NEEDING THE SERVICES OF THIS DEVELOPER CHANGED, AND
3 THE LONGEVITY PROVIDED TO US BY THIS CONTRACTOR HAS
4 BEEN VERY VALUABLE IN TERMS OF NOT HAVING TO
5 REINTRODUCE THEM ESPECIALLY TO SOME OF THE
6 INTRICACIES OF CIRM'S I.T. SYSTEMS AND THE LEGACY
7 RFA PROGRAMS AND WHERE FILES ARE KEPT, ALL THOSE
8 NORMAL KIND OF THINGS.

9 MR. ROTH: BUT MORE I WAS GETTING DOWN TO
10 SOMEBODY NEGOTIATES THIS, HOPEFULLY, BACK AND FORTH.
11 WE DON'T JUST THEY COME UP AND SAY WE NEED ANOTHER
12 120 TO DO THIS OR SOMETHING WHERE WE ACTUALLY SIT
13 DOWN AND NEGOTIATE.

14 MS. SCHAFFER: OH, I'M SORRY. WE PAY BY
15 THE HOUR. THESE RFP'S ARE GENERALLY SET UP -- WE
16 ASK FOR A SET OF SKILLS. AND IF WE DON'T HAVE A
17 PROJECT WHERE WE KNOW EXACTLY THE SCOPE, SO THEY'RE
18 DONE ON AN HOURLY BASIS SO THAT CIRM HAS MAXIMUM
19 FLEXIBILITY FOR WHEN WE ACTUALLY NEED THE CONTRACTOR
20 TO WORK AND WHEN WE DON'T.

21 MR. ROTH: AND THERE'S A GOOD APPROVAL
22 PROCESS INTERNALLY TO CONTROL THOSE HOURS?

23 MS. SCHAFFER: YES.

24 MR. ROTH: OKAY. THANKS.

25 CHAIRPERSON LANSING: ALL RIGHT. SINCE

BARRISTERS' REPORTING SERVICE

1 THERE ARE NO MEMBERS OF THE PUBLIC, I'D LIKE TO HAVE
2 A MOTION TO APPROVE THIS AGREEMENT.

3 DR. PIZZO: SO MOVED.

4 CHAIRPERSON LANSING: DO I HAVE A SECOND?

5 MR. ROTH: SECOND.

6 MS. KING: MOTION WAS DR. PIZZO AND THE
7 SECOND WAS DUANE ROTH.

8 CHAIRPERSON LANSING: MELISSA, WOULD YOU
9 TAKE A ROLL CALL VOTE.

10 MS. KING: I WILL. THANK YOU. BOB KLEIN.

11 MR. KLEIN: YES.

12 MS. KING: SHERRY LANSING.

13 CHAIRPERSON LANSING: YES.

14 MS. KING: PHIL PIZZO.

15 DR. PIZZO: YES.

16 MS. KING: JEANNIE FONTANA.

17 DR. FONTANA: YES.

18 MS. KING: DUANE ROTH.

19 MR. ROTH: YES.

20 MS. KING: JEFF SHEEHY.

21 MR. SHEEHY: YES.

22 MS. KING: OSWALD STEWARD.

23 DR. STEWARD: YES.

24 MS. KING: AND ART TORRES.

25 MR. TORRES: AYE.

BARRISTERS' REPORTING SERVICE

1 MS. KING: AND THAT MOTION CARRIES. THANK
2 YOU.

3 CHAIRPERSON LANSING: GREAT. I'D LIKE TO
4 THEN MOVE ON TO AGENDA ITEM 4, WHICH IS THE
5 CONSIDERATION OF OUR AGREEMENT WITH 25BY7 FOR I.T.
6 SERVICES. AND THIS IS A CONTRACT FOR A NETWORK
7 SERVER AND DESKTOP SUPPORT AT CIRM. AND AGAIN,
8 CYNTHIA, WOULD YOU PRESENT THIS ITEM?

9 MS. SCHAFFER: YES. CIRM HAS HAD
10 OUTSOURCED NETWORK SERVER AND DESKTOP SUPPORT SINCE
11 ITS INCEPTION. AND CIRM'S I.T. NEEDS FOR THE
12 NETWORK SERVER AND DESKTOP SUPPORT HAVE INCREASED AS
13 OUR INTERNAL I.T. OPERATING STRUCTURE HAS BECOME
14 MORE COMPLEX. WE HAVE BOTH PC'S AND APPLE MACINTOSH
15 COMPUTERS.

16 YOU KNOW, JUST BEING ONE SMALL THING,
17 WE'VE BROUGHT OUR WEB SITE IN-HOUSE SERVICING AND
18 EXTENSIVELY BUILT IT OUT. SO THERE ARE A NUMBER OF
19 SITUATIONS THAT HAVE CHANGED FOR US WHICH CALLED FOR
20 US TO DO A NEW RFP IN NOVEMBER 2008 SEEKING AN
21 ENHANCED SET OF SERVICES FROM OUR NETWORK SERVER AND
22 DESKTOP SUPPORT. AND WE CONTRACTED WITH THE FIRM
23 25BY7 WHO PROVIDES US WITH AN ON-SITE TECHNICIAN FOR
24 16 HOURS OR SO A WEEK AS WELL AS FULL TIME, ROUND
25 THE CLOCK 24 BY 7 SUPPORT THROUGH A HELP DESK THAT

BARRISTERS' REPORTING SERVICE

1 CAN ASSIST US REMOTELY WITH ALL OF OUR NEEDS.

2 THEY HAVE NUMEROUS SPECIALISTS ON THEIR
3 STAFF FOR WHEN IT'S A SERVER ISSUE VERSUS ONE OF THE
4 SOFTWARE ISSUES. THEY'VE ASSISTED US WITH NUMEROUS
5 PROJECTS CONVERTING OUR SHAREPOINT AS WE MADE THE
6 TRANSITION FOR OUR WEB SITE. THEY HAVE BEEN WORKING
7 WITH US TO REPLACE SOME OF OUR OLDER EQUIPMENT AND
8 TO BUILD IN MORE SECURITY WITH OUR SERVER SET UP,
9 ETC.

10 SO LONGEVITY FOR US IS IMPORTANT. THE RFP
11 CONTEMPLATED A MULTIPLE YEAR AGREEMENT; BUT, AGAIN,
12 IN TERMS OF INTERPRETATION OF OUR CONTRACTS POLICY,
13 WE LOOK AT THE MAXIMUM AMOUNT OVER THE LIFE OF THE
14 AGREEMENT. AND SO, THEREFORE, I'M ASKING FOR THE
15 SECOND YEAR TO ADD AN EQUIVALENT AMOUNT OF MONEY TO
16 BRING THE NEW MAXIMUM TOTAL UP TO \$375,000. AND
17 THEN THAT WILL HELP US WITH THE SECOND YEAR. AND I
18 WANTED TO MAKE CLEAR THAT THAT AMOUNT ISN'T ALL JUST
19 SERVICES PROVIDED WITH 25BY7. THERE IS ALSO
20 EQUIPMENT PURCHASES WHERE, BECAUSE OF 25BY7'S
21 RELATIONSHIPS WITH VARIOUS I.T. SOURCES, THEY
22 PROVIDE US WITH A BETTER PRICE ARRANGEMENT FOR SOME
23 EQUIPMENT THAT WE CAN GET THROUGH OTHER VENDORS.

24 MR. ROTH: YOU HAVE A BREAKDOWN OF THAT?

25 MS. SCHAFFER: ACTUALLY SOME OF THE BEST

BARRISTERS' REPORTING SERVICE

1 BREAKDOWN IS, AGAIN, ON OUR CONTRACTS AND
2 INTERAGENCY AGREEMENT SUMMARY, AND WE ALWAYS REPORT
3 EVERYBODY ABOVE \$5,000. AND SO YOU WILL SEE
4 NUMEROUS ENTRIES OVER TIME FROM 25BY7. THIS
5 PARTICULAR ONE BEING ONLY FOR THE FIRST QUARTER
6 EXPENDITURES IS ONLY SHOWING THE ONE LINE ITEM, BUT
7 I BELIEVE THAT THE REPORT FROM THE LAST TIME PERIOD
8 SHOWED SOME ADDITIONAL PURCHASES THAT WERE MADE
9 OUTSIDE THE SCOPE OF THE AGREEMENT, BUT ACTUALLY
10 PAID THROUGH 25BY7. I DON'T HAVE A SUMMARY IN FRONT
11 OF ME. I'M SORRY.

12 MR. ROTH: IN THE 175,000 IS CAPITAL
13 EQUIPMENT PURCHASES?

14 MR. KLEIN: HE'S ASKING IF IN THE 175,000,
15 DOES THAT INCLUDE CAPITAL EQUIPMENT PURCHASES?

16 MS. SCHAFFER: YES, IT DOES. OUR
17 AGREEMENT HAS A NUMBER OF DIFFERENT SUBSETS TO IT,
18 AND SO THERE'S THE NORMAL MONTHLY SUPPORT, THERE'S A
19 PART THAT ALLOWS FOR US TO HAVE TRAINING SESSIONS, A
20 PART THAT ALLOWS FOR US TO DO SPECIAL PROJECT WORK,
21 A PART THAT ALLOWS FOR US TO MAKE SMALL EQUIPMENT
22 PURCHASES.

23 MR. ROTH: JUST SORRY, SHERRY. CAN YOU
24 TELL ME HOW MANY BIDS YOU TOOK ON THIS FOR THE RFP
25 ORIGINALLY AND WHAT THE RANGE OF PRICING WAS?

BARRISTERS' REPORTING SERVICE

1 MS. SCHAFFER: ON THE FRONT OF THE ITEM
2 FOR AGENDA ITEM 4 WE RECEIVED 13 RESPONSES TO THE
3 RFP.

4 MR. ROTH: BUT THE RANGE OF SERVICES AND
5 THE COST OF THE SERVICES LIKE MONTHLY OR ANNUALLY?

6 DR. ROBSON: I DON'T REMEMBER THE RANGE.

7 MS. SCHAFFER: NO. WE HAVE HISTORICAL
8 RECORDS, BUT I DON'T HAVE THEM WITH ME.

9 MS. KING: WE COULD FOLLOW UP WITH YOU,
10 MR. ROTH, AND GET YOU THAT INFORMATION FOLLOWING THE
11 MEETING IF YOU'D BE INTERESTED IN HAVING IT.

12 MR. ROTH: THE ONLY REASON I'M RESPONDING
13 AND I'M LOOKING, YOU KNOW, I HAVE AN OUTSOURCE
14 GROUP HERE, BUT WE'RE PAYING NOTHING CLOSE TO THIS
15 IN TERMS OF THAT. I JUST WONDERED IF THERE'S
16 SOMETHING SPECIAL ABOUT THIS.

17 DR. ROBSON: DUANE, THIS IS JOHN. ONE OF
18 THE THINGS THAT'S A BIT PROBLEMATIC FOR US IS WE
19 HAVE A MIXED ENVIRONMENT OF PC'S AND MACS.

20 MR. ROTH: SO DO I.

21 DR. ROBSON: A LOT OF OUR SELECTION WAS
22 REALLY BASED ON THE QUALITY OF THE SERVICES AND WHO
23 CAN PROVIDE THOSE SERVICES.

24 MS. SCHAFFER: I COULD TELL YOU A NUMBER
25 THAT'S A STRIPPED-DOWN NUMBER. WE PAY \$9,000 A

BARRISTERS' REPORTING SERVICE

1 MONTH FOR THE 16 HOURS OF ON-SITE TECH SUPPORT PLUS
2 THE 24 HOURS A DAY, SEVEN DAYS A WEEK REMOTE
3 SUPPORT. SO THAT'S PROBABLY THE NUMBER THAT IS
4 COMPARABLE TO WHAT YOU'RE REFERRING TO. AND THEN WE
5 HAVE LAYERS OF THINGS ON TOP OF THAT.

6 MR. ROTH: ALL RIGHT. IS THERE ANY INTENT
7 TO REVISIT THIS AT SOME POINT?

8 MS. SCHAFFER: ABSOLUTELY. THAT AGREEMENT
9 IS ONLY -- HAS A LIFE SPAN OF A COUPLE OF YEARS.

10 DR. PIZZO: YOU MAY HAVE SAID THIS
11 ALREADY, BUT HOW SATISFIED ARE ALL THE USERS WITH
12 THIS AGREEMENT?

13 MS. SCHAFFER: WE DID TAKE A POLL AROUND
14 THE OFFICE BEFORE WE CONTEMPLATED RENEWING THIS, AND
15 WE HAVE BEEN VERY SATISFIED.

16 DR. ROBSON: THIS HAS BEEN A BIG
17 IMPROVEMENT OVER THE VENDOR WE DEALT WITH PRIOR TO
18 THIS.

19 DR. PIZZO: I MEAN WE ALSO HAVE A MIXED
20 ENVIRONMENT AND WE'RE, OF COURSE, MUCH LARGER, BUT
21 WE'VE INTERNALIZED ALL THIS RATHER THAN OUTSOURCED
22 IT.

23 MR. KLEIN: AND DEAN PIZZO, THIS IS BOB
24 KLEIN. OUR CONSTRAINT HERE IS TRYING TO SAVE AS
25 MANY --

BARRISTERS' REPORTING SERVICE

1 DR. PIZZO: NO. I UNDERSTAND THAT. I
2 UNDERSTAND THAT. SO, YOU KNOW, BASICALLY MY KEY
3 QUESTION WAS IS THIS YIELDING THE RESULTS FOR THE
4 USERS. IT SOUNDS LIKE IT IS, AND CLEARLY IT'S
5 SOMETHING THAT'S NEEDED.

6 CHAIRPERSON LANSING: ALL RIGHT. DO I
7 HAVE MORE QUESTIONS FROM THE SUBCOMMITTEE?

8 MR. KLEIN: SO, SHERRY, THIS IS BOB KLEIN.
9 IF IT'S APPROPRIATE, I WOULD MAKE A MOTION TO
10 APPROVE.

11 CHAIRPERSON LANSING: YES, IT IS IF
12 THERE'S NO MORE COMMENTS. THEN CAN I HAVE A SECOND?

13 MR. TORRES: SECOND.

14 CHAIRPERSON LANSING: OKAY. MELISSA, WILL
15 YOU TAKE A ROLL CALL VOTE?

16 MS. KING: YES. JUST FOR THE RECORD,
17 WE'RE GOING TO TAKE SENATOR TORRES AS THE SECOND FOR
18 THAT MOTION.

19 MR. TORRES: YES.

20 MS. KING: THANK YOU. BOB KLEIN.

21 MR. KLEIN: YES.

22 MS. KING: SHERRY LANSING.

23 CHAIRPERSON LANSING: YES.

24 MS. KING: PHIL PIZZO.

25 DR. PIZZO: YES.

BARRISTERS' REPORTING SERVICE

1 MS. KING: JEANNIE FONTANA.

2 DR. FONTANA: YES.

3 MS. KING: DUANE ROTH.

4 MR. ROTH: YES.

5 MS. KING: JEFF SHEEHY.

6 MR. SHEEHY: YES.

7 MS. KING: OSWALD STEWARD.

8 DR. STEWARD: YES.

9 MS. KING: AND ART TORRES.

10 MR. TORRES: AYE.

11 MS. KING: AND FOR THE RECORD, THAT MOTION
12 CARRIES.

13 AND, SHERRY, I JUST WANTED TO LET EVERYONE
14 ON THE PHONE KNOW WE HOPE THEY STAY, BUT FOR ANYONE
15 THAT MUST LEAVE, WE HAVE CONCLUDED THE BUSINESS
16 ITEMS ON THIS AGENDA. WE HAVE ONE OTHER REPORT
17 WE'VE ALREADY TOUCHED ON, BUT FOR ANYONE THAT NEEDED
18 TO LEAVE NOW, WE'RE DONE WITH THE BUSINESS AND WE
19 THANK YOU FOR JOINING THE MEETING.

20 CHAIRPERSON LANSING: I DO. AND I HOPE
21 THAT YOU WILL STAY, THOUGH, TO HEAR AGENDA ITEM 6
22 BECAUSE WE WILL BE DONE AHEAD OF TIME, WHICH IS AN
23 UPDATE ON CONTRACTS AND INTERAGENCY AGREEMENTS. AND
24 I'D LIKE TO ASK CYNTHIA SCHAFFER AND SHILA SILVA
25 MARTIN. I HOPE I SAID YOUR NAME RIGHT, SHILA.

BARRISTERS' REPORTING SERVICE

1 SHILA, YOU REMEMBER, HAS RECENTLY JOINED CIRM FROM
2 THE CONTROLLER'S OFFICE WORKING WITH FINANCE OFFICER
3 MARGARET FERGUSON. SO CYNTHIA AND SHILA, CAN YOU
4 GIVE US THIS REPORT?

5 MS. SCHAFFER: YES. SO THIS SUMMARY IS
6 FOR THE FIRST QUARTER OF FISCAL YEAR '09-'10 AND
7 JUST FROM JULY TO SEPTEMBER. AND WE'VE TRIED EACH
8 TIME TO MAKE SURE THAT THIS REPORT HAS MORE CLARITY,
9 AND SO WE'VE POINTED OUT THE COLUMN, THE CONTRACT
10 AMOUNT IS OVER MULTIPLE YEARS, AND THEN YOU HAVE THE
11 CONTRACT PERIOD, AND THE EXPENDITURES WITHIN THE
12 TIME PERIOD COVERED BY THE REPORT, AND THE AMOUNT
13 THAT IS REMAINING, THE ENDING BALANCE AS OF THE TIME
14 PERIOD AT THE END OF THE REPORT. SO YOU CAN USE THE
15 COLUMNS TO SORT OF SEE WHAT HAS BEEN SPENT OVER NOT
16 ONLY THIS TIME PERIOD REPORTED IN THIS SUMMARY BUT
17 ALSO THE OTHER TIME PERIODS UNDER THE CONTRACT.

18 CHAIRPERSON LANSING: ACTUALLY I JUST WANT
19 TO COMMENT THAT I THINK IT'S A -- WE'VE HAD AN
20 OPPORTUNITY TO SEE THE REPORT. I THINK IT'S REALLY
21 WELL LAID OUT. I'M SURE THERE ARE QUESTIONS ON IT,
22 BUT IT'S VERY CLEAR. I DON'T WANT TO STOP YOU FROM
23 DOING THE REPORT, BUT CONTINUE.

24 MS. SCHAFFER: THAT IS THE REPORT UNLESS
25 THERE'S QUESTIONS.

BARRISTERS' REPORTING SERVICE

1 CHAIRPERSON LANSING: YEAH. I JUST WANT
2 TO SAY I THINK IT'S REALLY CLEAR. SO NOW I'M GOING
3 TO OPEN IT TO QUESTIONS. ANYONE IN SAN FRANCISCO?

4 MS. KING: NO QUESTIONS HERE.

5 CHAIRPERSON LANSING: DR. PIZZO?

6 DR. PIZZO: NOPE. NO QUESTIONS.

7 CHAIRPERSON LANSING: DR. FONTANA?

8 DR. FONTANA: NOPE. NO QUESTIONS.

9 CHAIRPERSON LANSING: OS.

10 DR. STEWARD: NO QUESTIONS.

11 CHAIRPERSON LANSING: DUANE?

12 MR. ROTH: NO.

13 CHAIRPERSON LANSING: WELL, SEE, YOU ALL
14 STAYED. SO I'M VERY GRATEFUL FOR THAT. I DON'T
15 HAVE ANY QUESTIONS EITHER. I REALLY APPRECIATE THIS
16 REPORT BECAUSE IT'S VERY CLEAR. AND, YOU KNOW, THAT
17 BEING SAID, THERE ARE NO MEMBERS OF THE PUBLIC
18 UNLESS SOMEBODY HAS JOINED US. AND I BELIEVE THAT
19 BRINGS US TO A CONCLUSION OUR MEETING. AM I
20 CORRECT, MELISSA?

21 MS. KING: YOU ARE CORRECT.

22 CHAIRPERSON LANSING: WELL, GUYS, THANKS
23 FOR STAYING IN AND THANKS FOR THE CLARITY OF THIS
24 REPORT. I THINK YOU FOUND A REALLY GOOD WAY TO DO
25 IT. AND THANK ALL OF MY MEMBERS OF THE SUBCOMMITTEE

BARRISTERS' REPORTING SERVICE

1 FOR PARTICIPATING IN THIS CALL. AND UNLESS THERE
2 ARE ANY OBJECTIONS, I WILL ADJOURN THIS MEETING.

3 MR. TORRES: THANK YOU, MADAM CHAIR.

4 CHAIRPERSON LANSING: THANK YOU.

5 (THE MEETING WAS THEN CONCLUDED AT
6 4:15 P.M.)

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BARRISTERS' REPORTING SERVICE

REPORTER'S CERTIFICATE

I, BETH C. DRAIN, A CERTIFIED SHORTHAND REPORTER IN AND FOR THE STATE OF CALIFORNIA, HEREBY CERTIFY THAT THE FOREGOING TRANSCRIPT OF THE TELEPHONIC PROCEEDINGS BEFORE THE GOVERNANCE SUBCOMMITTEE OF THE INDEPENDENT CITIZEN'S OVERSIGHT COMMITTEE OF THE CALIFORNIA INSTITUTE FOR REGENERATIVE MEDICINE IN THE MATTER OF ITS REGULAR MEETING ON DECEMBER 3, 2009, WAS HELD AS HEREIN APPEARS AND THAT THIS IS THE ORIGINAL TRANSCRIPT THEREOF AND THAT THE STATEMENTS THAT APPEAR IN THIS TRANSCRIPT WERE REPORTED STENOGRAPHICALLY BY ME AND TRANSCRIBED BY ME. I ALSO CERTIFY THAT THIS TRANSCRIPT IS A TRUE AND ACCURATE RECORD OF THE PROCEEDING.

BETH C. DRAIN, CSR 7152
BARRISTER'S REPORTING SERVICE
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