

AGENDA ITEM

NOVEMBER 163

Consideration/Approval of
Proposed State Bar
Sponsored Legislation

DATE: October 24, 2008

TO: Members, Board of Governors
Members, Board Committee on Stakeholder Relations

FROM: Anthony Williams
Office of Governmental Affairs

SUBJECT: Consideration/Approval of Proposed State Bar Sponsored Legislation

EXECUTIVE SUMMARY

The Office of Governmental Affairs has reviewed and recommends approval of the following legislative proposals for sponsorship by the Board of Governors during the 2009 Legislative Session:

1. State Bar Member Fee Authorization—In 2008, the State Bar obtained legislative authorization for a one-year member fee bill. That bill, AB 3049 (Jones), Ch. 165 Statutes of 2008, sunset the Bar's authority to assess member fees on January 1, 2010. Therefore, legislation is needed to extend or delete that authorization.
2. Increase in Dollar Threshold for Conducting Competitive Solicitations for IT Goods and Services—Under the Public Contract Code, all state agencies have authority to conduct informal competitive solicitations for non-information technology (non-IT) goods up to \$100,000 and for information technology (IT) goods up to \$1,000,000. However, the State Bar's statutory authority limits authority to conduct informal solicitations for both non-IT and IT goods up to \$50,000. This legislative proposal would increase the Bar's authority for IT goods and services to \$100,000, or an amount to be determined in legislative negotiations.

Questions regarding this agenda item should be directed to Anthony Williams at (916) 448-4000.

I. STATE BAR FEE BILL AUTHORIZATION

BACKGROUND

The State Bar Dues Bill authorizes the Bar to charge the annual mandatory membership fee that is set by the Board of Governors. Under the provisions of AB 3049 (Jones), Ch. 165 Statutes 2008, existing law caps the total annual active membership fee at \$410 per member and sets the annual inactive membership fee at \$125 per member.

The Bar's authority to assess fees for active members will sunset on January 1, 2010. In order to extend the Bar's membership fee authority and to adjust fees based on the operational budgetary needs of the Bar, legislation is needed during the 2009 legislative session.

FISCAL/STAFF IMPACT

This recommendation does not require additional personnel or increased expenses. The general fund budget is funded through the dues authorization and, therefore, the legislation is needed to continue the Bar's operations.

BOARD BOOK IMPACT

None.

RECOMMENDATION

The Office of the Executive Director and Office of Governmental Affairs recommend adoption of the following resolutions concerning approval of the State Bar's 2009 Fee Authorization Bill.

PROPOSED BOARD COMMITTEE RESOLUTION

If the Stakeholder Relations Committee agrees with the above recommendation, the following resolution is suggested:

RESOLVED, that the Board Committee on Stakeholder Relations recommends that the Board of Governors authorize the President, in consultation with the Executive Director, to develop and negotiate a fee bill for the 2009 legislative session consistent with the budgetary and operational needs of the Bar.

PROPOSED BOARD RESOLUTION

If the Board of Governors concurs with Stakeholder Relations Committee's recommendation, the following resolution is suggested:

RESOLVED, that, upon recommendation of the Board Committee on Stakeholder Relations, the Board of Governors hereby authorizes the President, in consultation with the Executive Director, to develop and negotiate a fee bill for the 2009 legislative session consistent with the budgetary and operational needs of the Bar.

II. PROPOSED INCREASE IN DOLLAR THRESHOLD FOR CONDUCTING COMPETITIVE SOLICITATIONS FOR IT GOODS AND SERVICES

BACKGROUND

Under the Public Contract Code, all state agencies have authority to conduct informal competitive solicitations for non-information technology (non-IT) goods up to \$100,000 and for information technology (IT) goods up to \$1,000,000. However, the State Bar's statutory authority limits authority to conduct informal solicitations for both non-IT and IT goods up to \$50,000. This legislative proposal would increase the Bar's authority for IT goods and services to \$100,000, or an amount to be determined in legislative negotiations.

Under the formal competitive solicitation process, the State Bar is required to post a Request for Proposals (RFP), conduct a process for evaluating and selecting a proposed awardee, and provide an opportunity for those not selected to protest the selection. This is a time-consuming and costly process. Typically, the formal RFP process—from development to publishing, scoring and ultimately contracting—takes at a minimum 90 to 120 days. Under informal (sole source) bidding, the Bar may seek out potential vendors, ask that they provide a bid to provide the requested products or services, and select the vendor that best meets the Bar's needs.

In 2007, the Public Contract Code was amended to increase the dollar thresholds for conducting informal competitive solicitations for non-IT goods and services from \$50,000 to \$100,000, and for IT goods and services from \$500,000 to \$1,000,000. These changes did not affect the State Bar's solicitation authority.

As part of the 2007 Fee Bill (SB 686 [Corbett], Ch. 474, Stats of 2007), the State Bar was given the authority to impose an additional fee \$10 per member to fund the implementation of the Bar's Technology Improvement Program. Many of the proposed projects fall within the \$50-100,000 range. If the legislative proposal is approved, the Bar will continue to follow the competitive procurement process for all other goods and services. However, this proposal will provide some flexibility and dexterity in planning and implementing these projects. This change would also allow the Bar the ability to continue to fast track those things that keep these projects moving.

FISCAL/STAFF IMPACT

This recommendation does not require additional personnel or increased expenses.

BOARD BOOK IMPACT

None.

RECOMMENDATION

Staff recommends adoption of the following resolutions concerning increasing the Bar's authority to obtain informal, sole source bids for IT goods and services from \$50,000 to \$100,000.

PROPOSED BOARD COMMITTEE RESOLUTION

If the Stakeholder Relations Committee agrees with the above recommendation, the following resolution is suggested:

RESOLVED, that the Board Committee on Stakeholder Relations recommends that the Board of Governors authorize the Executive Director to seek legislation to increase the dollar threshold for conducting competitive solicitations for IT goods and services from \$50,000 to \$100,000, or an amount to be determined in legislative negotiations, and

FURTHER RESOLVED, that the Board Committee on Stakeholder Relations recommends that the Board of Governors authorize the Executive Director to take all steps necessary to implement the changes above.

PROPOSED BOARD RESOLUTION

If the Board of Governors concurs with Stakeholder Relations Committee's recommendation, the following resolution is suggested:

RESOLVED, that, upon recommendation of the Board Committee on Stakeholder Relations, the Board of Governors hereby authorizes the Executive Director to seek legislation to increase the dollar threshold for conducting competitive solicitations for IT goods and services from \$50,000 to \$100,000, or an amount to be determined in legislative negotiations, and

FURTHER RESOLVED, that the Board of Governors authorizes the Executive Director to take all steps necessary to implement the changes above.