



Semiannual Report on Contracts for the Judicial Branch for the Reporting Period of January 1 through June 30, 2016

REPORT TO THE JOINT LEGISLATIVE
BUDGET COMMITTEE AND THE STATE
AUDITOR AS REQUIRED BY PUBLIC
CONTRACT CODE SECTION 19209

AUGUST 1, 2016



JUDICIAL COUNCIL
OF CALIFORNIA

JUDICIAL COUNCIL OF CALIFORNIA

Hon. Tani G. Cantil-Sakauye
*Chief Justice of California and
Chair of the Judicial Council*

Mr. Martin Hoshino
*Administrative Director
Judicial Council*

ADMINISTRATIVE DIVISION

Mr. Mark Dusman
Acting Chief Administrative Officer

BUDGET SERVICES
Mr. Zlatko Theodorovic
Director

BRANCH ACCOUNTING AND PROCUREMENT

Mr. Doug Kauffroath
Director

Ms. Paula Coombs
*Supervisor and
Primary Author of Report*

**Semiannual Report on Contracts for the Judicial Branch for the
Reporting Period of January 1 through June 30, 2016:
Report to the Joint Legislative Budget Committee and the State Auditor
as Required by Public Contract Code Section 19209**

August 1, 2016

Introduction

The Judicial Council submits this report to the Joint Legislative Budget Committee and the California State Auditor under Public Contract Code section 19209 to provide information related to procurement of contracts for the judicial branch. The report includes a list of vendors and contractors as required by Public Contract Code section 19209(b). The report further identifies the amounts of payment(s) to the contractors and vendors, the types of services and goods provided, and the judicial branch entity or entities with which the contractors and vendors contracted to provide those goods and services. The report is a summary that includes a list of all new contracts and amended contracts as required by Public Contract Code section 19209(c) and identifies the vendors and contractors as well as the types of services and goods provided under the contract, including any changes to the contract value, type of services or goods, or contract. Judicial branch entities are the Supreme Court, Courts of Appeal, superior courts, Habeas Corpus Resource Center (HCRC), and Judicial Council.

Because the operative date of the Judicial Branch Contract Law (JBCL) was October 1, 2011, only contracts entered into or amended after that date are included in this report. This report is developed on a semiannual basis and covers the six-month periods from January 1 through June 30 and July 1 through December 31. This report covers the period from January 1 through June 30, 2016.

Contracts excluded from the report

Public Contract Code section 19204(c) provides that the JBCL “does not apply to procurement and contracting by judicial branch entities that are related to trial court construction, including, but not limited to, the planning, design, construction, rehabilitation, renovation, replacement, lease, or acquisition of trial court facilities.” This section also states that the JBCL “shall apply to contracts for maintenance of all judicial branch facilities that are not under the operation and management of the Department of General Services.” Appropriate exclusions and inclusions based on the above subsections have been made in this report.

Also excluded from the report are the following contracts that are unique to the superior courts and are not subject to the JBCL:

- Contracts (often referred to as memoranda of understanding or MOUs) between a superior court and the sheriff for court security services
- Contracts between a court and a court reporter, when the court reporter provides services as an independent contractor

- Contracts between a court and a court interpreter, when the court interpreter provides services as an independent contractor

Other reporting features

The *Trial Court Contract Report* provides a summary of contract activity during the reporting period for each contract on a single line.

Format of the report

The Judicial Council's Branch Accounting and Procurement office is responsible for preparing the report. The portion of the report that relates to the Supreme Court, Courts of Appeal, Habeas Corpus Resource Center, and Judicial Council is extracted by the Oracle Financial System. The information that relates to the superior courts is extracted from the Phoenix Financial System. Because two different information management systems are used, the format and data elements of various portions of the report differ. The four portions of the report are listed below.

- Superior courts:
 1. Trial Court Contract Report
 2. Trial Court Payment Report
- Supreme Court, Courts of Appeal, Habeas Corpus Resource Center, and Judicial Council:
 1. Contract Amendment Report
 2. Payment Report

The chart below explains the differences in the format of the reports and describes the data elements.

Judicial Branch Contract Reports: Comparison of Required Data Elements With Actual Reports to Report Under Public Contract Code Section 19209			
Report	Required to be Reported by Statute	Data Element Column Heading	
		Superior Court Reports	Supreme Court, COA,* HCRC,* and JC Reports
Payment Report	Vendors and contractors receiving any payment. Report each distinct contract between the vendor or contractor and a judicial branch entity. Identify the: 1. Amount of payment to the contractor or vendor; 2. Type of service or good provided; and 3. Judicial branch entity (JBE) or entities with which the vendor or contractor was contracted to provide that service or good.	Vendor Name Vendor ID Contract Number Total Payments Goods/ Services JBE	Vendor Name PO/Contract Amount Payment Summary Entity Name
Contract and Contract Amendment Report	For all contract amendments made, identify: 1. Vendor or contractor; 2. Type of service or good provided under the contract; 3. Nature of the amendment; 4. Duration of the amendment; and 5. Cost of the amendment.	Court Contract Vendor ID Vendor Name Last Reported Contract Value Contract Value (New) Contract Value (Changed) Goods/Services (New) Goods/Services (Changed) Contract Duration (New) Contract Duration (Changed) Total Contract Duration	Entity Amendment Number Contract Number Vendor Name Type of Goods/ Service Desc. Nature of Amendment Duration (months) Cost of Amendment

* COA = Court of Appeal; HCRC = Habeas Corpus Resource Center.

This semiannual report includes all the information required by statute. Portions of the report related to the superior courts contain items of information (vendor ID), as listed above, that are not required for the Supreme Court, Courts of Appeal, Habeas Corpus Resource Center, and Judicial Council.

The superior court information includes contracts and contract amendments that were entered into during the reporting period, even if no payments were made. This is additional information and is not required by the JBCL. The portion of the report related to the Supreme Court, Courts of Appeal, Habeas Corpus Resource Center, and Judicial Council does not include contracts for which no payment was made during the reporting period. The superior court report consolidates all payments to a vendor or contractor under one contract as one payment for the reporting period.

Statistics

On the following pages, a series of tables provides statistical information for the January 1 through June 30, 2016, reporting period. Note that some tables may include totals that may not

equal 100 percent, due to rounding.

- **Table 1.** Overall Contract and Payment Statistics
- **Table 2.** Supreme Court, Courts of Appeal, Habeas Corpus Resource Center, and Judicial Council: Payment Statistics Summary
- **Table 3.** Trial Court Payment Statistics: Goods and Services Detail Summary

Because of their size, the detailed reports, including any explanatory footnotes, are posted separately for access and review. They are:

1. Superior court reports, from January 1 through June 30, 2016
 - a. Trial Court Contract Report
 - b. Trial Court Payment Report
2. Supreme Court, Courts of Appeal, Habeas Corpus Resource Center, and Judicial Council reports, from January 1 through June 30, 2016
 - a. Contract Amendment Report
 - b. Payment Report

Table 1 provides an overall summary of contracts and payments for the reporting period.

Table 1. Overall Contract and Payment Statistics Reporting Period: January 1 through June 30, 2016

	Superior Courts	Supreme Court, Courts of Appeal, Habeas Corpus Resource Center, and Judicial Council
Payments:		
Number	17,911	2,734
Dollar amount	\$ 252,065,967	\$ 204,231,109
Number of associated contracts	8,781	1,782
Contracts:		
Original contracts	5,484	*
Value of original contracts	\$ 154,681,548	*
Contracts with amendments	1, 436	364
Cost of amendments	\$ 15,504,337**	\$ 22,161,033
* Includes only contracts with amendments as required by statute.		
** Includes increases and decreases to contract value, such as changes in contract scope.		

As described below in table 2, a total of \$204,231,110 was paid to vendors by the Supreme Court, Courts of Appeal, Habeas Corpus Resource Center, and Judicial Council.

Table 2. Supreme Court, Courts of Appeal, Habeas Corpus Resource Center, and Judicial Council, Payment Statistics Summary Reporting Period: January 1 through June 30, 2016

	Payments
Supreme Court	\$ 3,484,529
Courts of Appeal:	
1st District	1,569,048
2nd District	3,583,952
3rd District	1,298,622
4th District	4,354,366
5th District	1,680,957
6th District	1,640,724
Judicial Council	186,302,286
Habeas Corpus Resource Center	316,626
TOTAL	\$ 204,231,110

Table 3 provides a summary of all payments for goods and services by the trial courts during this reporting period. The table shows 17,911 payments representing approximately \$252 million associated with more than 8,781 contracts.

There were 5,484 trial court contracts reported, of which 1,436 were affected by amendments. A small number of contracts may have been affected by changes in account codes. Otherwise, amendments consisted of the following:

- 810 that had an increase in contract value
- 626 that had a decrease in contract value
- 91 that had a change in contract duration

**Table 3. Trial Court Payment Statistics, Goods and Services Detail
Summary Reporting Period: January 1 through June 30, 2016**

Goods and Services	Payments	Values	Contracts
Advertising	146	\$ 190,259.41	58
Banking and Investment Services	14	40,119.57	2
Collection Services	92	11,563,382.67	37
Consulting Services—Temp	58	1,255,757.77	50
Consulting/Professional Services	7	1,217,954.42	5
Contracted Services	45	1,106,673.30	32
County-Provided Services	150	20,696,445.99	123
Court-Appointed Counsel	462	22,994,022.19	158
Court Interpreter Services	2,609	11,044,478.90	235
Court-Ordered Professional	995	5,618,936.57	574
Court Reporter Services	326	3,126,572.74	16
Court Transcripts	1,871	9,695,374.60	22
Dues and Memberships	133	147,558.10	15
Employee Relocation	1	280.71	
Equipment Maintenance	251	1,246,144.03	198
Equipment Rental/Lease	208	3,387,690.27	158
Equipment Repairs	141	286,566.80	109
Fees/Permits	155	2,001,664.71	57
Freight and Drayage	22	5,888.89	11
General Consultant	802	29,453,645.63	459
General Expense	11	42,030.56	3
General Expense—Service	309	1,716,738.59	197
Grounds	29	180,708.19	21
Information Technology	8	536,641.95	6
Insurance	31	585,978.53	12
Investigative Services	135	353,906.57	47
IT Commercial Contract	221	14,155,482.77	192
IT Inter-Jurisdictional	10	654,398.86	6
IT Maintenance	454	10,997,994.51	385
IT Other	32	228,641.46	16
IT Repairs/Supplies/License	499	12,348,146.61	402
Janitorial	165	7,042,263.38	103
Juror Costs	34	50,712.33	9
Laboratory Expense	36	60,797.54	8
Legal	129	1,919,250.84	90
Library Purchases and Subscriptions	535	6,245,248.56	283
Maintenance and Supplies	238	2,758,105.87	179
Major Equipment	183	10,310,307.33	168
Mediators/Arbitrators	276	1,361,010.12	50
Meetings, Conferences, Exhibits	164	214,061.07	36
Minor Equipment—Under \$5k	1,217	14,356,870.03	1,109

Goods and Services	Payments	Values	Contracts
Office Expense	2,019	4,979,572.09	1,652
Other Contract Services	42	1,170,010.97	30
Other Facility Costs—Goods	110	205,124.09	80
Other Facility Costs—Serv	58	538,848.50	36
Other Items of Expense	18	51,230.48	8
Other Travel Expense	12	1,798.00	1
Other—Special Items of Expense	2	1,800.00	1
Photography	13	34,031.64	7
Postage	19	525,008.56	7
Postage Meter	62	3,222,058.39	32
Printing	475	3,016,312.39	363
Rent/Lease	98	1,613,861.49	67
Security	117	7,606,084.72	76
Sheriff	357	899,373.15	12
Stamps, Stamped Envelopes	193	4,222,232.65	91
Telecommunications	734	11,355,844.59	549
Training	270	956,547.35	84
Uniform Allowance	2	2,958.12	2
Vehicle Operations	106	464,556.92	42
Grand Total	17,911	\$ 252,065,967.04	8,781

Report Information

Superior courts

1. Trial Court Contract Report

The Phoenix Financial System is not configured to collect information about contracts in a manner that precisely matches the statutory reporting requirements. Below are some key factors to consider when reviewing the contract data related to the superior courts.

- The Trial Court Contract Report includes all contracts and amendments completed within the reporting period because including all contracts is more cost-effective than developing a report that includes distinct contracts for only the vendors who received more than one payment in the reporting period. *Vendor* is often used synonymously with *contractor* in the report.
- Goods/Services descriptions are determined by the general ledger account(s) entered in the system.
- The only amendment descriptions that can be reported are changes in the overall value or duration of an agreement, or changes in the goods/services provided.
- The Phoenix Financial System cannot distinguish between a true amendment and an error correction. Screens were built to allow superior courts to review

transactions included in the report and exclude changes that were error corrections. This design feature affects the accuracy of the data based on a court's ability/availability to review its transactions.

Contract report fields

The chart below contains a list of the report fields and their descriptions.

Field Name	Field Description
Court	Judicial Branch Entity. Name of the superior court with the associated contract.
Contract	Unique identifier for the contract which can be system generated or a court-specific number.
Vendor ID	Unique identifier for the vendor which can be system generated or a court-specific vendor identifier.
Vendor Name	Name of the vendor.
Last Reported Contract Value	When the transaction record is for a contract that has been previously reported, the value in this field will refer to the most recently reported contract value. Only contracts created or amended after January 1, 2012, have been reported
Contract Value (New)	When the transaction record is for a new contract, the value in this field refers to the known or estimated original contract value.
Contract Value (Changed)	This value will indicate the increase or decrease to the contract value if the contract value changed within the reporting period. It is possible for this to occur in the same reporting period as a new contract.
Goods/Services (New)	When the transaction record is for an original contract, this field provides a description of the goods/services based on the general ledger accounts associated with the contract. The goods/services are rolled up from subaccounts, so descriptions may appear to be duplicates but are really separate subaccounts in the rolled-up category.
Goods/Services (Changed)	When the transaction record refers to an amendment to the goods/services, this field provides a description of the changed goods/services based on the general ledger accounts associated with the contract. The goods/services are rolled up from subaccounts, so descriptions may appear to be duplicates but are really separate subaccounts in the rolled-up category.
Contract Duration (New)	When the transaction record is for an original contract, this field refers to the original contract duration which is represented in months or a fraction
Contract Duration (Changed)	When the transaction record refers to an amendment to the current contract duration, the value will indicate the increase or decrease to the contract duration which is represented in months or a fraction thereof.
Total Contract Duration	This field represents the total contract duration, including cumulative changes to the original contract duration. The value is represented in months or a fraction thereof.

2. Trial Court Payment Report

Below are some key factors to consider when reviewing the payment data.

- Goods/Services descriptions are determined by the general ledger account(s) entered in the system.
- A single payment may have multiple lines of data in the file if the payment is for multiple goods/services. Simple sorting by contract number keeps these records together. They can also be sorted by court (JBE) or by vendor.

The chart below contains a list of the report fields and their descriptions.

Field Name	Field Description
JBE	Name of the superior court making the payment.
Contract Number	Unique identifier for the contract under which the payment was made. If the payment was not associated with a contract, this field will be blank.
Goods/Services	Description of the goods/services based on the general ledger account associated with the payment. The goods/services are rolled up from subaccounts, so descriptions may appear to be duplicates but are really separate subaccounts in the rolled-up category.
Vendor ID	Unique identifier for the vendor.
Vendor Name	Name of the vendor.
Total Payments	Total payments to a vendor, reported by court, contract, and goods/services under the contract. Data can be sorted in various ways to obtain totals by court, vendor, contract, goods/services, etc.

Supreme Court, Courts of Appeal, Habeas Corpus Resource Center, and Judicial Council

General rules applicable to these portions of the report

Contract and payment information concerning active litigation on capital cases is not reported at the request of the Habeas Corpus Resource Center under statutory and work-product principles.

1. Contract Amendment Report

Exclusions and explanations in the Contract Amendment Report follow:

- Schedule changes that constitute amendments to a contract indicate the cost of amendment as “0.00,” “n/a,” or “not applicable” because no additional cost was involved.
- “Change of cost and schedule of the work” has an associated cost. Cost changes result from any number of reasons, and there is no specificity for this data element in the Oracle Financial System. Further details related to the basis of the cost change require review of the individual contract.

2. Payment Report

Payments extracted from the Oracle Financial System were reviewed to determine whether they were contractual payments. Any payment types considered “non-contractual items” are excluded from the reporting, including:

- Payroll and other payments to state employees and judicial officers and the related benefits payments;
- Assigned judges’ compensation;
- Appellate court-appointed counsel panel attorney compensation claims (paid on court order);
- Most utilities;
- Postage;
- Travel reimbursements;
- Settlement charges; and
- Trial court allocations.

Some of the above payment types may be included in the superior court reports, such as utilities, postage, and travel reimbursements.

Attachments

Because of their size, the following attachments, including any explanatory footnotes, are posted separately for access and review.

1. Superior court reports, from January 1 through June 30, 2016:
 - a. Trial Court Contract Report
 - b. Trial Court Payment Report
2. Supreme Court, Courts of Appeal, Habeas Corpus Resource Center, and Judicial Council reports, from January 1 through June 30, 2016:
 - a. Contract Amendment Report
 - b. Payment Report