

Judicial Branch Administration: Council Oversight of Judicial Council Contracts

Presenters:

Hon. Richard D. Huffman, Chair

Advisory Committee on Accountability and
Efficiency of the Judicial Branch (A&E Committee)

John A. Judnick, Senior Manager

Audit Services, Judicial Council

A&E Committee Duty Regarding Oversight of Judicial Council Contracts

As approved by the Judicial Council at its meeting of August 23, 2013:

Report semi-annually to the Judicial Council on all AOC contracts for which there is no other external body and that meet established review criteria to ensure such contracts are in support of judicial branch policy as set by the Judicial Council.



A&E Committee Report on Contracts Review

A&E Committee met for two days in March 2014 to discuss the review of contracts by committee members and produced the report entitled:

Report of the Advisory Committee on Financial Accountability and Efficiency for the Judicial Branch: First Semi-annual AOC Contract Oversight Review



A&E Committee Report

Report has five sections and is attached to the council report. The sections are:

1. Executive Summary
2. General Contract Selection Process
3. General Contract Review Process
4. Contract Review Presentation Summary
5. Recommendations



Overview of Results

Contracts reviewed:

1. Generally met established criteria to ensure that the contracts are in support of judicial branch policy.
2. Were for financial and efficient purposes.
3. Benefited the judicial branch and while administered by the AOC were mainly of benefit to other judicial branch entities; and
4. Had very few issues raised as concerns.



Judicial Council Contracts

Judicial Council contracts only represent approx. 5% of the total contracts administered by the Judicial Council.

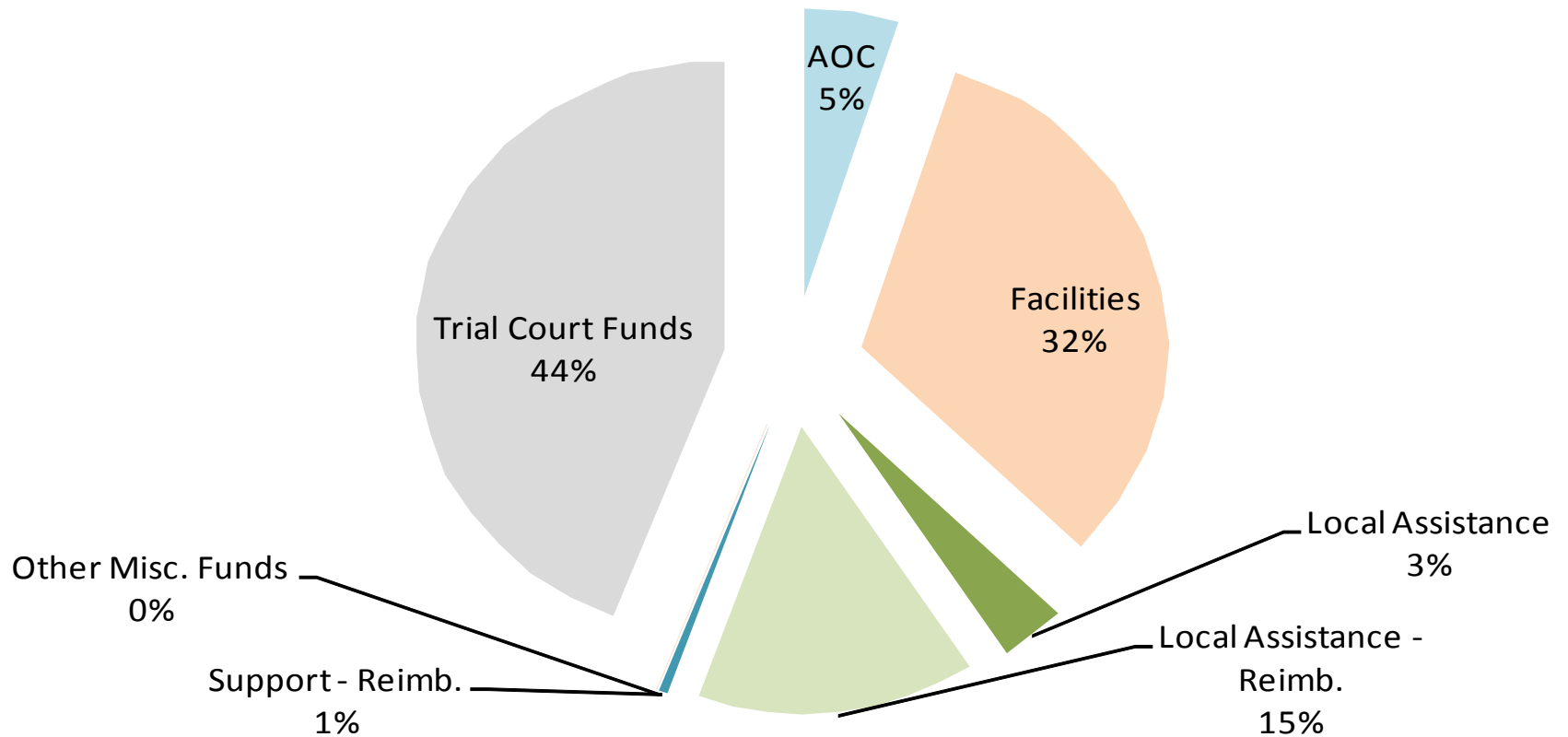


JUDICIAL COUNCIL
OF CALIFORNIA

Fiscal Year 2012 - 2013

Contract Payments on Funds Administered by the Judicial Council/AOC

(Excludes Appellate Court Trust Fund and Construction Funds)



A&E Committee Contract Review

- Consulting contracts as a category were selected for review *
- Used systems reports as of Sept. 19, 2013
- Population of 120 consultant contracts
- Encumbered amount - \$189.3 million
- Amount not billed - \$16.5 million

* Real estate / construction contracts explicitly excluded by policy.



JUDICIAL COUNCIL OF CALIFORNIA / ADMINISTRATIVE OFFICE OF THE COURTS

AOC ACTIVE CONTRACTS -- SEPTEMBER 19, 2013

CONSULTANT CONTRACTS BY OBJECT CODE

Object Code	Object Copde Description	# of Contracts	Encumbered Amount	Billed Amount	Amount Not Billed	Percentage	
						Encum. To Total	Not Billed to Total
0404	Consultants-Administrative	4	10,316,643.39	8,808,649.27	1,507,994.12	5.5%	9.2%
0405	Consultants-Architectural	2	869,131.53	774,877.83	94,253.70	0.5%	0.6%
0407	Consultants-Information Systems	71	159,776,690.44	146,456,525.16	13,320,165.28	84.4%	81.1%
0408	Consultants-Edit and Research	2	111,922.00	15,595.00	96,327.00	0.1%	0.6%
0409	Consultants-Speakers	5	7,750.00	750.00	7,000.00	0.0%	0.0%
0416	Consultants-HR	3	356,288.76	99,349.29	256,939.47	0.2%	1.6%
0417	Consultants-Other	24	5,547,138.58	4,397,092.15	1,150,046.43	2.9%	7.0%
0418	Consultants-Real Estate Services	6	1,274,805.15	1,273,705.15	1,100.00	0.7%	0.0%
0743	Trial Courts - Consultants-IT	2	10,955,302.15	10,955,302.17	(0.02)	5.8%	0.0%
0745	Trial Courts - Consultants - Other	1	40,000.00	40,000.00	-	0.0%	0.0%
		120	189,255,672.00	172,821,846.02	16,433,825.98	100%	100%



A&E Committee Contract Review

16 contracts selected judgmentally for review

- 5 - Center For Families, Children & the Courts
- 4 - Information Technology
- 2 - Court Operations Services
- 2 - Legal Services
- 1 - Trial Court Accounting Services
- 1 - Human Resources
- 1 - Finance



Report Recommendations

1. Leveraged Procurement Agreements (LPAs)
2. Long Term Consultants
3. Use of Consultants in Information Systems Work



Report Recommendations

1. Leveraged Procurement Agreements (LPAs)

Leveraged procurement typically involves consolidating the procurement needs of multiple entities, and leveraging the entities' combined buying power to reduce prices, improve terms and conditions, or improve procurement efficiency.



Report Recommendations

1. Leveraged Procurement Agreements (LPAs)

- To further statewide efficiency and potential cost savings in time and money, courts should continuously review the listing of master agreements and LPAs.
- Policy consideration might encompass a requirement to utilize master agreements and LPAs to the greatest extent possible where feasible and practical.



Report Recommendations

2. Long Term Consultants

Judicial Council staff should develop a process to review the use of long-term consultants to:

- a. Confirm the need to contract for their services for a long-term; and
- b. Evaluate the feasibility of alternative solutions, including employing the consultants as regular employees.



Report Recommendations

3. Use of Consultants in Information Systems Work

- a. Judicial Council staff have identified consultants working for a long time in specialized technical projects.
- b. Conversion to employee status should be considered and has been discussed with them but various factors influence the ability to convert consultants to employees.
- d. Judicial Council staff should justify their consultant use and retention, and consider the feasibility of alternative solutions and employment considerations.



Other Report Items

1. All new contracts over \$1 million (except one) during the review period were regular and reoccurring and reported to the State Auditor as required.
2. No existing contracts that Judicial Council staff were aware of had a significant change or amendment in amount, term, purpose, or nature.
3. There were no significant changes, trends, or issues in contracting practices since July 1, 2013 except for the Dec. 2013 Judicial Council approved change in the *Judicial Branch Contracting Manual*.



End of Presentation

Questions?