



JUDICIAL COUNCIL OF CALIFORNIA

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REPORT TO THE JUDICIAL COUNCIL

For business meeting on: February 26, 2016

Title

Judicial Branch Semiannual Contract
Reporting Requirement: Executed Contracts
and Vendor Payments for the Period of July 1
through December 31, 2015

Agenda Item Type

Action Required

Effective Date

February 26, 2016

Rules, Forms, Standards, or Statutes Affected

None

Date of Report

February 11, 2016

Recommended by

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Executive Summary

Public Contract Code section 19209 and the *Judicial Branch Contracting Manual* require that the Judicial Council submit a report semiannually to the Joint Legislative Budget Committee and the State Auditor listing (1) all vendors or contractors receiving payments from any judicial branch entity and their associated distinct contracts, and (2) for every vendor or contractor receiving more than one payment, the amount of the payment, type of service or good provided, and judicial branch entity receiving the good or service. Therefore, Judicial Council staff recommends submitting this eighth semiannual report, which lists all judicial branch entity contracts that were amended during the reporting period covering July 1 through December 31, 2015.

Recommendation

Judicial Council staff recommends that the council accept and approve for submission to the Joint Legislative Budget Committee and the California State Auditor the following report and related attachment: *Semiannual Report on Contracts for the Judicial Branch for the Reporting Period of July 1 through December 31, 2015*. The report includes information for the Supreme Court, Courts of Appeal, superior courts, Judicial Council, and Habeas Corpus Resource Center.

Previous Council Action

At its August 26, 2011, business meeting, the Judicial Council approved the *Judicial Branch Contracting Manual*, which included the requirement for the preparation of the two semiannual reports and their submission to the Joint Legislative Budget Committee and the State Auditor. Previous reports were submitted and approved at Judicial Council meetings or through circulating orders, as follows:

January 24, 2012: The Judicial Council accepted and approved the first semiannual report for the period October 1 through December 31, 2011.

July 27, 2012: The Judicial Council accepted and approved the second semiannual report for the period January 1 through June 30, 2012.

January 31, 2013: Under Circulating Order CO-13-01, the Judicial Council accepted and approved the third semiannual report for the period July 1 through December 31, 2012.

July 30, 2013: Under Circulating Order CO-13-04, the Judicial Council accepted and approved the fourth semiannual report for the period January 1 through June 30, 2013.

January 29, 2014: Under Circulating Order CO-14-01, the Judicial Council accepted and approved the fifth semiannual report for the period July 1 through December 31, 2013.

July 31, 2014: Under Circulating Order CO-14-04, the Judicial Council accepted and approved the sixth semiannual report for the period January 1 through June 30, 2014.

January 29, 2015: Under Circulating Order CO-15-01, the Judicial Council accepted and approved the seventh semiannual report for the period July 1 through December 31, 2014

Rationale for Recommendation

Statutory requirement

The Judicial Branch Contract Law (JBCL), enacted March 24, 2011, requires judicial branch entities to comply with the provisions of the Public Contract Code applicable to state agencies and departments related to the procurement of goods and services. The JBCL applies to all contracts initially entered into or amended by judicial branch entities on or after October 1, 2011. The JBCL also requires the council to adopt a judicial branch contracting manual containing

policies and procedures applicable to judicial branch entities related to the procurement of goods and services (Pub. Contract Code, § 19206). The Judicial Council, on August 26, 2011, adopted the manual, which incorporates policies and procedures consistent with the Public Contract Code and, as the code requires, is “substantially similar to the provisions contained in the State Administrative Manual [SAM] and the State Contracting Manual [SCM].”

Reporting requirement

The JBCL requires the Judicial Council, beginning in 2012, to provide reports to the Joint Legislative Budget Committee and the State Auditor twice each year on contracting activities by judicial branch entities under Public Contract Code section 19209. The semiannual reports must contain specific information, including details about contracts and amendments to contracts entered into by judicial branch entities with vendors or contractors, payments received by vendors and contractors, and the nature of the services or goods provided under the contracts and amendments. By statute, each fiscal year, the first report covers the period from July 1 through December 31 and must be submitted by February 1 of the following calendar year. The second report covers the period from January 1 through June 30 and must be submitted by August 1.

As required by the *Judicial Branch Contracting Manual*, revised April 24, 2012, the Judicial Council’s Finance office has lead responsibility for providing the reports to the council for approval and submission to the Joint Legislative Budget Committee and the State Auditor. Additionally, the council’s Finance office and its Trial Court Administrative Services office are responsible for coordinating with each other to ensure that all information in the reports is timely, accurate, and consistent in form and format.

The responsibilities for each judicial branch entity are specified in the manual generally as follows:

- **Supreme Court:** The Supreme Court is responsible for providing to the council’s Finance office the information relating to payments to, and contracts with, the Supreme Court’s vendors in the form and format required by Finance for Judicial Council reporting purposes.
- **Courts of Appeal:** Each Court of Appeal is responsible for providing to the council’s Finance office the information relating to payments to, and contracts with, vendors in the form and format required by Finance for Judicial Council reporting purposes.
- **Superior Courts:** The Phoenix Financial System is the source of information for compiling reports relating to payments during a reporting period by each superior court to vendors and relating to contracts between vendors and each superior court. Each superior court is responsible for inputting into Phoenix the information relating to payments to, and contracts with, that superior court’s vendors as required for Judicial Council reporting purposes.

- **Habeas Corpus Resource Center (HCRC):** The HCRC is responsible for providing to the council's Finance office the information relating to payments to, and contracts with, the HCRC's vendors in the form and format required by Finance for Judicial Council reporting purposes.
- **Judicial Council:** The council's Finance office is responsible for maintaining and providing the information relating to payments to, and contracts with, vendors of the Judicial Council.

Contents of the reports

The reports from the Judicial Council will include a list of all vendors that receive a payment from a judicial branch entity during the reporting period. Public Contract Code section 19209 also requires the Judicial Council to submit additional information on each distinct contract between a vendor and a judicial branch entity, but only if more than one payment was made under the distinct contract during the reporting period. For each distinct contract, the report includes the following information by vendor:

- The judicial branch entity that contracted for the good or service;
- The amount of payment; and
- The type of service or good provided.

The reports also include a list of all judicial branch entity contracts that were amended during the reporting period. The report contains the following information by vendor for each distinct contract that was amended:

- The name of the vendor;
- The type of service or good provided;
- The nature of the amendment;
- The duration of the amendment; and
- The cost of the amendment.

The reports are reviewed to determine if there are any statutory or other restrictions on information disclosure to third parties specifically related to HCRC, lawsuits in process, and the like. Such information may be redacted.

This report also includes modifications designed to improve the display of various aspects of contract information. Specifically, the Trial Court Contract Report has been revised to provide a summary of contract activity during the reporting period for each contract on a single line; previous reports included multiple lines for a single contract, resulting in difficulty when the contracts were sorted.

Comments, Alternatives Considered, and Policy Implications

Comments and policy implications

It is important that each judicial branch entity maintain and provide accurate and consistent information so that the reports provided by the Judicial Council, in turn, contain accurate and complete information. All judicial branch personnel involved in maintaining and providing the necessary information must have the training, experience, level of responsibility, and accountability necessary to ensure the accuracy, completeness, and consistency of the information maintained and provided. No adverse policy implications will result from acceptance or approval of these reports.

Alternatives

No alternatives were considered because the recommendation is consistent with approved council policy and with the provisions of Public Contract Code sections 19201–19210.

Implementation Requirements, Costs, and Operational Impacts

The proposed recommendation imposes no specific implementation requirements or costs, other than the requirement to disclose the attached audit reports through online publication. The submission of this report was marginally delayed given the required reporting period for the financial data presented. The absence of a January Judicial Council meeting necessitated the report be submitted for review and approval upon the next available council meeting.

Attachments and Links

1. *Semiannual Report on Contracts for the Judicial Branch for the Reporting Period of July 1 through December 31, 2015*, with the following listed attachments, which because of their size, including any explanatory footnotes, are posted separately for access and review here: <http://www.courts.ca.gov/7466.htm>
 - Superior court reports:
 - Trial Court Contract Report, July 1 through December 31, 2015
 - Trial Court Payment Report, July 1 through December 31, 2015
 - Supreme Court, Courts of Appeal, Habeas Corpus Resource Center, Judicial Council reports:
 - Contract Amendment Report, July 1 through December 31, 2015
 - Payment Report, July 1 through December 31, 2015