



JUDICIAL COUNCIL OF CALIFORNIA

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REPORT TO THE JUDICIAL COUNCIL

Item No.: 20-078

For business meeting on: May 15, 2020

Title

Report to the Legislature: *Semiannual Report on Contracts for the Judicial Branch for the Reporting Period of July 1 through December 31, 2019*

Agenda Item Type

Information Only

Date of Report

February 1, 2020

Submitted 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; (2) for every vendor or contractor receiving more than one payment, the amount of the payment and the type of goods or services provided; and (3) the judicial branch entity receiving the goods or services. Therefore, the Judicial Council staff submitted this report on February 1, 2020, which listed all judicial branch entity contracts that were amended during the reporting period covering July 1 through December 31, 2019.

Relevant 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 (JLBC) and the State Auditor. All previous reports were submitted and approved at Judicial Council meetings or through circulating orders.

Analysis/Rationale

Statutory requirement

The Judicial Branch Contract Law (JBCL), enacted March 24, 2011, requires judicial branch entities to comply with the provisions of Public Contract Code section 19206, 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. 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 and the State Contracting Manual.”

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 (1) details about contracts and amendments to contracts entered into by judicial branch entities with vendors or contractors, (2) payments received by vendors and contractors, and (3) 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 October 1, 2019, the Judicial Council’s Branch Accounting and Procurement office has lead responsibility for providing the reports to the council for approval and submission to the JLBC and the State Auditor.

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

- **Supreme Court:** The Judicial Council’s Branch Accounting and Procurement office maintains information relating to payments to, and contracts with, the Supreme Court’s vendors. The Supreme Court is responsible for coordinating with the Judicial Council’s Branch Accounting and Procurement office, as appropriate, to ensure the information relating to payments to, and contracts with, the Supreme Court’s vendors is accurate, consistent, and complete.
- **Courts of Appeal:** The Judicial Council’s Branch Accounting and Procurement office maintains information relating to payments to, and contracts with, vendors of each Court of Appeal. Each Court of Appeal is responsible for coordinating with the Judicial Council’s Branch Accounting and Procurement office, as appropriate, to ensure the information relating to payments to, and contracts with, vendors is accurate, consistent, and complete.

- **Superior courts:** The Phoenix Financial System (Phoenix) 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 ensuring that information in Phoenix relating to payments to, and contracts with, that superior court's vendors is accurate, consistent, and complete.
- **Habeas Corpus Resource Center (HCRC):** The Judicial Council's Branch Accounting and Procurement office maintains information relating to payments to and contracts with vendors of the HCRC. The HCRC is responsible for coordinating with the Judicial Council's Branch Accounting and Procurement office, as appropriate, to ensure the information relating to payments to, and contracts with, the HCRC's vendors is accurate, consistent, and complete.
- **Judicial Council:** The Judicial Council's Branch Accounting and Procurement office is responsible for maintaining and providing accurate, consistent, and complete 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. During the current reporting period, the Judicial Council is reporting 17,469 payments representing \$227.7 million associated with 8,379 contracts. 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 goods or service;
- The amount of payment; and
- The type of service or goods provided.

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

- The name of the vendor;
- The type of service or goods 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 and lawsuits in process. Such information may be redacted.

In July 2018, the judicial branch implemented the Financial Information Systems for California (FI\$Cal), which is the financial and procurement system for all entities other than the superior courts. The entities using FI\$Cal include the Supreme Court, the Courts of Appeal, the HCRC, and the Judicial Council. The superior courts' data is on the Phoenix System.

The Department of FI\$Cal maintains transparency websites, eProcure and Open FI\$Cal, for all state agencies. As of January 2019, the judicial branch information has been available for viewing on the FI\$Cal websites. Users can see all procurement transactions and historical payment data on FI\$Cal older than 60 days.

Due to the current configuration of the state's FI\$Cal system, the attached non-superior court contract report does not identify whether a contract has been amended in the reporting period and does not consistently identify the duration or nature of the amendment per the statutory requirements.

The Judicial Council is working collaboratively with the Department of FI\$Cal to resolve these issues. We expect the necessary system reporting changes to be implemented by the end of the current reporting period (June 2020).

Fiscal Impact 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 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.

The reports impose no specific implementation requirements or costs, other than the requirement to disclose the attached audit reports through online publication.

Attachments and Links

1. Attachment A: *Semiannual Report on Contracts for the Judicial Branch for the Reporting Period of July 1 through December 31, 2019*
2. Link A: The following reports are posted separately for access and review at <http://www.courts.ca.gov/7466.htm> rather than as attachments.
 - Superior court reports, from July 1 through December 31, 2019:
 - *Trial Court Contract Report*
 - *Trial Court Payment Report*
 - Supreme Court, Courts of Appeal, Habeas Corpus Resource Center, and Judicial Council reports, from July 1 through December 31, 2019:
 - *Contract Report*
 - *Payment Report*