

UCLA

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Re: Change in State of California Contracting Policy

I am writing to alert you to a change in State policy that affects UCLA's ability to allow investigators to begin incurring costs under State of California agreements prior to the date on which they are signed by the State Department of General Services (DGS). Per Administrative Order 05-06.1 ("Approval/Non-Approval and Acceptance of Untimely Submitted Procurement and Contracting Documents") effective June 20, 2006, costs incurred prior to the full execution of State of California contracts and contract amendments will not be reimbursed by the State without a specific exception from the State Department of General Services. Although staff of the University of California of the President has had numerous discussions with the Assistant Deputy Director of DGS Office of Legal

Services, they have been unsuccessful in their attempts to exempt the University from its application.

In practice most State of California contracts are issued after the proposed project start date; sometimes months later. Full execution, that is, signature by all parties, takes even longer. In the past, Principal Investigators who found they had essential needs to commit or incur costs prior to receipt of a fully executed contract have asked the campus to permit spending through the "Request for Authorization to Spend" (RAS) process. Under UCLA Policy 920, OCGA staff can approve such requests if they can confirm the funding agency's commitment to issue the contract or amendment, and have determined that other departmental funds will be available to cover these costs, should the anticipated funding not materialize.

Given this new State Administrative Order, OCGA will only be able to approve a "Request for Authorization to Spend" when State program representatives indicate they have sought a specific exception to the State Administrative Order. There is however still some risk involved, as the State will only reimburse expenses incurred prior to DGS signature if DGS approves the funding agency's request. Thus it is important that everyone understand that there is a higher than normal level of risk associated with approval of spending prior to receipt of fully executed agreements in these instances.

I would appreciate your disseminating this memo to faculty and administrative staff within your respective academic units who may be affected by this change in State of California regulations. Questions about State of California contract support or about this memo should be directed to the OCGA Contract & Grant Officer who works with your respective area.

Sincerely,

A handwritten signature in black ink, appearing to read "Roberto Peccei". The signature is fluid and cursive, with a prominent initial "R" and a long, sweeping underline.

Roberto Peccei
Vice Chancellor for Research

cc: Assistant Vice Chancellor James R. Greenwood
Assistant Vice Chancellor Ann M. Pollack
Director Linda Lee