

AGENDA ITEM

III.A AUGUST 2017

DATE: July 27, 2017

TO: Members, Board Executive Committee

FROM: Steve Mazer, Director of General Services

SUBJECT: Sections Management Consulting Services for Transition Planning – Budget Allocation, and Waiver of Restriction on Former Employees Doing Business with the State Bar

EXECUTIVE SUMMARY

The State Bar, on behalf of and at the request of the State Bar Council of Sections (Council), wishes to engage a vendor for management consulting services, to assist the Council with the development and implementation of a transition plan for the separation of the sixteen (16) State Bar Sections and the California Young Lawyers Association into a new standalone entity, pursuant to Senate Bill 36 (SB36), which is currently pending in the Legislature. Because this project was not finalized at the time the mid-year budget amendment was put forward at the Board's last meeting, this agenda item requests that the Board of Trustees approve an increase to the 2017 Sections Administration budget, for the cost of the proposed contract. In addition, because the principal of the selected vendor is a retired State Bar employee, this item requests that the Board of Trustees waive, for good cause, the policy restricting former senior managers from doing business with the State Bar within twelve months of termination of employment.

BACKGROUND

SB36 directs the separation of the State Bar Sections from the State Bar, with the Sections transitioning to a private, nonprofit corporation organized under Section 501(c)(6) of the Internal Revenue Code. The Council has determined that consulting services are necessary to plan for and support this transition.

As part of the State Bar, the Sections do not have independent contracting authority. Therefore, on behalf of the Council, the Bar conducted a formal Request for Proposal process. An RFP was issued on May 30, 2017. By the June 21 submission deadline, proposals were received from three vendors. All three were invited to give presentations and be interviewed by the staff evaluation team, which took place on July 6. The Council, while not scoring members of the evaluation team, reviewed the proposals, participated in the interviews, and provided input to the evaluation team. Pam Wilson & Associates, LLC was the highest scored bidder. The Bar issued a Notice of Intent to Award the contract on July 10. Contract negotiations and preparation began on July 18 and are pending as of this writing.

Pam Wilson, principal of Pam Wilson & Associates, LLC, is the former Senior Director responsible for the Bar's Office of Education; she retired in December 2016. The State Bar has a policy restricting former members of the board of trustees or senior managers from doing business with the Bar within twelve months following expiration of their term or termination of employment. This policy is documented in Board Book Tab 4.3 (Contracts), Section 6, and states the following:

Section 6 Policy Restricting Former Members of the Board of Trustees and the Senior Managers Designated by the Executive Director from Doing Business with the State Bar

Members of the Board of Trustees and Senior Managers designated by the Executive Director, for a period of twelve months following expiration of their term of office or termination of employment, shall not:

- (a) Seek to do, or do, business with the State Bar for monetary gain; or
- (b) Act as agent or attorney for, or otherwise represent any person, for compensation by making any formal or informal appearance, or any oral or written communication before the State Bar, or any officer or employee or agent thereof, if the appearance or communication is for the purpose of influencing official State Bar action, including the awarding or revocation of services, contracts, or the sale or purchase of goods or property.

The board, or its designee, may waive the requirements of this policy for good cause.

DISCUSSION

This agenda item requests a \$167,000 increase to the 2017 Sections Administration budget to reflect the cost of the proposed contract with Pam Wilson & Associates, LLC, as follows:

- \$125,000 flat fee for a specific list of services and deliverables.
- \$200 hourly rate for additional services that may be requested by the Council, capped at 160 additional hours, or \$32,000.
- Travel expenses and miscellaneous pass-through expenses, all subject to prior approval before being incurred, up to \$10,000.
- Maximum cost: \$167,000.

The Sections have sufficient revenue to support this budget augmentation. The cost will be captured in the Sections Administration budget and will be proportionally allocated to all sections.

Approval is also sought for a waiver of the policy restricting former employees from doing business with the State Bar.

The selected firm's principal, Pam Wilson, is the Bar's former Senior Director of the Office of Education, who retired in December 2016 after 35 years of working with the Sections. Ms. Wilson has assembled a team of associates who bring additional expertise in finance, technology, marketing, continuing education and professional associations. It is the opinion of the staff evaluation team, and the strong consensus of the Council, that Pam Wilson &

Associates is the firm best suited to hit the ground running and set up the Sections for a successful transition.

The Board of Trustees is therefore requested to waive, for good cause, the policy restricting former senior managers from doing business with the State Bar within twelve months of termination of employment.

FISCAL/PERSONNEL IMPACT

If approved, this item will result in a \$167,000 increase to the Sections Administration 2017 budget.

RULE AMENDMENTS

None.

BOARD BOOK IMPACT

None.

BOARD GOALS & OBJECTIVES

Strategic Plan Goal 3. Improve fiscal and operational management, emphasizing integrity, transparency, and accountability.

Objective d. Reallocate funds to reflect expenditure review, new reserve policy, and other reengineering efforts.

BOARD COMMITTEE RECOMMENDATIONS

The Board Executive Committee, acting on behalf of the Board of Trustees, is asked to approve the following resolution:

RESOLVED, that the Board Executive Committee, acting on behalf of the Board of Trustees, approves a \$167,000 increase to the 2017 Sections Administration budget, for the cost of the contract with Pam Wilson & Associates, LLC for management consulting services; and it is

FURTHER RESOLVED, that the Board Executive Committee, acting on behalf of the Board of Trustees, waives Board Book Tab 4.3 (Contracts), Section 6 (Policy Restricting Former Members of the Board of Trustees and the Senior Managers Designated by the Executive Director from Doing Business with the State Bar), as applied to Pam Wilson, for good cause, as discussed this date.

ATTACHMENT(S) LIST

None.