Memorandum No. 12 (1961)

Subject: Renegotiation of certain research contracts.

Section 16304.1 of the Government Code provides for the reversion

of the undisbursed balance of an appropriation upon the expiration of

two years following the last day of the fiscal year during which the

appropriation was encumbered.

Accordingly, the authority to pay certain of our research contracts

from the money appropriated therefor has already expired and the authority

to pay another will expire before the study is completed.

The Budget Division has suggested that we renegotiate some of these

contracts before the end of this fiscal year in order to fund them out of

our 1961-62 appropriation. This will give the contractor two more years

within which to complete the study.

The Budget Division is undertaking to add $4,000 to our appropriation

for research for the fiscal year beginning July 1, 1961. This will permit

us to make next year the research contracts for future studies that we

would have made with the money we will use to fund the renegotiation

of existing contracts out of the appropriation for the current fiscal

year.

Attached as Exhibit I is a list of the current unpaid research

contracts.

It is requested that the Commission authorize the Chairman to

execute the necessary contracts on behalf of the Commission to carry out the suggestion of the Budget Division. We plan to expend almost all of the remaining unencumbered amount in our current budget for research ($5,300) to fund these renegotiated contracts.

The Budget Division has suggested that future contracts include a completion date to avoid this problem in the future. We plan to insert such a completion date in each of the renegotiated contracts.

Because of the delay we have experienced in receiving the completed studies called for by the research contracts listed on Exhibit I, the Commission may want the staff to determine whether the contractor actually intends to prepare the study called for by the contract. If he does not, we might do well to find another consultant or, in view of the number of completed studies now awaiting Commission consideration, we might defer engaging another consultant for some of these uncompleted studies.

With the $4,000 to be added to the budget for the 1961-62 fiscal year, we anticipate that we will have more than sufficient funds to cover research during the 1961-62 fiscal year.

It is now apparent that it will be some time before the Commission will consider the bail study. We have paid our consultant $1,000 out of the $1,500 due him for this study. The Commission may want to pay him the balance now rather than to require him to wait for a year or so before making that payment. The consultant has indicated that such payment would not affect his willingness to do any additional work on the study that the Commission considers necessary.

Respectfully submitted,

John H. DeMoully
Executive Secretary

EXHIBIT I

UNPAID RESEARCH CONTRACTS

FISCAL YEAR
1956-57 (Authority to pay expired June 30, 1959)

Contract Number	DATE OF CONTRACT	CONSULTANT	STUDY NO.	AMOUNT	AMOUNT PAID
10	7/26/56	Mann	27	$ 800	

FISCAL YEAR
1957-58 (Authority to pay expired June 30, 1960)

7	8/30/57	Van Alstyne	52	1,200	
8	8/30/57	Evans	45	600	
11	9/20/57	Verrall	50	600	
19	1/15/58	Riesenfeld	39	1,750	
20	5/1/58	Chadbourn	34	5,000	$4,500
21	4/23/58	Packer	35	750	
24	6/15/58	Cohen	57	1,500	1,000*

FISCAL YEAR
1958-59 (Authority to pay expires June 30, 1961)

1959(2)	6/4/59	Girard	61	1,000	

FISCAL YEAR
1959-60 (Authority to pay expires June 30, 1962)

1959-60(2)	10/28/59	Chadbourn	34	3,000	2,500
1959-60(4)	11/23/59	Hill, Farrer & Burrill	36	5,500	4,000
1959-60(5)	4/22/60	Brunn	53	1,000	

FISCAL YEAR
1960-61 (Authority to pay expires_____

1960-61	9/10/60	Hill, Farrer & Burrill	36	6,000	3,000

*$1,000 payment on this contract made 2/12/61 from 1960-61 Budget account for research.