

In the Matter of the Appeal by

CALIFORNIA DEPARTMENT OF CORRECTIONS
AND REHABILITATION

from the Executive Officer's May 14, 2012,
Decision Disapproving the Personal Services
Contract for Legal Services [SPB File No. 12-
003(b)]

PSC No. 12-02

BOARD DECISION
DECEMBER 14, 2013

APPEARANCES: Anna Lisa Awiszus, Assistant Chief Counsel, and James Michael Davis, Senior Staff Counsel, on behalf of Appellant, California Department of Corrections and Rehabilitation; Patrick Whalen, General Counsel, on behalf of the California Attorneys, Administrative Law Judges, and Hearing Officers in the State Employment.

BEFORE: Maeley Tom, President; Patricia Clarey, Vice President; and Richard Costigan, Kimiko Burton, and Lauri Shanahan, Members.

BACKGROUND

Pursuant to Government Code section 19132 and California Code of Regulations, title 2, section 547.58 et seq., the California Attorneys, Administrative Law Judges, and Hearing Officers in State Employment (CASE) requested the State Personnel Board (SPB) to review and disapprove Contract No. 5600000685 (the Contract), which is between Williams and Associates and the California Department of Corrections and Rehabilitation (CDCR). Under the contract, Williams and Associates would provide legal representation for CDCR in civil lawsuits filed by inmates who are in the custody of CDCR. The Contract, which was amended twice, termed from July 1, 2009, through June 30, 2012. CASE contended that the Contract does not comply with Government Code section 19130.

On March 23, 2012, CDCR submitted a copy of the Contract and a written response. CASE submitted a reply dated March 30, 2012. On May 14, 2012, the Executive Officer issued a decision disapproving the Contract on the basis that CDCR failed to establish that the Contract is exempt from the state civil service mandate under Government Code section 19130, subdivision (b)(3) or (10).

CDCR appealed the Executive Officer's Decision to the five-member Board. CDCR and CASE submitted written briefs respectively before the Board and presented oral argument during the Board's November 1, 2012, meeting. The Board has carefully considered the Decision issued by the Executive Officer as well as the written and oral arguments presented by the parties and now issues the following Decision upholding the Executive Officer's May 14, 2012, decision.

ANALYSIS AND DECISION

The Board finds that CDCR has failed to demonstrate that the contracted services cannot be performed satisfactorily by civil services employees, or are of such a highly specialized or technical nature that the necessary expert knowledge, experience, and ability are not available through the civil service system under Government Code section 19130, subdivision (b)(3).

While CDCR proffers that its staff attorneys are unable to handle the contracted litigation work, the evidence suggests otherwise. CDCR employs a sizeable number of staff attorneys with diverse and varying years of experience from entry-level attorneys to Attorney IVs. Notably, Attorney IVs are required to "have the knowledge of legal principles and court procedures, as well as the ability to conduct proceedings in trial and

appellate courts of California and the United States” (California State Personnel Board Specification, Attorney Series, Attorney IV).

The contracted litigation work encompasses defending CDCR’s staff and officers in prisoner-filed suits claiming various constitutional violations. While this work is customarily handled by the Office of the Attorney General (OAG), CDCR’s staff attorneys are not unfamiliar with these matters. CDCR assigns many of its attorneys to supervise and monitor the litigated matters handled by the OAG. While CDCR may not have directly participated in the litigation, its attorneys are not unaccustomed to litigation. Accordingly, to simply assert that it does not have attorneys who are capable of handling these cases is too convenient and against the weight of the evidence.

Even if CDCR’s assertions that its attorneys are without the necessary qualification or experience to defend against the contracted prisoner-filed suits, CDCR has not shown any effort at rectifying this perceived deficiency. Lest not forget, the Supreme Court has firmly held that there is an implied mandate from Article VII of the State constitution prohibiting state agencies from contracting with private entities to perform work that the state has historically and customarily performed and can perform adequately and competently. (*Professional Engineers in California Government v. Department of Transportation* (1997) 15 Cal.4th 543, 547.) Such a mandate requires more than a perfunctory nod or observation to determining whether the work may be handled by state employees.

The facts show that CDCR elected to enter into a three-year contract with Williams and Associates to represent CDCR and its employees in these suits. The facts do not reveal any effort by CDCR during the course of the three-year contract to

determine how to return the work to the state. Perhaps CDCR could have analyzed the complexity of each matter rejected by the OAG and only contract out cases that are highly specialized or technical beyond the knowledge and expertise of its staff attorneys. CDCR could have allotted time to its experienced senior staff attorneys to prepare for, and handle the cases destined for outside counsel. Again, the Attorney IVs are presumptively experienced and qualified to handle litigation as noted within the job specification. Assuming further that CDCR's is devoid of attorneys, including those within the Attorney IV rank, who can handle these litigated matters, CDCR could have made some attempt to obtain necessary funding to hire limited-term or permanent legal staff with the qualifications or skills necessary to take over the cases. While the Board is cognizant of the scarce state resources and the difficulty of obtaining additional funding, CDCR should have at least made the overture to obtain the funding. At the very least, such a step would show the good faith effort by CDCR at complying with implied mandate. (*In the Matter of the Appeal by SEIU, Local 1000* (2005) PSC No. 05-03.) Failing to make any endeavor in this regard, CDCR cannot justify its contract under Government Code section 19130, subdivision (b)(3).

The Board further finds that CDCR has failed to demonstrate that the contracted services are of such an urgent, temporary, or occasional nature that the process a state agency undertakes to fill the civil service positions would frustrate their very purpose of the contract, under Government Code section 19130, subdivision (b)(10).

In particular, CDCR has not presented any facts showing that the proceedings in all contracted cases are of an urgent or occasional nature that termination of the Contract would subject all contracted cases to potential default judgments against

CDCR employees. The Board understands that litigation is often time sensitive. However, replacing attorneys is not a novel or unprecedented event. Substituting attorneys during the course of a case frequently occur for various reasons. In this case, once the perceived urgency subsides, CDCR should have taken the steps at securing state attorneys to handle the cases. There is no evidence of such an effort by CDCR. Further, it is undisputed, albeit at a much lower rate, the OAG has for years continued to reject CDCR cases, which signifies that the OAG rejections are not of such an occasional or temporary nature that CDCR could not have anticipated.

The Board noted CASE's objection of the new documentary evidence and declarations attached to CDCR's August 13, 2012, opening brief. The Board believes that with due diligence, these documents could have been submitted to the Executive Officer for review. The parties have an obligation to adequately prepare and present their case before the Executive Officer to enable the Executive Officer to make an informed and sound decision. The practice of submitting to the Board at the appeal stage documents that could have been obtained by the parties in the proceedings before the Executive Officer is prejudicial to the objecting party, encumbering to the Board's contract review process, and is strongly discouraged by the Board. Accordingly, the new documentary evidence submitted by CDCR in its August 13, 2012, brief is excluded and not considered by the Board.

CASE additionally requests that CDCR's Contract be disapproved on the basis that CDCR failed to provide notice under Government Code section 11045, subdivision (c). Subdivision (c) provides that CDCR *shall* provide a copy of the proposed contract to the designated representative of State Employees Bargaining Unit 2 or CASE,

notwithstanding the notice requirement imposed on OAG by the statute. As such, CDCR's argument that OAG's notice is sufficient in lieu of its own notice is without merit. The Board disagrees, however, that the remedy for not complying with this subdivision is disapproval of the contract. The maxim that "for every wrong there is a remedy" applies only to those wrongs for which the law authorizes or sanctions redress. (Civ.Code § 3523; *Mega Life & Health Ins. Co. v. Superior Court* (2009) 172 Cal. App. 4th 1522.) The Board's authority to disapprove a contract stems from Government Code section 19130, and the Board is without authority to disapprove a contract based on the state agency's violation of Government Code section 11045, subdivision (c). Nonetheless, the Board believes that Government Code section 11045, subdivision (c) serves an important purpose in protecting the civil service merit system, and the Board strongly urges that state agencies, including CDCR, adhere to the requirements of subdivision (c), in notifying CASE of their proposed contracts for legal services.

ORDER

1. The attached May 14, 2012, Decision of the Executive Officer is hereby adopted by the State Personnel Board as its Decision with the aforementioned opinion incorporated.
2. The new documentary evidence and declarations attached to CDCR's August 13, 2012, opening brief is stricken.
3. For future purposes, CDCR is advised to provide adequate notice to CASE when it submits proposed legal services contracts to the Department of General Services for review under Government Code section 11045.

* * * * *

STATE PERSONNEL BOARD

Maeley Tom, President
Patricia Clarey, Vice President
Richard Costigan, Member
Kimiko Burton, Member
Lauri Shanahan, Member

* * * * *

I hereby certify that the State Personnel Board made and adopted the foregoing
Decision at its meeting on December 14, 2012.

SUZANNE M. AMBROSE
Executive Officer
State Personnel Board

ATTACHMENT



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May 14, 2012

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Mr. Patrick Whalen
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CASE
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Re: Request for Review of PS Contract #5600000685 (SPB File No. 12-003(b))

Dear Counsel:

Pursuant to Government Code section 19132 and California Code of Regulations, title 2, section 547.58 et seq., the California Attorneys, Administrative Law Judges, and Hearing Officers in State Employment (CASE) requested the State Personnel Board (SPB or the Board) to review and disapprove Contract No. 5600000685 (the Contract), which is between Williams and Associates and the California Department of Corrections and Rehabilitation (CDCR). The Contract provides that Williams and Associates will provide legal representation for CDCR in civil lawsuits filed by inmates who are in the custody of CDCR. The Contract, which was amended twice, has a total current term from July 1, 2009, through June 30, 2012. CASE contends that the Contract does not comply with Government Code section 19130.

In a letter dated February 23, 2012, the Board notified CDCR of CASE's request for review and disapproval of the Contract. CDCR submitted a copy of the Contract and a written rebuttable dated March 23, 2012. CASE submitted a reply dated March 30, 2012.

After due consideration and a thorough review of the documents, it is determined that CDCR failed to establish that the Contract is exempt from the state civil service mandate under Government Code section 19130, subdivision (b)(3) or (10). Accordingly, the Contract is disapproved.

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Position of CDCR

Under Government Code section 11040, subdivision (a), the California Office of the Attorney General (OAG) serves as counsel for most state agencies, including CDCR, and the employees of those agencies. As a result, CDCR is statutorily mandated to use the legal services of the OAG in all civil actions.

Beginning in the summer of 2009, the OAG informed CDCR that the combination of increased prison-related litigation and OAG budget cuts, which prevented the OAG from retaining additional deputy attorneys general, resulted in inadequate staffing to perform legal services for CDCR. Consequently, the OAG, pursuant to Government Code section 11040, provided CDCR with consent to employ counsel other than the Attorney General for the cases that the OAG could not accept. The OAG informed CDCR that it would review and re-assess the situation.

CDCR contracted with Williams and Associates to represent CDCR in inmate civil litigation cases throughout California that the OAG had declined to provide CDCR with legal services. The Contract, which was amended twice, extends from July 1, 2009, through June 30, 2012.

CDCR does not dispute that it never notified CASE of the Contract or the amendments to the Contract. CDCR maintains that Government Code section 11045 [written notification required whenever a state agency requests the consent of the OAG to employ outside counsel] is inapplicable since CDCR did not seek the consent of the OAG to employ private counsel; rather, CDCR sought the legal representation of the OAG, but the OAG declined to represent CDCR and, unilaterally, authorized CDCR to hire outside counsel. CDCR argues in the alternative that even assuming it was required to notify CASE of the Contract, the lack of notification did not prejudice CASE. CDCR does not address CASE's argument that CDCR failed to provide CASE with notice of the Contract as required by Government Code section 11045, subdivision (c) [written notification required whenever any state agency submits a proposed contract for outside counsel to the DGS].

CDCR argues that Government Code section 19130, subdivision (b)(3) and (10) justify the need for the Contract.¹ CDCR relied on the express representations of the OAG that its Correctional Law and Tort and Condemnation units lacked the sufficient number of attorneys to represent CDCR in certain inmate civil litigation matters. Thus, the legal services provided to CDCR by Williams and Associates are services not currently available in state service, albeit the OAG continues to monitor its staffing levels and budget. In addition, the Contract was a transitory situation that has now largely run its course. Given, however, that the OAG still declines to represent CDCR in certain cases, although the number of declines has significantly lessened, CDCR believes it prudent to keep the Contract open. CDCR likens the need for the Contract to

¹ CASE argued that the Contract was impermissible under Government Code section 19130, subdivision (a). In its rebuttal, CDCR acknowledges that subdivision (a) is inapplicable since CASE challenges the Contract under Government Code section 19132, which only provides a basis for review under Government Code section 19130, subdivision (b). Accordingly, only those arguments relative to subdivision (b) are set forth herein.

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the factual scenario in *CCPOA v. Schwarzenegger* (2008) 163 Cal.App.4th 802 (*CCPOA*), where the court found that CDCR's contract with private out-of-state peace officers was justified under Government Code section 19130, subdivision (b)(3) and (10).

Finally, CDCR argues that a disapproval of the Contract would cause CDCR to incur the increased expense of paying for both its current attorneys and new attorneys. Additionally, disapproval of the Contract would jeopardize CDCR's legal defenses.

Position of CASE

CASE, which is the exclusive representative of State Bargaining Unit 2 employees, acknowledges that the OAG has for many years represented and defended CDCR in civil litigation brought by inmates. CASE further acknowledges that in recent years the OAG has declined to represent CDCR in these matters. CASE maintains that this type of legal work is traditionally performed by Unit 2 civil servants.

CASE argues that CDCR did not provide it with written notice of the Contract as required by Government Code section 11045, subdivisions (a)(1) and (c). Based on those failures alone, CASE argues that the Contract is legally invalid and should thus be disapproved.

In addition, CASE contends that the Contract does not fall under Government Code section 19130, subdivision (b)(3), because no evidence establishes that the legal services of the Contract are not available within state service. The record demonstrates that not only did the OAG have attorneys, but CDCR had attorneys as evidenced by the fact that CDCR's rebuttal was prepared and signed by a CDCR Senior Staff Counsel. Relying on *CCPOA*, where the court found the test was "whether the civil service could not perform the task...quickly enough," CASE argues that the test here is "whether the state could staff up in time to perform the work." (*CCPOA, supra*, 163 Cal.App.4th at p. 823.) In *CCPOA*, the union admitted that attrition, recruitment problems, and training delays encumbered staffing at adequate levels to address prison overcrowding. In contrast, CASE asserts it has made no such admission in this matter, and further, no evidence exists showing delays in hiring state attorneys.

Likewise, CASE argues that Government Code section 19130, subdivision (b)(10), does not justify the Contract. CDCR offers no evidence or even argument that there were any delays in hiring attorneys, that CDCR could not hire attorneys, or that any delay in hiring attorneys would prejudice their ability to handle the legal workload that is subject to the Contract.

Further, CASE argues that no urgent or temporary need exists to justify the Contract under Government Code section 19130, subdivision (b)(10). The three-year length of the Contract term shows that the situation with the OAG is not of a temporary nature. CDCR offers no evidence of a legal crisis or anything remotely resembling the emergency described by the appellate court in *CCPOA*. Moreover, CDCR presents no evidence that CDCR lacks a sufficient number of attorneys to represent CDCR in litigation matters that the OAG had declined.

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CASE also maintains that the OAG's decision to allocate attorneys to other sections does not establish a shortage of personnel but simply a shifting of priorities away from the legal sections that perform CDCR legal work. Reallocation of personnel does not establish an emergency like the one in *CCPOA*, since departments cannot manufacture a need for a service and then use that need to circumvent constitutional and statutory civil service requirements.

Analysis

The California Supreme Court recognized that, emanating from Article VII of the California Constitution, is an implied "civil service mandate" that prohibits state agencies from contracting with private entities to perform work that the state has historically and customarily performed and can perform adequately and competently. (*Professional Engineers in California Government v. Department of Transportation* (1997) 15 Cal.4th 543, 547.) Government Code section 19130 codifies the exceptions to the civil service mandate recognized in various court decisions. The purpose of SPB's review of contracts under Government Code section 19130 is to determine whether, consistent with Article VII and its implied civil service mandate, state work may legally be contracted to private entities or whether it must be performed by state employees.

To justify a personal services contract pursuant to Government Code section 19130, subdivision (b), a department must provide *specific and detailed factual information* demonstrating that one or more of the exceptions set forth in section 19130 apply. The agency seeking the personal services contract bears the burden of establishing that a section 19130 exemption applies. (*State Compensation Ins. Fund v. Riley* (1937) 9 Cal.2d 126, 134-135).

Government Code section 19130, subdivision (b)(3), authorizes a state agency to enter into a personal services contract when:

[t]he services contracted are not available within civil service, cannot be performed satisfactorily by civil service employees, or are of such a highly specialized or technical nature that the necessary expert knowledge, experience, and ability are not available through the civil service system.

Government Code section 19130, subdivision (b)(3), thus requires the department to establish either: (1) no civil service job classifications exist to which the department could appoint employees with the requisite expertise needed to perform the required work; or (2) the department was unable to successfully hire suitable candidates for any of the applicable classifications. (*In the Matter of the Appeal by SEIU*, PSC No. 05-03, at p. 8.)

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Government Code section 19130, subdivision (b)(10), authorizes a state agency to enter into a personal services contract with a private contractor when:

[T]he services are of such an urgent, temporary, or occasional nature that the delay incumbent in their implementation under civil service would frustrate their very purpose.

Accordingly, to justify a contract under Government Code section 19130, subdivision (b)(10), a state agency must provide sufficient information to show: (1) the urgent, temporary, or occasional nature of the services; and (2) the reasons why a delay in implementation under civil service would frustrate the very purpose of those services. (*California State Employees Association* (2003) PSC No. 03-02 at p. 3; *State Compensation Insurance Fund* (2003) PSC No. 03-02 at p. 14.)

In *CCPOA*, the Third Appellate District held that CDCR's contract for services of private out-of-state prisons to house state prison inmates in order to combat overcrowding satisfied the afore-stated exceptions to the state's prohibition against contracting out services ordinarily performed by civil service employees. (*CCPOA, supra*, 163 Cal.App.4th 802.) The appellate court based this finding on CDCR's showing that the governor's proclamation of a state of emergency established an urgent need for additional prison facilities and services; however, the design, construction, and renovation of additional prison housing units could not occur quickly enough to resolve the inmate population crisis. (*Id.* at pp. 822.) The appellate court also found that CDCR established it was "unable to employ enough correctional officers to work in the additional inmate housing units needed to combat the prison overcrowding emergency" and "[e]ven if CDCR could have hired and trained the requisite number of officers, ... CDCR had no additional inmate housing units in which the officers could perform their services" (*Id.* at pp. 822-23.)

In this case, the record shows that the OAG Tort and Condemnation Section was directed to reduce its size by transferring staff to other sections of the office (Exh. C) and that the Correctional Law Section had been unable to fill vacancies while facing an explosion of inmate lawsuits (Exh. D). A September 11, 2009, letter from the OAG to CDCR states that the Correctional Law and Tort and Condemnation Sections are "simply not funded, and consequently lack the requisite attorneys, to litigate all of the cases" that CDCR sends to the OAG. (Exh. E.) A February 2, 2012, letter from the OAG to CDCR returns to CDCR a pro se plaintiff case since the Tort and Condemnation Section is not currently staffed to provide representation in the case. (Exh. F.)² Government Code section 19130, subdivision (b)(3), does not apply "when the services could be performed through the civil service system, but not enough civil service employees are currently employed to perform those services." (*In the Matter of the Appeal by the Department of Pesticide Regulation* (2002) SPB Dec. 01-09, 12-13.)

² It should be noted that CDCR only included as exhibits to its rebuttal correspondence from the OAG to CDCR in 2009, not in 2010 or 2011.

It is undisputed that CDCR is statutorily required to use the legal services of the OAG in civil litigation matters unless the OAG gives CDCR consent to hire outside counsel. In light of this statutory mandate, it is reasonable to assume that CDCR does not necessarily hire or employ attorneys with the federal and state court litigation experience, skills, and knowledge which deputy attorneys general possess by the nature of their work for the OAG. Nonetheless, CDCR does not provide specific information regarding the number and complexity of the cases subject to the Contract, nor does CDCR advance any reason why its own attorneys could not represent CDCR in the cases contracted out to Williams and Associates. CDCR has thus not shown that it exhausted all reasonable avenues for procuring the necessary services through civil service. (*In the Matter of the Appeal by the Department of Pesticide Regulation, supra*, SPB Dec. 01-09 at p. 14.) Accordingly, CDCR has not established the applicability of Government Code section 19130, subdivision (b)(3).

CDCR also fails to establish an exemption under Government Code section 19130, subdivision (b)(10). The original term of the contract was from July 1, 2009, through June 30, 2012. The original projected expenditures for the Contract were: (1) fiscal year (FY) 2009-2010, \$300,000; (2) FY 2010-2011, \$300,000; and (3) FY 2011-2012, \$400,000. Thus, the total original agreement was for a sum of \$1,000,000.00. The first amendment to the Contract, which was in January 2011, increased the maximum total amount of the Contract to \$2,200,000.00. The second amendment to the Contract, which was only five months later, in June 2011, more than doubled the total sum of the Contract to \$5,000,000.00. The three-year length and significant total amount of the Contract is not of a temporary or occasional nature.

The OAG letters to CDCR (Exhs. B, C, D, & E) note that the OAG would monitor the progress of existing CDCR cases and notify CDCR when new CDCR legal work could be accepted by the OAG. CDCR argues that these notations indicate that the OAG “understood the situation to be fluid.” This argument is unpersuasive, since the three-year length and significant amount of the Contract suggests that CDCR did not view the OAG’s fiscal crisis and staffing shortages as short term or temporary. Additionally, the Contract itself shows that CDCR did not at the time of the Contract’s implementation view subdivision (b)(10) as applicable. As justification for contracting for private legal services, the Contract *only* relies upon subdivision (b)(7), which concerns conflicts of interest, albeit the stated reason concerns “[t]he private counsel services being contracted are not available within civil service.”³

CDCR also fails to establish that the Contract was urgent. The September 11, 2009, letter from the OAG to CDCR (Exh. E) shows that over several months prior to the September letter the

³ It should be noted that CASE did not object to CDCR relying on Government Code section 19130, subdivision (b)(10) as a grounds for approval of the Contract. Hence, CASE has waived any objection to CDCR’s reliance upon subdivision (b)(10). (*In the Matter of the Appeal by the Department of Pesticide Regulation, supra*, SPB Dec. 01-09 at p. 14.) Nonetheless, the stated reason in the Contract is considered herein for its relevance to CDCR’s position that the Contract was urgent and temporary, and hence exempt from the civil service mandate under subdivision (b)(10).

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workload issues faced by the OAG were discussed with CDCR, suggesting that CDCR had the opportunity to plan for an event where CDCR would be unable to acquire the legal services of the OAG. Contracting out is not justified under Government Code section 19130, subdivision (b)(10), where the urgency is self-created and arises as a result of a department's lack of planning. (*In the Matter of the Appeal by SEIU* (2008) PSC No. 08-10.) In addition, as discussed above, the Contract itself states that the Contract is justified under subdivision (b)(7), not (b)(10).

CCPOA is distinguishable. In that case, Governor issued a proclamation declaring an urgent need for additional prison facilities and services; however, the design, construction, and renovation of additional prison housing units could not occur quickly enough to resolve the inmate population crisis. (*CCPOA, supra*, 163 Cal.App.4th at pp. 822.) Here, no similar proclamation existed as to CDCR's need for legal services. While civil litigation involves deadlines and timeframes, CDCR does not explain why the contracted out cases were of an urgent nature. CDCR does not address why, for instance, extensions of time or continuances in these cases were not possible or feasible. CDCR thus fails to establish that the Contract falls within the Government Code section 19130, subdivision (b)(10), exception allowing personal services contracts outside the state civil service system.

CDCR offers no legal basis for the proposition that a personal services contract can be approved on grounds that disapproval of the contract would have a negative fiscal and/or legal impact on the department. Additionally, CDCR's argument in this regard is cursory and vague without any elaboration as to the nature or number of cases that will be impacted by a decision disapproving the Contract.

Nonetheless, a transition period is appropriate to minimize any impact the disapproval of the Contract will have on CDCR's legal stance in the cases being handled by Williams and Associates under the Contract. Accordingly, the legal services being currently performed by Williams and Associates under the Contract may be continued for a period of time not to exceed the end of the term of the Contract to allow the coordination and transfer of cases to the OAG. CDCR shall promptly notify the Board and CASE when the transfer of the cases from Williams and Associates to the OAG is complete.

Given that CDCR fails to establish the applicability of the exemptions under Government Code section 19130, subdivision (b)(3) or (10), CASE's argument as to lack of notice need not be addressed.

Conclusion

CDCR has not demonstrated that the exemptions found in Government Code section 19130, subdivision (b)(3) and (b)(10) apply to the Contract. Accordingly, the Contract is disapproved. However, the legal services being currently performed by Williams and Associates under the Contract may be continued for a period of time not to exceed the end of the term of the Contract to allow the coordination and transfer of cases to the OAG. CDCR shall promptly notify the

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Board and CASE when the transfer of the cases from Williams and Associates to the OAG is complete.

The parties have a right to appeal this decision to the five-member State Personnel Board under California Code of Regulations, title 2, section 547.66. Any appeal should be filed no later than 30 days following receipt of this letter in order to be considered by the Board.

Absent an appeal, within 15 days of the Board's final action, CDCR must serve the vendor with a notice of the discontinuation of the Contract consistent with the decision herein. A copy of the notice must be served on the Board and CASE as required by Government Code section 19135, subdivision (b).

Sincerely,

SUZANNE M. AMBROSE
Executive Officer