



## Finance and Administration Committee

# Agenda Item 4g

---

April 18, 2022

**Item Name:** Contracts Administration: Extension to Advance Systems Group, LLC Contract

**Program:** Office of Public Affairs

**Item Type:** Action Consent

### **Recommendation**

Approve an additional one-year contract term extension for the Office of Public Affairs video hardware maintenance contract, to fulfill the board's duty to educate and inform CalPERS members and stakeholders.

### **Executive Summary**

In order to provide continued maintenance on video hardware and provide knowledge transfer as these services are transitioned in-house, the Office of Public Affairs recommends that the Finance and Administration Committee approve a one-year extension to the video hardware maintenance contract, consistent with procurement policies adopted by the Board in Resolution 92-04B-4.

### **Strategic Plan**

The one-year extension of the video maintenance contract supports CalPERS Strategic Plan goal fund sustainability, to provide education and outreach to our members and stakeholders.

### **Background**

CalPERS contracts for goods and services are limited to a duration of five (5) years unless approved by the board pursuant to Resolution No. 92-04B-4. This Resolution requires, among other things, that the board affirmatively determine that a longer contract term is necessary to fulfill the board's duty to serve the interests of CalPERS members, including the interest in defraying administrative expenses. Such a determination shall only be made after considering the following factors (among any others the board may deem prudent under the particular circumstances):

- The impact of a longer term upon the system's interests in obtaining quality services at a reasonable cost; and

- The system's ability to monitor the performance of contractors with such lengthy contract terms, and to take corrective action (including expeditious termination of the contract) if necessary to fulfill the board's fiduciary duties.

## **Analysis**

With the authority to extend the contract duration residing with the board, the Office of Public Affairs requests the committee extend this contract duration for an additional year. The Office of Public Affairs is working with CalPERS Information Technology Services Branch (ITSB) to transition video maintenance services in-house. Historically, ITSB has not assumed the maintenance support responsibility for the video equipment. The Office of Public Affairs has maintained a third-party vendor for these services. Bringing these services in-house will result in an annual cost savings of approximately \$20,000.00 and will ensure proper maintenance, security, and storage of video files.

## **Budget and Fiscal Impacts**

The potential budget and fiscal impacts of not approving the duration extension will delay any critically needed maintenance to video hardware and potential loss of data. This could impact deliverables for key CalPERS events or communications. The loss of knowledge transfer could delay the transition of the services to ITSB and prevent proper maintenance to existing video hardware. If the extension is not approved, this could result in increased costs in procurement and management of a new five (5) year contract.

## **Benefits and Risks**

The benefits of approving the recommendation include:

- Reduced future costs of approximately \$20,000.00 annually by transferring knowledge from the third-party vendor to CalPERS ITSB team.
- Reduced risk of higher fees if a new five (5) year contract is implemented.
- The risks of not approving the recommendation include:
  - Interruption of critical deliverable for a CalPERS event or communications.
  - Potential impact on the ability of the board and CalPERS team to fulfill its obligations to CalPERS members.
  - Potential loss of data and proper maintenance of existing video hardware.

## **Attachments**

Attachment 1 – Resolution No. 92-04B-4

---

Brad W. Pacheco  
Deputy Executive Officer  
Communications & Stakeholder Relations