



Consent

Agenda Item 4d

September 17, 2013

ITEM NAME: Contract Expenditure Report

PROGRAM: Financial Office

ITEM TYPE: Consent Information

EXECUTIVE SUMMARY

This report provides CalPERS contract expenditure information detailing contracts over \$100,000 as of June 30, 2013 for the Administrative, Enterprise Project, and Headquarters Building Account Budgets. As of that date, the total dollar amount expended on contracts over \$100,000 was approximately \$132.8 million, or 88.5% of the total encumbered amount of approximately \$150.0 million.

STRATEGIC PLAN

This item supports Goal B of the CalPERS 2012-17 Strategic Plan: to cultivate a high-performing, risk-intelligent and innovative organization by actively managing business risks with an enterprise-wide view.

BACKGROUND

This report was developed in an effort to provide the Finance & Administration Committee with specific information regarding contract expenditures that exceed \$100,000 for the 2012-13 fiscal year ended June 30, 2013. In addition to actual dollar value information, the report also details the information by type of contract and contractual vehicle.

ANALYSIS

Of the approximately \$132.8 million expended, 32.6% or \$43.3 million is related to operational requirements such as equipment maintenance, hardware, professional services and pro-rata (examples such as State Controller's Office, external auditors), and software/software maintenance. The remaining \$89.5 million is related to consulting services, and of that amount, \$41.8 million or 46.7% is related to the myCalPERS project. The remaining consulting costs of \$47.7 million are spread over 87 other vendors.

The total expended on contracts over \$100,000 for the fiscal year ended June 30, 2013 was approximately \$132.8 million compared to approximately \$62.2 million for the same period in fiscal year 2011-12, a difference of \$70.6 million. This increase in expenditures is primarily associated with additional funding for the Accenture contract to support the myCalPERS system and the extension of system maintenance and operation support through to September 2014, increases to counsel legal expenses related to investment operations and bankruptcy litigation, and a hardware refresh and

software maintenance related to the Oracle IT system platform. These increases were offset by decreases in other consulting contracts.

ATTACHMENTS

Attachment 1 – CalPERS FY 2012-13 Contract Expenditure Report as of June 30, 2013.

LUCILLE BOSNICK
Acting Assistant Division Chief

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