



Agenda Item 7d

September 17, 2013

ITEM NAME: Federal Legislative Representative Contract: Change in Key Position

PROGRAM: Health

ITEM TYPE: Information

EXECUTIVE SUMMARY

Under the Board of Administration's existing contract with Lussier, Gregor, Vienna & Associates, Inc. (LGV&A) for Federal Legislation Representation services, CalPERS must be notified of any change in personnel identified as key persons, or occupying key positions, that service the CalPERS contract. CalPERS also has the right to approve or reject the use of these individuals, subject to certain limits. LGV&A has informed CalPERS staff that Chris Jennings, President of Jennings Policy Strategies, Inc. (JPS) and identified as a key person and LGV&A Subcontractor responsible for health policy related issues, has accepted a senior position in the Obama White House. LGV&A has also proposed Mr. Jennings' replacements under the terms of the contract and submitted their names to CalPERS for approval. CalPERS staff agrees with the proposed strategies and personnel, and is prepared to provide that approval.

STRATEGIC PLAN

This item supports the Strategic Plan goal to engage in State and national policy development to enhance the long-term sustainability and effectiveness of our programs.

BACKGROUND

The Board's current Federal Legislative Representative regularly organizes meetings and events with legislators, policy-makers and other key players in Washington on behalf of Board members and senior staff, as well as develops policy strategies and recommendations.

The CalPERS Federal Legislative Representative contract requires LGV&A to identify any member of its staff who will play a significant administrative, policy or consulting role as a "Key Person", and specifies that it shall not replace any such Key Person without CalPERS prior approval, which approval will not be unreasonably withheld, and that CalPERS reserves the right to disapprove the continuing assignment of Key Persons. The contract also specifies that if CalPERS or LGV&A have identified any specific job title in Contractor's organization that will play a significant role under the contract as a "Key Position," (regardless of whether the individual filling the position is a Key Person) then LGV&A shall act speedily and diligently to fill any vacancies in such Key Position. It also requires LGV&A to notify CalPERS in writing within five (5)

calendar days of the occurrence of, among other things, the replacement of a person in a Key Position or a vacancy in a Key Position;

ANALYSIS

With the departure of Chris Jennings as a Subcontractor, LGV&A has proposed engaging two service providers instead of one to fulfill its health care obligations for the balance of the current contract. The first being an individual or firm that is well known to key officials and policy makers in Congress and the Administration, various stakeholders and coalitions, and able to provide “big picture” policy advice and representation on health care issues of interest to CalPERS. The second would provide day-to-day services that include, but are not limited to: regular communications with CalPERS staff regarding developing issues that could impact CalPERS; identifying and cultivating appropriate opportunities for CalPERS Board Members, Executives and health staff to participate in DC-based activities, such as providing testimony before relevant Committees of Congress and coalition building with our partners.

LGV&A has recommended engaging Yvette Fontenot as the first provider. She is a current partner in the consulting firm Avenue Solutions and former Obama Administration official and Congressional Committee staffer specializing in health care policy. Ms. Fontenot was deeply involved in the drafting of the federal Affordable Care Act (ACA) as a senior member of Senator Max Baucus' staff and has been a leader in the Administration's implementation effort. Prior to joining the Senate staff she worked for JPS and provided services to CalPERS as part of a prior LGV&A contract.

LGV&A has also recommended engaging Andrew MacPherson, the Director of Government Relations for JPS, as the second provider. Mr. MacPherson has become very familiar with the CalPERS health care program, and is in the process of expanding his business as an independent health care consultant. Prior to his time at JPS, he worked for a range of policy and political organizations and elected officials.

The resumes of both individuals are included as attachments.

BUDGET AND FISCAL IMPACTS

Not applicable – LGV&A will secure this team at a cost essentially the same as the JPS contract amount.

BENEFITS/RISKS

- Approval of the LGV&A proposed strategies and personnel will ensure the continued effective representation of CalPERS perspectives and positions on federal legislative and regulatory actions.
- Failure to identify and install qualified replacement(s) for Key Personnel under the Federal Legislative Representative Contract will jeopardize CalPERS

ability to receive effective representation of CalPERS perspectives and positions on federal legislative and regulatory actions.

Attachment 1 – Resume of Yvette Fontenot
Attachment 2 – Resume of Andrew MacPherson

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