



## Agenda Item 6a

October 14, 2014

**ITEM NAME:** Health Care Policy Federal Representative: Selection of Finalists for Interview

**PROGRAM:** Legislation

**ITEM TYPE:** Action

### **RECOMMENDATION**

Approve staff's recommendation that the Board select the top two proposers for the Health Care Policy Federal Representative (Health Care Representative) as Finalists for interviews with the CalPERS Board of Administration (Board) in November 2014.

### **EXECUTIVE SUMMARY**

The purpose of this item is to prepare the Board to interview Finalists for the Health Care Representative contract in November 2014.

### **STRATEGIC PLAN**

This agenda item supports Goal C of the 2012-17 Strategic Plan, because the Health Care Representative is a key component in CalPERS ability to engage in national policy development to enhance the long-term sustainability and effectiveness of our programs.

### **BACKGROUND**

In May 2014, the Board directed staff to develop and launch three policy-specific Request for Proposals (RFP) for federal policy representation, and an RFP to create a spring-fed pool of federal consultants to provide additional support to meet new, increased, or otherwise unanticipated federal consulting needs. The first three RFPs were launched in early August, closing in mid-September, and the pool RFP is open until the end of October. The federal representation contract with Lussier Gregor Vienna and Associates was extended until no later than June 30, 2015.

### **ANALYSIS**

The final filing date for the Health Care Representative RFP (RFP 2014-7185) was September 11, 2014, and four proposals were received. An Evaluation Committee met to discuss the reviewers' impressions and evaluations of the Technical Proposals, and awarded a single score by consensus for each Technical Proposal. The RFP specified that only proposals that were awarded at least 105 of the initial 150 technical points would advance to the next phase of the evaluation process. Two of the four firms submitting proposals met that threshold.

A second phase of the technical evaluation this year is a staff interview, worth up to 50 points. Staff interviewed the two candidates via conference call, asking both firms to respond to five questions, and developed a consensus score.

Points awarded for the Fee Proposals submitted by the proposers were computed in accordance with the specifications of the RFP. The RFP specified that the highest scoring proposal(s) after the Technical Proposal and Fee Proposal scores were combined, as determined by CalPERS, would be considered the Finalist(s).

The following chart summarizes the ranking of the two Health Care Representative proposers, based on their combined Technical Proposal, Staff Interview and the Fee Proposal scores.

<b>Health Care Policy Federal Representative</b>					
<b>Current Rank</b>	<b>Proposer</b>	<b>Technical Proposal Score</b>	<b>Staff Interview Score</b>	<b>Fee Proposal Score</b>	<b>Total Score</b>
1	Avenue Solutions/ Jennings Policy Strategies (Joint Venture)	130	48	300	<b>478</b>
2	K&L Gates	120	30	244	<b>394</b>

**BUDGET AND FISCAL IMPACTS**

Upon successful award and execution of a contract for the Health Care Representative services specified in the RFP, CalPERS will have federal representative services from a qualified firm in the Washington, D.C. area. The annual cost for these services is subject to negotiation, based on the fee proposal submitted by the successful proposer.

**BENEFITS/RISKS**

- Contracting with a Health Care Representative will provide CalPERS with a voice and presence in Washington D.C. with regard to health care policy issues.
- The Health Care Representative will provide critical information, updates and analyses for the Board’s consideration in the direction of CalPERS policy and operations.

- The new Congress will convene at the beginning of 2015. Delays in the interviews and contract negotiations could delay CalPERS development of relationships with new members of Congress and/or interrupt the continued engagement on policy matters of importance to CalPERS.

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