



Agenda Item 6b

February 17, 2016

ITEM NAME: Board of Administration Scoring Methodology for Request for Proposals

PROGRAM: Operations Support Services Division

ITEM TYPE: Action

RECOMMENDATION

Approve the scoring methodology for Board Procurements.

EXECUTIVE SUMMARY

Revise CalPERS contracting scoring methodology to provide greater consistency and transparency in the CalPERS Board of Administration RFP selection process.

STRATEGIC PLAN

This item is not part of the Strategic Plan, but is part of the regular and ongoing workload of the Operations Support Services Division.

BACKGROUND

In February 2009 the Benefits and Program Administration approved the “trimmed average” scoring methodology for Procurements that the Board retains authority to approve. The “trimmed average” scoring methodology is outlined below:

Trimmed Average Scoring Methodology

The table below describes the interview scoring process, assuming for illustration purposes, that nine committee members (“raters”) are assigning scores.

| Step | Action |
|-------------|--|
| 1 | Each rater scores the Proposers individually assigning a score using the following scale: 0 = Unacceptable 1 = Poor 2 = Fair 3 = Good 4 = Very Good 5 = Excellent |
| 2 | The scores from the individual rater score sheets are entered onto a combined rater score sheet. |

Prior to release of the RFPs, staff will obtain approval of the Board or Committee (based upon delegation) minimum qualifications, services to be provided, schedule of events and scoring methodology. Staff is requesting the Board approve the two scoring methodologies for all future RFPs as outlined below:

Option 1: Staff/Board Evaluation - two (2) Board members to provide guidance and oversight to Program staff

| | |
|--------------------|---|
| Technical Proposal | Pass/Fail (must receive 140 points to pass Technical) |
| Fee Proposal | 300 points |
| Board Interview | 700 points |

Option 2: Board or Board Subcommittee Evaluation

| | |
|--------------------|------------|
| Technical Proposal | 200 points |
| Fee Proposal | 300 points |
| Board Interview | 700 points |

In addition, the Board always has authority within each of their RFP's to modify or change these options during the Board or Committee approval process.

BUDGET AND FISCAL IMPACTS

This item does not have any specific budget or fiscal impact, but is part of the regular and ongoing workload of the Operations Support Services Division.

BENEFITS/RISKS

The benefits of this process include:

- Provides transparency during Board Interviews for board discussion and points awarded instead of "blind voting".
- Enables the Board, where appropriate, to have an opportunity to participate in significant contract decisions before they are finalized.

The risks of not implementing this process include:

- Lack of transparency in the contracting process.
- Potential for vendors to be selected that do not meet the Board needs.

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