



Board of Administration

Agenda Item 6c

August 21, 2019

Item Name: Approval to Initiate Solicitation for Federal Legislative Representative Services

Program: Legislation

Item Type: Action Consent

Recommendation

Authorize staff to conduct a competitive solicitation of proposals from qualified firms to provide federal legislative representative services to CalPERS in the policy area of Investments. The awarded contract is expected to exceed \$1 million.

Executive Summary

To provide transparency and ensure the Board of Administration's (Board) awareness of significant contracts for goods and services, the Finance and Administration Committee (FAC) reviews and approves on a semi-annual basis, a Prospective Report of Solicitations, Contracts, Purchase Orders and Letters of Engagement (Prospective Report) for all specified contract activity that will meet or exceed a \$1 million threshold. Any contracts that are covered by the Board's Contract Activity Reporting Policy (Policy) but were not contained in the Prospective Report must be reported to the FAC or Board as an action consent item at its next meeting. CalPERS' current contract for federal legislative representative services expires January 31, 2020, and a new solicitation must be released in the Fall of 2019, prior to the next scheduled Prospective Report, to ensure the availability of necessary services to support CalPERS federal legislative activities.

Strategic Plan

This item is presented in compliance with the CalPERS Board of Administration Contract Activity Reporting Policy adopted and approved by the Board on April 17, 2012 (Attachment 1).

Background

For over 25 years, CalPERS has contracted for federal legislative representative services to provide on the ground support of CalPERS' federal legislative activities in Washington, D.C. Currently, one firm is on retainer to provide these services in the policy areas of Investments and Corporate Governance. The contract also authorizes the firm to perform special projects beyond the monthly retainer for routine services, on an as-needed basis and at additional cost

to the System. In addition, the Legislative Affairs Division maintains a spring-fed pool of firms able to provide policy-specific consulting, advocacy, outreach, and coalition building services on issues affecting CalPERS' policy areas, such as health care, pension benefits and investments.

Analysis

The Contractor's principal responsibility will be to provide consultation and representation in a timely manner to CalPERS on any federal, executive, or congressional plans to enact legislation or to impose regulations potentially impacting CalPERS investment programs. The Contractor will also assist in the development and implementation of strategies to prevent or accomplish the enactment of laws or regulations.

Budget and Fiscal Impacts

The Legislative Affairs Division has an approved annual budget line item to cover these expenses for the remainder of the fiscal year. Not approving or delaying the timely execution of a new contract for services would impact CalPERS' ability to monitor and advocate for or against federal investment legislation, regulations, and policy changes.

Benefits and Risks

The benefits include:

- Provides transparency and ensures Board awareness of significant contracts.
- Enables the Board, where appropriate, to have an opportunity to participate in significant contract decisions before they are finalized.

The risks of not approving this competitive solicitation of proposals include:

- Potential delay in necessary services to support CalPERS federal legislative activities.

Attachments

Attachment 1 – CalPERS Board of Administration Contract Activity Reporting Policy

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