



## Finance and Administration Committee

# Agenda Item 4b

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**November 17, 2020**

**Item Name:** Semi-Annual Contracting Prospective Report

**Program:** Operations Support Services Division

**Item Type:** Action Consent

### **Recommendation**

Approve the November 2020 Prospective Report of Solicitations, Contracts, Purchase Orders and Letters of Engagement (Attachment 1).

### **Executive Summary**

To provide transparency and ensure Board awareness of significant contracts, the Finance and Administration Committee approved the CalPERS Board of Administration Contract Activity Reporting Policy for all activity that will meet or exceed a \$1 million threshold. This policy includes a semi-annual Prospective Report.

### **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.

### **Background**

#### *Board Contract Activity Reporting*

The approved CalPERS Board of Administration Contract Activity Reporting Policy (Attachment 2) includes a semi-annual report of prospective contract activity (Prospective Report) to be presented as an action consent item. Upon approval, the Chief Executive Officer and her delegates will have authority to execute the contracts and expenditures set forth in the Prospective Report. This semi-annual report is presented within the same months as the approval of the annual budget and mid-year budget adjustments.

## **Analysis**

### *Prospective Contract Activity Report*

The Prospective Report includes the following:

- Requests for Proposals (RFPs) scheduled for development and release when the estimated total value of the contract or budget for the contractor or contractors is \$1 million or greater in total value.
- Contracts exempt from the competitive bidding process and investment manager contracts which are \$1 million or greater in total value.
- Spring-Fed pool engagements or work from undefined dollar contracts or purchase orders which are \$1 million or greater in total value.
- Any amendments to the contracts set forth above which cause the contract to exceed a threshold of \$1 million or more when the contract has not otherwise been reported to the committee.
- An expected amount of expenditures of \$1 million or greater under a current contract.
- Items previously reported by the committee, when the amount is increased by \$1 million or more over the amount previously reported to the committee.
- Any contracting activity that is covered by this policy but was not contained in the Prospective Report must be reported to the Finance and Administration Committee as an action consent item at the next committee meeting.

## **Budget and Fiscal Impacts**

The potential budget and fiscal impacts of not approving the report will delay the timely execution of contracts which could result in increased cost for health and investment services.

## **Benefits and Risks**

The benefits of this process 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 implementing this process include:

- Potential delay in necessary services to support CalPERS.

**Attachments**

Attachment 1 – November 2020 Prospective Report

Attachment 2 – CalPERS Board of Administration Contract Activity Reporting Policy

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Operations Support Services Division

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Doug Hoffner  
Chief Operating Officer