



Board of Administration

Agenda Item 3a

November 3, 2025

Item Name: Diversity, Equity & Inclusion (DEI) Board Consultant: Finalist Interviews and Finalist Selection

Programs: CalPERS Board of Administration, and CalPERS DEI Office

Item Type: Action

Recommendation

1. Issue Notice of CalPERS Intent to Award under the Request for Proposal (RFP) No. 2024-9420 to the finalist having the highest total score.
2. Approve CalPERS to enter contract negotiations with the finalist, and if negotiations are unsuccessful, approve CalPERS to enter contract negotiations with the finalist having the second highest total score, and so on.

Executive Summary

At the direction of the Board, CalPERS issued a request for proposal (RFP) to engage a DEI consultant to assess gaps in existing policies and programs and identify opportunities for improvement. On May 16, 2025, CalPERS released RFP 2024-9420 to initiate a competitive selection process to engage the services of a qualified diversity, equity, and inclusion consultant.

CalPERS received 36 proposals by the final filing date of June 30, 2025. The Nova Collective, BCT Partners, Chanin Kelly-Rae Consulting, Ferdman Consulting, Kerry Mitchell Brown, and Sage 71 passed the technical and fee proposal evaluations and were approved by the Board on September 17, 2025, to move forward in the evaluation process and appear for interviews.

The anticipated contract item is from January 1, 2026, through December 31, 2028, with an optional two-year extension.

Strategic Plan

This agenda item supports the CalPERS 2022-2027 Strategic Goal: "Cultivate a diverse, risk intelligent, and innovative culture through our team and processes."

Background

CalPERS is committed to improving the financial and health security of our members and their families. For more than two decades, CalPERS has been committed to coordinating and promoting diversity, equity, and inclusion efforts within the enterprise and with external stakeholders to successfully meet our mission to provide health and pension benefits.

In 2021, CalPERS introduced a DEI Framework to increase the integration of DEI into all aspects of our organization and provide guidance for initiatives that promote diversity, equity, and inclusion. The Framework is organized around five priority areas, each with a defined goal:

Culture

Goal: Bring DEI best practices into CalPERS' culture

Talent Management

Goal: A high performing, equitable, and diverse workforce

Health Equity

Goal: Equitable health outcomes for members and their families

Supplier Diversity

Goal: High Performing Supplier Diversity Program

Investments

Goal: Leverage the DEI Framework and Sustainable Investments Program to improve investment outcomes

More than three years after the Framework's development is an appropriate time to evaluate progress, identify gaps, and highlight new opportunities. The evolving landscape around diversity, equity, inclusion, and accessibility also provides an opportunity to review current trends and best practices.

Analysis

CalPERS issued the RFP on May 16, 2025. A total of 36 firms submitted proposals by the deadline of June 30, 2025. Of those, 10 firms were disqualified for not meeting minimum qualifications or being unresponsive to a CalPERS clarification request. The remaining 26 firms advanced to the technical evaluation phase, where they were provisionally scored on experience, demonstrated DEI expertise, and the quality of their proposals against the services

A maximum of 500 points was available across three categories:

- **Information Gathering** – Experience conducting assessments, engaging with boards and executive leadership, and producing reports and findings (120 points).
- **Advisory Services** – Expertise in advising on DEI best practices in procurement, hiring, health care equity, investment industry diversity, and compliance with federal and state law (220 points).
- **Strategy & Deliverables** – Experience in DEI education and training, best-practice research, development of action plans, and communication strategies (160 points).

The following table shows the point totals for the six firms that received the most points, out of 500, during the evaluation team's scoring of the technical proposals and have been approved by the board to move forward to the interview phase. None of these points will be utilized in determining which finalist is ultimately awarded a contract.

Table 1: Technical Evaluation Totals for the Six Firms that Received the Most Points

Firm	Total Points
The Nova Collective	439
BCT Partners	437
Chanin Kelly-Rae Consulting LLC	427
Ferdman Consulting	426
Kerry Mitchell Brown, LLC	414
Sage 71 LLC	409

The table below summarizes the current ranking and preliminary total scores of the six finalists, including the Fee Proposal Scores and Disabled Veteran Business Enterprise (DVBE) Incentive Points.

Table 2: Current Rankings and Preliminary Total Scores of Diversity, Equity, and Inclusion (DEI) Board Consultant Finalists

Proposer	Total Proposed Fees for three years	Fee Proposal Score	DVBE Incentive Points	Preliminary Total Score
The Nova Collective	\$201,750.00	259.2	0	259.2
BCT Partners	\$226,750.00	230.6	0	230.6
Chanin Kelly-Rae Consulting LLC	\$187,480.00	278.9	0	278.9
Ferdman Consulting	\$288,785.00	181.1	0	181.1
Kerry Mitchell Brown, LLC	\$1,250,000.00	41.9	0	41.9
Sage 71 LLC	\$174,282.75	300	50	350

Interviews provide an opportunity to further consider each finalist's proposal, including fees and any other specific areas of the proposals for which clarification is necessary. The finalists are available to be interviewed at today's meeting.

In preparation for the interviews, the finalists interview packets are provided separately to assist the committee with its interviews and evaluations. Each finalist will have 45 minutes for an interview before the Board, which will consist of a five-minute period for clarifying or follow up questions based on the finalist's interview questions.

Following the interviews, the Board will determine a score as a group for each finalist and motion the Interview Score, with a maximum of 700 points. Each Finalist's interview score will be combined with the Fee Proposal Score and any applicable Preference and/or incentive points for a Total Score. The finalists will be ranked according to the Total Scores from the Highest to lowest.

The distribution of maximum possible points is as follows:

- Fee Proposal: 300 points maximum
- Interview: 700 points maximum
- Preference or Incentive Points:
 - Disabled Veteran Business Enterprise (DVBE) Incentive – DVBE incentive points up to 50 points will be awarded to proposers based on confirmed DVBE participation level from 1 to 5 percent.

The Board will award the contract to the finalist receiving the highest Total Score, subject to final negotiations and satisfaction of all requirements, if negotiations are not successful, the contract award will be made to the finalist receiving the next highest Total Score, subject to final negotiations and satisfaction of all requirements. Notice of CalPERS intent to award to the selected finalist will be posted at CalPERS website www.calpers.ca.gov for five State business days before the award is made.

Budget and Fiscal Impacts

The total costs associated with any contract will be negotiated. The anticipated contract term is from January 1, 2026, through December 31, 2028, with an optional two-year extension.

Benefits and Risks

Selection of a DEI consultant supports the Board's objectives to advance the DEI Framework and reinforces CalPERS' ongoing commitment to an inclusive culture that values diversity of thought, experience, and background.

Choosing not to secure a DEI consultant could limit CalPERS' ability to remain aligned with DEI best practices, adapt to evolving trends, and achieve the Framework's goals.

Attachments

Attachment 1 – Services to be Provided

Brad W. Pacheco
Deputy Executive Officer
Communications & Stakeholder Relations

Doug Hoffner
Chief Operating Officer

Marcie Frost
Chief Executive Officer