CalPERS Board of Administration Contract Activity Reporting Policy

Purpose

The purpose of this policy is to ensure that the Board is made aware of high dollar contract activity and given an opportunity, where appropriate, to participate in significant contract decisions before they are finalized.

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Background

To provide transparency and to assist in the Board's monitoring responsibilities regarding staff's contract decisions, certain contracts and purchases that exceed a threshold of $1 million or more will be reported on a prospective basis to the Board. Staff will continue to have delegated authority to select contractors where the power has not otherwise been reserved to the Board. However, staff will develop reports to provide sufficient information to the Board so that it is informed of upcoming contract activity and can request to participate in the selection decision or provide other input, at its discretion.

Strategic Objective

This Policy and subsequent Prospective Report assists the Board in managing the effectiveness and integrity of the Board's processes, including oversight, accountability, transparency, efficiency and decision-making.

Policy

The Operations Support Services Division (OSSD) shall prepare a semi-annual report (Prospective Report) of upcoming contract activity that exceeds a threshold of $1 million or more.

The Prospective Report will be presented as an action consent item to the Finance and Administration Committee (FAC) (1) at the time the annual budget is approved, and (2) at the time the mid-year budget adjustments are made.

The Prospective Report will include 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 FAC.
- Items previously reported to FAC, when the amount is increased by $1 million or more over the amount previously reported to the FAC.

Policy, continued

The Prospective Report will not include the following:

- Purchase or work orders for routine, recurring services and goods including, for example, office and building supplies and maintenance, telephones, wireless devices, personal computers, office and building equipment, and information technology hardware and software and hardware and software maintenance.
- Investments in partnerships and limited liability companies, purchases or sales of securities or real property, and other similar investment transactions.

Upon approval, the Chief Executive Officer and their delegates will have authority to execute the contracts and expenditures set forth in the Prospective Report.

Key Terms / Definitions

For the purposes of this document, the following terms and definitions apply.

Key Term	**Definition**
Board	CalPERS Board of Administration
Prospective Report	A report of prospective contract activity that is presented as an action consent item to the Finance and Administration Committee (1) at the time the annual budget is approved, and (2) at the time the mid-year budget adjustments are made for certain contracts and purchases that exceed a threshold of $1 million.
Committee	Finance and Administration Committee

Roles and Responsibilities

OSSD shall prepare the Prospective Report on a semi-annual basis as an action consent item to the Committee.

The Committee shall review and approve the Prospective Report.

Compliance

Any contracts that are covered by this policy but were not contained in the Prospective Report must be reported to the FAC as an action consent item at the next FAC meeting.

If there is an immediate or emergency need for executing a contract or expending funds, which would otherwise be required to be prospectively reported to the Committee, the Chief Executive Officer may execute the contract or expend additional funds without prior reporting to the FAC, provided (a) the Chief Executive Officer consults with the Board President in advance of executing the contract, and (b) the Chief Executive Officer notifies the FAC in writing within five (5) business days of executing the contract. An immediate or emergency need includes, for example, the need to hire outside counsel to represent CalPERS in litigation.

Authoritative Sources

CalPERS will administer this policy in compliance with the following legal, regulatory, and policy requirements:

Source	Description
CalPERS Board Governance Policy	Sets forth the policies that govern the Board and identifies the roles of the Board, Board members, and Board committees.
Delegation Resolution from Board to the Chief Executive Officer (CEO)	Grants the CEO authority to act with respect to matters outlined in the Delegation Resolution.
Delegation of Authority from the CEO to the Deputy Executive Officer (DEO), Operations & Technology (OPT)	Grants the DEO, OPT authority to act with respect to matters outlined in the Delegation of Authority.
Delegation of Authority from DEO, OPT, to Division Chief (DC), OSSD	Grants the DC, OSSD, authority to act with respect to matters outlined in the Delegation of Authority.

Related Documents

For additional information, please refer to:

Document	Relevance
Annual Contracting and Procurement Activity Report	The report provides the Committee with contract activity information for services totaling $100,000 and above; and all purchase order summary data from the prior fiscal year.

Revision History

The following revisions have been made to this policy:

Version	Modification Date	Summary of Changes
4	April 2019	Removed the specific months (April and December) from the policy section. Made the policy gender neutral.
3	June 28, 2018	This version was converted to be ADA accessible.
2	August 16, 2016	This version was altered to fit the new policy template. Verbiage related to two additional reports was also deleted as those reports are no longer reported to the Board or are part of this policy and subsequent Prospective Report.
1	Approved by Finance and Administration Committee on 4/17/12 (Effective 7/1/12)	Original Version