



Regular Meeting

Item Number 16d – Open Session

Subject: Contracts Requiring Board Approval

Presenter(s): Chairperson

Item Type: Consent Action

Date & Time: November 2, 2023 – 0 minutes

Attachment(s): None

PowerPoint(s): None

Contracts Requiring Board Approval

The Teachers' Retirement Board delegation to the Chief Executive Officer requires that the board approve: all non-investment contracts with a cumulative value exceeding \$1,000,000; all non-competitive bid contracts with a cumulative value exceeding \$100,000; and any contract amendment exceeding 15% of the cumulative value previously approved by the board exceeding \$1,000,000. The contracts listed below meet these criteria:

CONTRACTS

1. Pillsbury Winthrop Shaw Pittman, LLP

Title:	Outside Litigation Services
Contract Number:	TBD
Contract Term:	July 1, 2023, through June 30, 2026
Total Contract Amount:	\$1,500,000.00
Source of Funds:	Support Appropriation
Branch Executive:	Brian J. Bartow

PURPOSE

Staff requests Board approval to execute a new contract for Pillsbury Winthrop Shaw Pittman, LLP for \$1,500,000.00. This funding is associated with referring legal case work to outside counsel.

SUMMARY

The Office of the General Counsel engaged Pillsbury Winthrop Shaw Pittman, LLP in August of 2016 to provide legal consultation, advice, and representation to CalSTRS on various legal issues. The continued increase in workload related to litigation, along with the need to meet service levels to both our members and our internal clients is requiring the continued use of specialized outside litigation counsel. This amount is intended to cover the current and projected workload and accounts for the rising costs of outside legal services. Once the Board approves the new contract, the existing contract will be cancelled in its entirety. It is imperative that the terms of the two contracts overlap to ensure that all outstanding invoices are paid for services previously rendered.

SUBSCRIPTION

2. Consumerinfo.com, Inc. dba Experian

Title:	Experian Identity Theft Notifications and Monitoring
Subscription Term:	June 20, 2023, through October 31, 2025
Total Subscription Amount:	Up to \$3,000,000.00
Source of Funds:	Support Appropriation
Branch Executive:	Brian J. Bartow/Lisa Blatnick

PURPOSE

Staff requests the Board approve the anticipated subscription value for Experian, up to \$3,000,000.00 from support appropriation.

SUMMARY

This subscription will cover CalSTRS response to the recent PBI data security incident. Experian is providing dedicated contact center services for our members, as well as providing credit monitoring from all three providers for our members that opt into the service. CalSTRS requested additional coverage than what was originally recommended/offered. Staff requests up to \$3,000,000.00 at this time, as the final number of participants in the credit monitoring will not be determined until October 31, 2023. Only the required funding to cover the amount of the final subscription value will be encumbered. We expect that costs over \$1,000,000.00 will be partially or completely covered by our insurance.

AMENDMENT

3. Clifton Larson Allen, LLP

Title:	Audits and Consulting Services
Contract Number:	4400003544
Current Term:	June 1, 2021, through May 31, 2024
Proposed Term:	June 1, 2024, through June 30, 2025
Current Contract Amount:	\$ 580,475.00
Amendment Amount:	\$ 800,000.00
Proposed Contract Amount:	\$1,380,475.00
Source of Funds:	Support Appropriation
Branch Executive:	Lisa Blatnick

PURPOSE

Staff requests approval to amend the contract for Audit Services’ external contractor, Clifton Larson Allen, LLP, to add an additional amount not to exceed \$800,000.00. This amendment will assist Audit Services in completing its board-approved Audit Plans specific to audits and consulting services.

SUMMARY

Audit Services provides independent, objective audit assurance, and consulting services designed to add value and improve CalSTRS operations. Audit Service’s objective is to determine whether CalSTRS risk management, internal controls, and governance processes, as designed and represented by management, are adequate, effective, and implemented. Audit Services contracts with qualified firms, including Clifton Larson Allen, LLP, to assist in performing information technology audits.

Audit Services audit plans include information technology audits that require specialized knowledge and require Audit Services to engage a contractor to perform audit services. To procure these services, if awarded, Audit Services requires approval from the Board to increase the amount of our existing contract. In addition, Audit Services extends the use of its contract with Clifton Larson Allen, LLP in support of the highest risk area of information security.

RECOMMENDATION

Staff recommends the board approve the above contract, subscription, and amendment items.

*Three (3) Pension Solution contracts will be reviewed in Item 4 - Pension Solution Update & Budget Approval.