



Regular Meeting

Item Number 9d – Open Session

Subject: Contracts Requiring Board Approval

Presenter(s): Melissa Norcia

Item Type: Consent Action

Date & Time: September 1, 2022 – 0 minutes

Attachment(s): None

PowerPoint(s): None

Recommendation

Staff recommends the approval of the contract and amendments requests.

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 contract listed below meet these criteria:

Contract

1. Grant Thornton Public Sector, LLC

Title:	Diversity, Equity, and Inclusion Contract
Contract Number:	TBD
Solicitation Method:	RFP
Solicitation Number:	5000002173
Term:	September 1, 2022 – August 30, 2025
Contract Amount:	\$1,498,000.00
Source of Funds:	Support Appropriation
Branch Executive:	Melissa Norcia

Purpose

Staff requests board approval to establish a new agreement with Grant Thornton Public Sector LLC (Grant Thornton) for a total of \$1,498,000.00 over a three (3) year period to provide Diversity, Equity, and Inclusion (DEI) services to CalSTRS. Grant Thornton has a long history of providing professional consulting services to private and public sector organizations including organization transformation, business change management, strategic planning, program management, and business process re-engineering. Grant Thornton consultants, who are experts in the field of DEI, will support CalSTRS to enhance its DEI efforts.

Since 2013, CalSTRS' Diversity & Inclusion (D&I) effort has expanded from a recruitment focused effort to one that is dedicated to enhancing and improving the culture of the organization through inclusion of all its diverse staff.

CalSTRS is seeking Grant Thornton's assistance for up to two (2) years with one (1) one-year option to extend in order to complete an assessment of our current efforts, make recommendations to strengthen our ongoing commitment to our staff and how we conduct business, and support implementation of recommendations through organization wide communications, or other needed activities.

Background

Diversity is built into the very fabric of CalSTRS culture and has connections to each of our core values and is explicitly supported in our Core Value of Strength: We ensure the strength of our system by embracing a diversity of ideas and people.

In 2013, a dedicated Diversity & Inclusion role was established in Human Resources to focus on incorporating D&I practices within CalSTRS culture and business practices. Early work included creating an executive D&I Vision, measuring diversity and inclusion at CalSTRS, creation of a foundational level D&I training, which is now part of the Onboarding suite for new employees, and grown to support ongoing enterprise-wide D&I learning offerings and Inclusion Council meetings.

The services provided by Grant Thornton will assist in integrating DEI practices into CalSTRS business processes and continued growth of a workforce that understands its value for each other, our membership, and the community at large. This will ensure CalSTRS remains an employer of choice, as well as ensure that our DEI efforts are inclusive and innovative, which in turn helps achieve our strategic goal of a sustainable organization for California educators.

Amendments

1. Weaver and Tidwell, LLP

Title:	Investment and Information Technology Audits
Contract Number:	4400003562

Term:	June 30, 2021 – June 29, 2024
Contract Amount:	\$ 950,700.00
Amendment Amount:	Not to exceed \$700,000.00
Proposed Contract Amount:	Not to exceed \$1,650,700.00
Source of Funds:	Support/Continuous Appropriation
Branch Executive:	Lisa Blatnick

Purpose

Staff requests approval to amend the contract for Audit Services' external contractor, Weaver and Tidwell, LLP, to add an additional \$700,000.00 effective September 1, 2022. This amendment will assist Audit Services in completing its board approved 2022 Audit Plan specific to information technology, information security, and investment audits.

Background

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 Weaver and Tidwell, LLP, to assist in performing information technology, information security, investment audits and advisory services.

When this initial contract was executed in 2021, the number of approved contracted investment and information technology audits in the audit plan equaled seven which is less than the nine audits identified in the Audit Services Audit Plan Calendar Year 2022.

To date, Audit Services has contracted with Weaver and Tidwell, LLP, to perform eight audits or advisory engagements. Audit Services plans to perform at least five or more additional audits through the SIR process for the remainder of the contract term. The remaining funds will assist in accomplishing future audit plans.

2. Clifton Larson Allen, LLP

Title:	Information Technology Audits
Contract Number:	4400003544
Term:	June 1, 2021 – May 31, 2024
Contract Amount:	\$580,475.00
Amendment Amount:	Not to exceed \$826,000.00
Proposed Contract Amount:	Not to exceed \$1,406,475.00
Source of Funds:	Support/Continuous Appropriation
Branch Executive:	Lisa Blatnick

Purpose

Staff requests approval to amend the contract for Audit Services’ external contractor, Clifton Larson Allen, LLP, for a new contract total not to exceed \$1,406,475.00. This amount will assist Audit Services in completing its board approved 2022 Audit Plan specific to information technology and information security audits.

Background

Audit Services provides independent, objective audit assurance, and consulting services designed to add value and improve CalSTRS’ operations. Audit Services 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, information security and advisory services.

When this initial contract was executed in 2021, the number of approved contracted investment and information technology audits in the audit plan equaled seven which is less than the nine audits identified in the Audit Services Audit Plan Calendar Year 2022.

Audit Services plans to perform at least five or more additional audits through the SIR process for the remainder of the contract term. The remaining funds will assist in accomplishing future audit plans.

3. Grant Thornton, LLP

Title:	Investment and Information Technology Audits
Contract Number:	4400003321
Term:	June 1, 2021 – December 31, 2023
Contract Amount:	\$475,625.00
Amendment Amount:	Not to exceed \$1,021,530.00
Proposed Contract Amount:	Not to exceed \$1,497,155.00
Source of Funds:	Support/Continuous Appropriation
Branch Executive:	Lisa Blatnick

Purpose

Staff requests approval to amend the contract for Audit Services’ external contractor, Grant Thornton, LLP, for a new contract total not to exceed \$1,497,155.00. This amount will assist Audit Services in completing its board approved 2022 Audit Plan specific to information technology, information security, and investment audits.

Background

Audit Services provides independent, objective audit assurance, and consulting services designed

to add value and improve CalSTRS' operations. Audit Services 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 Grant Thornton, LLP, to assist in performing information technology, information security, investment audits and advisory services.

When this initial contract was executed in 2021, the number of approved contracted investment and information technology audits in the audit plan equaled seven which is less than the nine audits identified in the Audit Services Audit Plan Calendar Year 2022.

Audit Services plans to perform at least four or more additional audits through the SIR process for the remainder of the contract term. The remaining funds will assist in accomplishing future audit plans.