



Regular Meeting

Item Number 11d – Open Session

Subject: Contracts Requiring Board Approval

Presenter(s): Chairperson

Item Type: Consent Action

Date & Time: November 2, 2022 – 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:

CONTRACT

1. Williams and Jensen, PLLC

Title:	Federal Representative
Contract Number:	TBD
Solicitation Method:	RFP
Solicitation Number:	5000002290
Term:	January 1, 2023 through December 31, 2027
Total Contract Amount:	Not to exceed \$1,476,000.00
Source of Funds:	Support Appropriation
Branch Executive:	Teresa Schilling

PURPOSE

Staff requests approval to enter a five (5) year contract with Williams and Jensen PLLC to provide consultation and representation of CalSTRS on federal executive, administrative agency

and congressional plans to enact legislation or impose regulations that may affect CalSTRS or its members.

SUMMARY

On June 2, 2022, CalSTRS issued a Request for Proposal (RFP) to provide federal lobbyist services, including monitoring of key federal issues; evaluating the implications of proposed federal and state legislation in relation to federal issues; assisting in the development and implementation of strategies to achieve CalSTRS’ desired results on pending federal legislation, regulations and issues; and representing CalSTRS’ positions to members of Congress, their staff and executive branch and administrative agencies, including preparing and delivering written and oral testimony at congressional committee, administrative and regulatory hearings on behalf of CalSTRS; assisting staff with preparation of letters related to these issues; and maintaining cooperative working relationships with other public pension plans and national organizations representing public pension plans.

CalSTRS issued a RFP for up to seven years for this service and received two (2) responses. Williams and Jensen’s proposal received the highest score and was selected for the contract. If CalSTRS exercises their option to add up to two (2) additional years in the future, the contract shall not exceed \$1,476,000.00.

2. Vendor To Be Determined

Title:	Technical Advisory and Business Analysis Services
Contract Number:	TBD
Solicitation Method:	RFP
Solicitation Number:	5000002391
Term:	January 1, 2023 through December 31, 2027
Total Contract Amount:	Up to \$5,000,000.00
Source of Funds:	Support Appropriation
Branch Executive:	Julie Underwood

PURPOSE

Staff request board approval to award a five (5) year contract to provide technical advisory and business analysis services to CalSTRS with a contract amount up to \$5,000,000.00. This new contract will replace an existing contract with Visionary Integration Professionals for similar services that is scheduled to expire on December 31, 2022.

SUMMARY

CalSTRS is seeking technical advisory and business analysis services to assist with ongoing system and process improvements in various phases of projects that impact the Financial Services Branch (FSB). A request for proposal (RFP) was published on August 26, 2022, and the

selection process is underway. A contract will be negotiated with a selected vendor with an anticipated start date of January 1, 2023.

The total contract amount has been estimated based on usage of the existing contract along with the new fee proposals received via the RFP process. The intent of the request for a contract amount up to \$5,000,000.00 is also meant to reduce the frequency of future amendments that were necessary in the past with the prior contract for similar services.

CalSTRS will utilize this new contract for continued and ongoing system and accounting technical consulting advice to support a variety of short-term initiatives and long-term projects to utilize contractor's expertise of SAP and the applicable modules utilized by CalSTRS and to assist with support activities, ongoing improvements and related project work, including Pension Solution, Concur and SuccessFactors, to get the most out of the SAP software.

3. Lucas Public Affairs

Title:	Public Affairs Consulting
Contract Number:	TBD
Solicitation Method:	RFP
Solicitation Number:	5000002350
Term:	January 1, 2023 through December 31, 2027 + two optional 1 year extensions (December 31, 2029)
Total Contract Amount:	Not to exceed \$3,374,607.60
Source of Funds:	Support Appropriation
Branch Executive:	Teresa Schilling

PURPOSE

Staff requests board approval to establish a new agreement with Lucas Public Affairs for a total of \$2,410,434.00 over a five (5) year period plus \$964,173.60 for two (2) optional years to provide strategic guidance and assistance on the development and implementation of CalSTRS public affairs strategies to further enhance members' and stakeholders' understanding of CalSTRS priorities and programs.

SUMMARY

Lucas Public Affairs has been providing strategic public affairs consulting services to CalSTRS since 2010. They have deep knowledge of public pension fund issues, and are experts in media and public education, financial communications, stakeholder engagement and digital media.

Lucas Public Affairs will provide strategic guidance on developing and implementing CalSTRS overall public affairs strategies. The firm will partner with subcontractors for specialized services related to CalSTRS public affairs and communications needs. In addition, the firm will assist with the development and implementation of a strategy to enhance target audiences' understanding of CalSTRS approach to investments, with specific emphasis on environmental,

social and governance (ESG) initiatives. This encompasses a coordinated, multi-layered outreach plan with identified channels to educate and engage CalSTRS members, school district employers, members of the Legislature and other audiences about the various facets of the CalSTRS priorities and programs. Services to be provided by this firm would include:

- Reputation management
- Government relations
- Issues management
- Crisis communications
- Message development
- Media and speaker training
- Member, stakeholder, and public outreach
- Multimedia and digital communication services

CalSTRS intends to award an agreement for up to five (5) years with two one (1) year option to extend.

AMENDMENTS

4. Sheppard Mullin Richter & Hampton

Title:	Legal Consultant
Contract Number:	4400002734, A-7
Term:	April 1, 2019 through December 31, 2022
Proposed Term:	April 1, 2019 through December 31, 2024
Contract Amount:	\$2,877,455.00
Amendment Amount:	\$1,185,000.00
Proposed Contract Amount:	\$4,062,455.00
Source of Funds:	Support Appropriation
Branch Executive:	Brian J. Bartow

PURPOSE

Staff requests the board approval to amend the contract for Sheppard Mullin, to add \$1,185,000.00 for a new contract total of \$4,062,455 and extend the term for an additional two years. The additional funding is associated with legal consultation for technology services, Investments, and legal litigation support.

SUMMARY

Contractor shall provide legal consultation, advice and representation for its system acquisition, implementation and integration project, and information technology legal consultation. In addition, the contractor will provide Investment legal advice as well a litigation representation. There are no other state agencies or positions that provide this type of specialized legal advice or have expertise in these areas.

5. Aon Risk Insurance West, Inc.

Title:	Fiduciary Insurance
Contract Number:	4400002931, A-1
Current Term:	January 1, 2020 through June 30, 2023
Proposed Term:	January 1, 2020 through June 30, 2025
Contract Amount:	\$2,580,425.00
Amendment Amount:	\$1,803,000.00
Proposed Contract Amount:	\$4,383,425.00
Source of Funds:	Support Appropriation
Branch Executive:	Brian J. Bartow

PURPOSE

Staff requests the board’s approval to increase the funding to cover the annual Fiduciary Insurance premium for an additional two years. This approval also allows staff to execute the optional two-year extension of the contract.

SUMMARY

A prior Request for Proposal (RFP) for Fiduciary Liability Insurance was issued and Aon was awarded the contract in January of 2020. The RFP was for an initial three and a half years, with two, one-year extension options. This amendment will get us to the end of the contract term approved via the RFP. A new RFP will be developed prior to contract expiration to ensure a broker is selected prior to the 25/26 fiscal year.

6. Acuity Technical Solutions

Title:	SAP Maintenance and Operations Technical Liaison
Contract Number:	4400002900, A-1
Solicitation/Award Method:	RFO, CMAS
Solicitation Number/Year Conducted:	5000001560; 2019
Current Term:	January 3, 2020 through January 2, 2023
Amendment Term:	January 3, 2020 through January 2, 2025
Contract Amount:	\$ 864,000.00
Amendment Amount:	\$ 576,000.00
Proposed Contract Amount:	\$1,440,000.00
Source of Funds:	Support Appropriation
Branch Executive:	Ashish Jain

PURPOSE

Staff requests board approval to amend a contract with Acuity Technical Solutions to add \$576,000 in order to extend the term of this agreement through January 2, 2025. This will allow

the SAP Maintenance and Operations (M&O) Technical Liaison services to continue for key enterprise SAP solutions such as CalSTRS financial system, and travel and expense system to ensure they are being properly maintained and operated.

SUMMARY

The contract was executed in January 2020 to engage an SAP Maintenance and Operations (M&O) Technical Liaison consultant with extensive SAP knowledge and experience to provide concerted action on the communication, coordination, tracking and monitoring of all M&O including enhancements and change order activities for SAP solutions such as CalSTRS' complex financial system called BusinessDirect, and CalSTRS' travel and expense system. Adding funds to the contract allows for an extension of the term preventing disruption to the M&O of these critical systems that are used extensively throughout CalSTRS for daily operations.

RECOMMENDATION

Staff recommends the approval of the above contract and amendment requests.