

Deferred Compensation Plan BOARD REPORT 14-17

Date: May 20, 2014
 To: Board of Deferred Compensation Administration
 From: Staff
 Subject: Contracts, Procurements, and Fund Manager Searches

Board of Deferred Compensation Administration
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 Cliff Cannon, First Provisional Chair
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Recommendation:

That the Board of Deferred Compensation receive and file this quarterly report regarding plan contracts, services, and current/future procurements and searches.

Background:

The following information is provided on a quarterly basis to the Board to review Plan contracts and current/future procurements and searches.

CONTRACTS OVERVIEW

Following is an overview of the current status of Plan contracts:

No.	CONTRACTOR	SERVICES	CONTRACT NO.	CONTRACT TERM	CONTRACT CEILING AMOUNT	INITIATE SUCCESSOR RFP	COMMENTS
1	Bank of the West	Bank Deposit Account Provider	C-116168	10/1/2009 – 9/30/2014	N/A	New RFP in progress; see Item #1	None
2	Bank of America	Bank Deposit Account Provider	C-116168	10/1/2009 – 9/30/2014	N/A	New RFP in progress; see Item #1	None
3	City National Bank	Bank Deposit Account Provider	C-116167	10/1/2009 – 9/30/2014	N/A	New RFP in progress; see Item #1	None
4	Buck Consultants	DCP Consulting Services: <i>Communications</i>	C-120509	6/15/2012 – 6/14/2015	\$150,000	5/1/2014	None
5	State Street Global Advisors (SSgA)	Investment Management Services: <i>Russell 2000 Index Fund</i>	C-116169	1/1/2009 – 12/31/2013 <i>Extension:</i> 1/1/2014 – 6/30/2015	N/A	Commingled fund to be replaced by mutual fund (no contract required)	Board approved extension on 11/19/2013; pending finalization of amendment

6	Galliard Capital Management	Investment Management Services: <i>Stable Value Fund</i>	C-115721	7/1/09 – 6/30/14 <i>Extension:</i> 7/1/2014 – 6/30/2015	N/A	9/1/2014	Board approved contract extension and adjustment of wrap provider standards; contract amending pending
7	Mercer Investment Consulting	DCP Consulting Services: <i>Plan Administration and Investments</i>	C-122866	6/01/2012 – 6/30/2015 <i>Option to extend two additional years</i>	\$375,000	5/1/2014	None
8	Great-West Retirement Services	Deferred Compensation Plan Third Party Administrator	C-112352	1/1/2007 – 12/31/2011 <i>Extension:</i> 1/1/2012 – 12/31/2016	N/A	12/1/2015	None.
9	Steptoe & Johnson	Deferred Compensation Plan Tax Counsel	C-123044	08/27/2013 – 08/26/2016	\$10,000	08/1/2015	This contract is executed by the City Attorney, not the Board

PROCUREMENTS STATUS UPDATE – FDIC BANK SAVINGS ACCOUNT OPTION RFP

The request for proposals (RFP) for the FDIC Bank Savings Account Option was posted online on the City's labavn.org website on April 8, 2014. Subsequently, staff held the Mandatory Pre-Proposal Conference on May 1, 2014 to discuss City contracting requirements and to address any questions related to the required scope of services. This conference was mandatory for all prospective RFP respondents. Representatives from the following firms attended:

1. Bank of America
2. Bank of the West
3. East West Bank
4. JP Morgan Asset Management
5. Wells Fargo
6. New York Life

RFP respondents will have an opportunity to submit documents related to City contracting requirements prior to the response deadline for the services portion of the RFP. This new process will help to facilitate compliance with the City's general contracting requirements.

All proposals are due on June 13, 2014. Staff intends to have a selection recommendation to the Board at its July 2014 Board meeting.

**INVESTMENT MANAGER MUTUAL FUND SEARCHES:
BOND, SMALL-CAP, MID CAP & INTERNATIONAL FUNDS**

Pursuant to prior Board action, staff is working with Mercer Investment Consulting on conducting mutual fund investment manager searches for the following core menu investment mandates:

- Bond (active manager)
- Small-Cap Growth (active manager)
- Small Cap Value (active manager)
- Mid-Cap Growth (active manager)
- Mid-Cap Value (active manager)
- International Developed Markets (active manager)
- International Emerging Markets (active manager)
- International Small-Cap (active manager)

Mercer expects draft search documents to be prepared for review on the following schedule:

Bond:	05/09/14
Small-Cap:	05/09/14
Mid-Cap:	05/19/14
International:	06/16/14

Staff will be contacting members of the Investments Committee to schedule meetings beginning approximately early June 2014. Tentatively there will be three meetings: one for the Bond mandate, one for the Small-Cap & Mid-Cap mandate, and one for the International mandates. This tentative schedule will not be finalized until staff has had the opportunity to review the Mercer investment reports.

Submitted by: _____
Esther Chang

Approved by: _____
Steven Montagna