

Deferred Compensation Plan BOARD REPORT 11-16

Date: March 3, 2011
To: Board of Deferred Compensation Administration
From: Staff
Subject: Third-Party-Administrator Contract Extension

*Board of Deferred
Compensation Administration
Eugene C. Canzano, Chairperson
Richard Kraus, Vice- Chairperson
Sangeeta Bhatia
Cliff Cannon
Tom Moutes
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Recommendation:

That the Board of Deferred Compensation Administration approve staff's proposed report from the Board to City Council requesting authority to extend the contract with Great-West Retirement Services for third-party-administrative services for the period 2012 to 2016.

Background:

At the December 21, 2010 meeting of the Board of Deferred Compensation Administration, the Board adopted a motion to accept proposed terms for a five-year extension of the contract with Great-West Retirement Services (Great-West) to provide third-party-administration of the City's Plan. Following a review of the question of whether Council authority was required to extend the contract, the Board directed staff to draft a report to come from the Board to City Council requesting authority to extend the contract with Great-West Retirement Services for third-party-administrative services for 5 years. That report is attached.

The report addresses both the contract with Great-West for Deferred Compensation Plan administration as well as the contract with Great-West for Pension Savings Plan administration. The Pension Savings Plan is the retirement program for part-time, temporary and seasonal employees. The contracting authority for that program is the General Manager Personnel Department.

As explained in the report, although different contracting authorities exist for both programs and different vendors can be selected, the procurement processes for both programs have been tied together due to the high degree of interrelatedness between the programs and because of the difficulty in obtaining vendor interest in the Pension Savings Plan. The Great-West Pension Savings Plan contract expires December 31, 2012, just as the Great-West Deferred Compensation Plan contract expires on that date.

Given this, staff has drafted the report to come from the Chairperson of the Board of Deferred Compensation Administration and General Manager Personnel Department as the contracting authorities for each program.

Submitted by:

Steven Montagna

Approved by:

Alejandrina Basquez