

# Deferred Compensation Plan BOARD REPORT 15-54

Date: October 7, 2015  
 To: Board of Deferred Compensation Administration  
 From: Staff  
 Subject: Status of DCP Contracts and Procurements

Board of Deferred Compensation Administration  
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**Recommendation:**

That the Board of Deferred Compensation receive and file this quarterly report regarding the status of Deferred Compensation Plan contracts and procurements.

**Background:**

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

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	Galliard Capital Management	Investment Management Services: <i>Stable Value Fund</i>	<i>Pending</i>	7/1/2015 – 6/30/2020	N/A	1/1/2019	Developing contract w/provider & Board counsel.
2	Mercer Investment Consulting	Consulting Services: <i>Investments and Communications</i>	<i>Pending</i>	7/1/2015 – 6/30/2018	\$270,000	1/1/2017	Developing contract w/provider & Board counsel.
3	Segal Consulting	Consulting Services: <i>Plan Administration and Communications</i>	<i>Pending</i>	7/1/2015 – 6/30/2018	\$180,000	1/1/2017	Contract signed by vendor & City; Pending City Clerk attestation.
4	Bank of the West	Bank Deposit Account Provider	<i>Pending</i>	10/1/2014 – 9/30/2019	N/A	4/1/2018	Developing contract w/provider & Board counsel.
5	East West Bank	Bank Deposit Account Provider	C-124757	10/1/2014 – 9/30/2019	N/A	4/1/2018	None.
6	Empower Retirement	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	7/2015	None.
7	Step toe & Johnson <i>* contracted by City Attorney</i>	Deferred Compensation Plan Tax Counsel	C-123044	8/27/2013 – 8/26/2016	\$10,000	N/A	None.

## PLAN PROCUREMENTS & CONTRACTS – CURRENT STATUS

- Procurements: The Plan’s third-party administrator (TPA) procurement search process has started with focus group sessions and the development of a participant survey, which is expected to be released during October (see Board Report 15-51).
- Contracts: Staff is working to finalize new professional service agreements with Segal Consulting, Mercer Investment Consulting, Bank of the West and Galliard Capital Management. The draft contract with Mercer Investment Consulting is pending the City’s review. The vendor has expressed concerns regarding some of the City’s general contracting requirements and language in the contract. The City Attorney’s Office is currently reviewing Mercer’s amendments to the contract language based on their first round of review, and staff is assisting in mediating the negotiation process. The draft contract with Galliard has begun its third round of review. Additional time has been needed to clarify technical requirements (related to wrap insurance and language for underlying provider funds) for the Plan’s counsel reviewing the contract and for discussing language related to the City’s Standard Provisions between both the Plan and Galliard. Staff anticipates having both the contracts with Mercer Investment Consulting and Galliard Capital Management fully executed by the end of the calendar year. Additionally, it should be noted that two Plan contract relationships expired and are now terminated: **Buck Consultants** (Plan Consulting – Communications) and **State Street Global Advisors** (Investment Manager, Small-Cap Index Fund).

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