

# Deferred Compensation Plan BOARD REPORT 11-71

Date: November 2, 2011  
To: Board of Deferred Compensation Administration  
From: Staff  
Subject: Investment Menu Implementation Update

*Board of Deferred  
Compensation Administration  
Eugene, Canzano, Chairperson  
John Mumma, Vice- Chairperson  
Cliff Cannon, First Provisional Chair  
Tom Moutes, Second Provisional Chair  
Sangeeta Bhatia, Third Provisional Chair  
Michael Amerian  
Michael Perez  
Robert Schoonover  
Maggie Whelan*

## Recommendation:

That the Board of Deferred Compensation Administration (a) approve execution of the attached procurement disclosure forms for all Board members and staff; and (b) receive and file information regarding implementation of pending changes to the Plan investment menu.

## Discussion:

At the September 20, 2011 Board meeting, staff discussed the process of implementation for the balance of remaining changes to the investment menu. The second phase of implementation involves establishing the DCP Mid-Cap, DCP Small-Cap, and DCP International Funds. To implement this phase the following procurements must take place in 2012:

- Active Growth Mid-Cap Manager
- Active Value Mid-Cap Manager
- Active Growth Small-Cap Manager
- Active Value Small-Cap Manager
- Active Developed Markets International Manager
- Active Emerging Markets International Manager
- Active Small-Cap Markets International Manager

At the October 18, 2011 Board meeting, the Board approved and authorized release of the Request for Proposal for Investment Management Services pending final review as to form by Board Counsel. The completed first draft RFP has been sent to Board Counsel for review and staff is waiting for any changes that Board Counsel would like to make prior to the RFP release date. Staff has tentatively scheduled the release date of the Investment Management Services RFP as November 15, 2011.

Additionally, staff and Board Counsel have drafted a procurement disclosure form that addresses the conduct of Board members and staff during the procurement process for the Investment Management Services RFP. Staff is recommending that the Board approve the attached procurement disclosure forms to be completed by all Board members and staff involved in the review and decision-making process for this RFP.

Below is a schedule developed by staff that details anticipated steps for the upcoming procurements. The transfer of all funds is tentatively scheduled for November 1, 2012, however, due to the size of the project and the inherent variables that go along with the review and development process, the implementation date will need to remain fluid.

<b>Procurement Schedule Implementation of Investment Menu Changes November 1, 2012</b>			
Days Remaining	Date	Activity	Status
469	7/21/2011	Meeting with Mercer Investment Consulting (Mercer)	Completed
461	7/29/2011	Meeting with Personnel Department Administrative Services Division (ASD)	Completed
458	8/1/2011	Meeting with Board Counsel	Completed
428	8/31/2011	1 <sup>st</sup> Draft RFP Due from Mercer & Staff	Completed
392	10/6/2011	Review of RFP Completed by Personnel Department ASD & Board Counsel	Completed
380	10/18/2011	Board reviews RFP for Approval pending final review by Board Counsel	Completed
352	11/15/2011	Final review by Board Counsel	
	11/15/2011	Issue RFP	
286	1/20/2012	RFP Due Date	
185	4/30/2012	Mercer & Staff Complete Review of RFP Responses	
170	5/15/2012	Board Meeting - Selection of Vendors	
162	5/23/2012	Special Board Meeting (if necessary)– Selection of Vendors	
155	5/30/2012	Special Board Meeting (if necessary) – Selection of Vendors	
134	6/20/2012	Staff & Mercer Complete First Draft of Contracts	
58	9/4/2012	Review of Draft Contracts by Personnel Department ASD & Board Counsel Completed	
44	9/18/2012	Board Reviews Contracts for Approval	
16	10/16/2012	Final Board Approval, if not adopted at previous meeting	
8	10/24/2012	Receive Contracts Signed by Vendors	
3	10/29/2012	Contracts Signed by Board Chair and Board Counsel, submitted to City Clerk	
0	11/1/2012	Funds Transferred	

Staff will continue to update the Board on the progress of the investment menu implementation.

Submitted by: \_\_\_\_\_

Natasha Gameroz

Reviewed by: \_\_\_\_\_

Steven Montagna

Approved by: \_\_\_\_\_

Alejandrina Basquez