

Deferred Compensation Plan BOARD REPORT 15-45

Date: September 5, 2015
To: Board of Deferred Compensation Administration
From: Staff
Subject: Request for Proposal – Third Party Administrator

*Board of Deferred
Compensation Administration
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Michael Amerian, Vice-Chairperson
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Thomas Moutes, Second Provisional Chair
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Recommendation:

That the Board of Deferred Compensation receive and file this report and related presentation regarding design of the Deferred Compensation Plan Request for Proposal for Third-Party-Administration.

Discussion:

At its July 21 and August 18, 2015 meetings, the Board adopted a series of recommendations relative to procuring for Third-Party-Administrative (TPA) services for the City of Los Angeles Deferred Compensation Plan. The contract with the incumbent provider expires on December 31, 2016. Actions taken by the Board thus far include:

- Adopting a Master Procurement and Contracting Schedule which includes the TPA search within its five-year search plan;
- Approving the initiation of the TPA procurement in 2015/2016 and calendar for TPA RFP development with a target implementation date for a new service provider contract to be in place by January 1, 2017;
- Approving requesting City Council approval to expand the Board's authority to enter into five-year contracts for Deferred Compensation services to include TPA, consulting and all other administrative services, and authorize the Board Chairperson to sign and submit that report to Council;
- Approving a proposed communications plan for Plan participants; and
- Approving/executing a Conflict-of-Interest & Ex-Parte Communication Pledge form for execution by all Board members/City staff involved in the development process for this procurement.

The next action item on the calendar (for the month of September) is:

- Receiving a presentation from staff and the Board's consultant, Segal, regarding the **mission** of procurement relative to Plan mission, primary **service categories**, the current defined contribution **services landscape**, and concepts under development relative to **RFP best practices & innovations**.

A. Presentation

Accompanying this staff report is a presentation from staff and Segal regarding the concepts and considerations being used by staff and the consultant regarding

development of the RFP. This presentation is intended to be interactive and provide the Board with opportunities to share their views and ideas relating to the design of the RFP. This presentation will attempt to place this procurement within the context of the Plan’s overall mission, to define the major service categories, to review the current defined contribution landscape and how that may impact vendor participation in the RFP process, and concepts being considered by staff and the consultant relative to incorporating RFP best practices and innovations.

B. Updates & Next Steps

Staff has drafted a report to City Council requesting that Council expand the Board’s authority to enter into five-year contracts for Deferred Compensation services to include TPA, consulting and all other administrative services. This report is under review and expected to be submitted to the Board Chairperson on or near the Board meeting date of September 15th.

The Personnel Department is finalizing its draft Request for Information (RFI) relative to the City’s Pension Savings Plan (PSP), the retirement program for the City’s part-time, temporary and seasonal employees, and is expected to release this prior to September 15th.

Staff is scheduling focus groups with Plan participants during the month of September and developing a proposed survey for Board review at its October meeting.

The following calendar provides an update of action items and staff’s progress:

Month(s)	Action	
Jul-15	Approve staff proposals related to moving forward with the TPA RFP, 5-year contracting, and related items	Completed
Aug-15	Review staff proposals for participant outreach and communications during selection process; submit approved report to City Council regarding 5-year contracting	The Board reviewed and approved the proposed communications plan; staff has drafted the report to City Council regarding 5-year contracting and this document is currently under review.
Sep-15	(1) Staff/consultant overview of RFP development process and key evaluation categories (2) Conduct focus groups of Plan participants	
Oct-15	(1) Discussion of RFP development (2) Board review/approve proposed participant survey	
Nov-15	(1) Discussion of RFP development (2) Issue Plan participant survey	

Dec-15	(1) Staff/consultant update of RFP development process	
Jan-16	Review and approve draft RFP	
Jan/Feb-16	Release RFP	
Mar-16	Response Due Date	
Mar:May-16	Response Evaluation	
Jun/Jul-16	Board selection of provider	
Dec-16	Execute contract	

Submitted by: _____
Steven Montagna