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JANUARY 27, 2020

AGENDA ITEM 5  
ACTION ITEM

CALIFORNIA SECURE CHOICE RETIREMENT SAVINGS INVESTMENT BOARD

*Legal Services Contract*

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***Summary***

The California Secure Choice Retirement Savings Investment Board (“Board”) will consider approving a contract for legal services.

***Background***

Agreement CSCRSIB08-17 (“Agreement”) between Board and K&L Gates, LLP for legal services was executed in April 2018 to identify and advise on legal issues regarding the development and implementation of the CalSavers Retirement Savings Program (“the Program”). K&L Gates, LLP provided similar legal services to the Board via prior contracts beginning in 2015.

The Agreement is due to expire March 31, 2020. Due to the need for continued legal advice, the Board authorized the Executive Director to release request for qualifications number CSCRSIB02-19 (“the RFQ”) for legal services.

The new agreement will be structurally similar in design and scope to the current contract for external legal services.

***Procurement***

The RFQ was made available January 8, 2020. The Program received four responses. Staff recommends selection of K&L Gates to perform external legal services. If the Board approves executing the contract, staff anticipate a contract start date of April 1, 2020.

***Scope and Volume of Work***

The Board will require continued legal advice necessary to ensure the Program complies with federal and state law as CalSavers staff and the Board continue to operate the Program. Specifically, legal services will be necessary to provide advice and analysis on subjects including provisions of the Employee Retirement Income Security Act (“ERISA”), federal securities law, laws and regulations governing individual retirement accounts (“IRAs”), and California state laws relevant to operation of the Program. This advisor may from time to time participate in certain discussions with the litigation team led by the California State Attorney General’s Office, but this contractor is not a member of the litigation team.

The need for legal services should be occasional and necessary only for specific requests by the Board or staff. In particular, staff estimate legal services may be necessary to advise the Board on changes to federal and state laws and regulations, drafting of legal opinions, and assistance with other policy matters.

***Contract Term and Cost***

The term of the Agreement entered into pursuant to this RFQ, if any, will be April 1, 2020 (or upon approval by the DGS, whichever is later) through March 31, 2022, with an option to extend one year at the sole discretion of the Board. The maximum amount of the Agreement will be \$350,000 for the first two years, and the total amount shall be no more than \$525,000 over the entire contract term, including all optional extensions. The contract budget is a maximum amount that can be paid under the agreement. Costs are only paid for to the work performed. Work performed will be billed at a blended hourly rate.

***K&L Gates***

Staff recommends the Board select K&L Gates for this contract based on the firm's singular expertise and long track record of exemplary service to the Board. The blended rate for K&L Gates will be \$693/Hour.

***Staff Recommendation***

Staff recommends the Board approve Resolution No. 2020-01 of the California Secure Choice Retirement Savings Investment Board relating to the approval to execute agreement no. CSCRSIB02-19 for legal services with K&L Gates.

***Attachments***

Attachment 1 – Request for Qualifications for Legal Services

Attachment 2 – Resolution 2020-01: Approval to Execute a Contract for Legal Services

Attachment 3 – Existing contract for Legal Services