
APRIL 28, 2014

AGENDA ITEM 03
ACTION ITEM

CALIFORNIA SECURE CHOICE RETIREMENT SAVINGS INVESTMENT BOARD

Resolution No. 2014-01 – Resolution of the California Secure Choice Retirement Savings Investment Board Relating to the Approval to Execute an Interagency Agreement with the State Treasurer’s Office for Procurement and Contract Management Services

Presenter

Grant Boyken

Action Recommended

Adopt Resolution No. 2014-01, which authorizes the Chair or the Chair’s designee to execute an interagency agreement with the State Treasurer’s Office (STO) for procurement and contract management services.

Background

At the March 24, 2014 meeting of the California Secure Choice Retirement Savings Investment Board (Board), staff reported that the effort to secure project management and procurement support services through Department of General Services’ California Multiple Award Schedules (CMAS) was unsuccessful. As an alternative, staff suggested developing an interagency agreement with the STO to provide the necessary resources for project management and procurement services. The Board directed staff to pursue that alternative.

The agreement is attached to this memo for the Board’s consideration.

The Agreement

The term of the agreement is March 24, 2014 through September 30, 2015. The services included in the scope of work are similar to procurement and contract management services included in the Request for Offer issued unsuccessfully through CMAS.

The agreement specifies the Board will compensate the STO for actual expenditures incurred. The majority of the cost will be for personnel. The hourly rates included in the agreement are based on the salary and benefits of each of the four staff positions identified in the agreement that will perform services under the agreement. The four STO staff positions are:

- Career Executive Appointment (CEA)

- Associate Governmental Program Analyst (AGPA)
- General Counsel (CEA)
- Attorney III

The maximum amount of the agreement is \$150,000, which is based on a rough estimate of 10 hours per week for three STO positions, and five hours for the General Counsel. In addition, the agreement requires the Board to reimburse the STO for travel costs and for other necessary expenses directly related to the services.

The agreement also includes a budget contingency clause that allows the Board to cancel or amend the agreement with no liability to the Board if sufficient funds are not available or if the Budget Act does not appropriate sufficient funds for the program.

Attachments:

Attachment 1 – The proposed interagency agreement

Attachment 2 – Board Resolution No. 2014-01

Attachment 1
STATE OF CALIFORNIA
STANDARD AGREEMENT
STD 213 (Rev 06/03)

AGREEMENT NUMBER CSCRSIB01-14
REGISTRATION NUMBER

- This Agreement is entered into between the State Agency and the Contractor named below:

STATE AGENCY'S NAME	California Secure Choice Retirement Savings Investment Board
CONTRACTOR'S NAME	State Treasurer's Office
- The term of this Agreement is: March 24, 2014 through September 30, 2015
- The maximum amount of this Agreement is: **\$ 150,000.00**
One hundred fifty thousand dollars and zero cents
- The parties agree to comply with the terms and conditions of the following exhibits which are by this reference made a part of the Agreement.

Exhibit A – Scope of Work	3 pages
Exhibit B – Budget Detail and Payment Provisions	1 page
Exhibit C* – General Terms and Conditions	(GIA 610)

Items shown with an Asterisk (*), are hereby incorporated by reference and made part of this agreement as if attached hereto. These documents can be viewed at www.dgs.ca.gov/ols/Resources/StandardContractLanguage.aspx

IN WITNESS WHEREOF, this Agreement has been executed by the parties hereto.

CONTRACTOR	<i>California Department of General Services Use Only</i>	
CONTRACTOR'S NAME (if other than an individual, state whether a corporation, partnership, etc.) State Treasurer's Office		
BY (Authorized Signature) 		DATE SIGNED(Do not type)
PRINTED NAME AND TITLE OF PERSON SIGNING Steve Coony, Chief Deputy Treasurer		
ADDRESS 915 Capitol Mall, Rm. 110, Sacramento, CA 95814		
STATE OF CALIFORNIA		
AGENCY NAME California Secure Choice Retirement Savings Investment Board		
BY (Authorized Signature) 		DATE SIGNED(Do not type)
PRINTED NAME AND TITLE OF PERSON SIGNING Bettina Redway, Chair (Designee)		
ADDRESS 915 Capitol Mall, Rm. 110, Sacramento, CA 95814		

Exempt per: SCM 4.04.A.5

SCOPE OF WORK

I. Background and Purpose

Legislation enacted in 2012 (SB 1234, Chapter 734, 2012) authorizes consideration of the California Secure Choice Retirement Savings Program ("Program" or "Secure Choice"). If implemented, the Program would provide a voluntary, low-risk, automatic-enrollment retirement savings plan for an estimated 6.3 million California workers who currently lack access to retirement savings plans through their employer. The Program would require private employers with five or more employees not currently offering a retirement savings plan to provide their employees access to, and payroll deductions for, Secure Choice retirement accounts. Implementation is contingent on enactment of subsequent legislation. The Program would be administered by the nine-member California Secure Choice Retirement Savings Investment Board ("Board"), chaired by the State Treasurer.

Before the Legislature can consider further legislation to implement Secure Choice, SB 1234 requires the Board to conduct a market analysis and feasibility study to determine whether the legal and practical conditions for implementation can be met. The Board has approved an approach to the study that includes four distinct, but well-coordinated work streams:

- a) Market Analysis – A market analysis to determine likely levels of participation and elements of program design that could maximize participation, maximize the likelihood of private sector financial providers offering products and services necessary to the Program, and minimize inconvenience or disruptions to employers.
- b) Program Design – Based on the findings of the market analysis, work will have to be done to determine how the Program would best be structured and administered. This will include determining the best methods for communicating with participants, handling payroll deductions, and accomplishing the recordkeeping and administration functions. The work in the program design phase will also need to include the development of recommendations for plan features and options such as the level of the automatic (or "default") contribution level, maximum contribution levels, investment options and roles and responsibilities of Program participants, employers, and the Board and any third parties with whom the Board contracts to administer the Program.
- c) Financial Feasibility Study – A financial analysis to determine whether likely demand and participation would make it possible for the proposed Program to be self-sustaining as the statute requires.
- d) Legal Feasibility Study – A legal analysis to determine whether the Program, as designed in the Program Design phase, meets legal requirements specified in the Secure Choice Retirement Savings Trust Act.

Two Requests for Proposals (RFPs) will be issued for this work, in addition to an RFP and/or contract to provide subject matter expertise and project management.

With the first RFP, the Board seeks a law firm experienced in relevant areas of federal and state laws to conduct the legal analysis, make program design recommendations, provide technical support for the legislative process if any further state or federal legislation is required, and draft ruling or opinion requests for submission to the Department of the Treasury and the U.S. Department of Labor.

With the second RFP, the Board seeks a contractor to conduct the market analysis, program design work and financial feasibility study. Because the market analysis, and the conclusions and recommendations drawn from it, will receive significant public scrutiny, it is important to choose a vendor with a proven track record of performing market analysis for companies in the financial services industry, and a vendor that is – and is perceived to be – independent, with no financial interest in the outcome of the study. The vendor selected should be knowledgeable about, and have experience in, conducting survey research on California's low-income workers and small businesses, or subcontract with a firm that does have such knowledge and experience. The vendor conducting the program design work and financial feasibility study should have experience designing retirement plans and also the expertise to conduct the financial analysis, including actuarial expertise.

II. Services

The State Treasurer's Office ("Treasurer's Office" or "STO") agrees to provide the following services:

A. Procurement Services

1. Develop two RFPs, including contracts, for the following services: 1) legal analysis; and 2) market analysis, program design, and financial feasibility study.
2. Review input from stakeholder groups and incorporate input into the RFPs as appropriate, and meet with stakeholder groups as necessary.
3. Answer potential bidders' questions and facilitate a teleconference or webinar with potential bidders as necessary.
4. Facilitate Board interviews with the finalists for each RFP.
5. Advise the Board in the evaluation and scoring of proposals for each RFP.
6. Develop an RFP and/or contract for subject matter expert(s) and project manager.
7. Finalize the contracts, obtain signatures, and submit the contracts, along with required supporting documentation, to the Department of General Services ("DGS") for approval. Answer questions, if any, from DGS and submit additional documentation as may be required by DGS. Respond to any protest that may be filed with DGS.
8. Address any issues that may arise regarding the solicitations and contracts, and seek Board direction or action as appropriate or necessary.
9. Inform the Board of the status of the procurement process.
10. Attend and prepare materials for Board meetings.

B. Contract Management Services

1. Monitor the contracts to ensure compliance with contract provisions:
 - i. Monitor work progress to ensure that services are performed according to the quality, quantity, objectives, timeframes, and manner specified in the contracts.
 - ii. Ensure that work is completed and approved before the contracts expire.
 - iii. Facilitate meetings with contractors as necessary.
2. Manage and monitor contract costs, and review invoices to verify work performed and costs claimed are in accordance with the contract. Dispute or approve invoices and authorize payment on approved invoices.
3. Request amendments or new contracts as necessary, allowing sufficient time to process and execute such changes before the contracts expire or funds are depleted in order to prevent a lapse in services.
4. Maintain records related to the project and contracts.
5. Complete and submit any forms or documents required by DGS or laws concerning the contracts.
6. Address any issues that may arise regarding the contracts, and seek Board direction or action as appropriate or necessary.
7. Inform the Board of contract or project progress.
8. Attend and prepare materials for Board meetings.

III. Project Representatives

The project representatives during the term of this Agreement will be:

Requesting Agency: Secure Choice Retirement Savings Investment Board	Providing Agency: State Treasurer's Office
Name: Designee for the Chair	Name: Grant Boyken
Phone: (916) 653-2995	Phone: (916) 653-2995
Fax: (916) 653-3125	Fax: (916) 653-3125

The parties shall direct their inquiries to:

Requesting Agency: Secure Choice Retirement Savings Investment Board	Providing Agency: State Treasurer's Office
Attention: Designee for the Chair	Attention: Grant Boyken
Address: 915 Capitol Mall, Sacramento, CA 95814	Address: 915 Capitol Mall, Sacramento, CA 95814
Phone: (916) 653-2995	Phone: (916) 653-2995
Fax: (916) 653-3125	Fax: (916) 653-3125

EXHIBIT B
(Interagency Agreement)**BUDGET DETAIL****I. Invoicing**

- A. For services satisfactorily rendered and upon receipt and approval of the invoices, the Board agrees to compensate the STO for actual expenditures incurred in accordance with the rates specified herein.
1. Hourly rates are based on the salary and benefits of each personnel that shall perform the services under this Agreement:

Career Executive Appointment (CEA)
Associate Governmental Program Analyst (AGPA)
General Counsel (CEA)
Attorney III
 2. Travel costs shall be reimbursed at rates established by the California Department of Human Resources (CalHR) for the classification and bargaining agreement, as applicable.
 3. STO may be reimbursed for other necessary expenses (itemized) directly related to the services.
- B. Invoices shall include the Agreement Number and shall be submitted in triplicate not more frequently than monthly in arrears to:

Designee for the Chair
Secure Choice Retirement Savings Investment Board
915 Capitol Mall, Rm. 110
Sacramento, CA 95814

II. Budget Contingency Clause

- A. It is mutually agreed that if the Budget Act of the current year and/or any subsequent years covered under this Agreement does not appropriate sufficient funds for the program, this Agreement shall be of no further force and effect. In this event, the Board shall have no liability to pay any funds whatsoever to the STO or to furnish any other considerations under this Agreement and the STO shall not be obligated to perform any provisions of this Agreement.
- B. If funding for any fiscal year is reduced or deleted by the Budget Act for purposes of this program, the Board shall have the option to either cancel this Agreement with no liability occurring to the Board, or offer an agreement amendment to the STO to reflect the reduced amount.
- C. Notwithstanding paragraphs II.A and II.B above, SB 1234 provides the funding requirements that govern this Agreement. Therefore, this Agreement is subject to sufficient funding in accordance with SB 1234. It is mutually agreed that if funds for the current year and/or any subsequent years covered under this Agreement are not sufficient for the project or program, this Agreement shall be of no further force and effect. In this event, the Board shall have no liability to pay any funds whatsoever to the STO or to furnish any other considerations under this Agreement and the STO shall not be obligated to perform any provisions of this Agreement. The Board shall have the option to either cancel this Agreement with no liability occurring to the Board, or offer an agreement amendment to the STO to reflect the reduced amount.

III. Payment

- A. Costs for this Agreement shall be computed in accordance with State Administrative Manual Sections 8752 and 8752.1.
- B. Nothing herein contained shall preclude advance payments pursuant to Article 1, Chapter 3, Part 1, Division 3, Title 2 of the Government Code of the State of California.

EXHIBIT C
(Interagency Agreement)**GENERAL TERMS AND CONDITIONS (GIA 610)**

1. **APPROVAL:** This Agreement is not valid until signed by both parties and approved by the Department of General Services, if required.

2. **AUDIT:** The agency performing work under this Agreement agrees that the awarding department, the Department of General Services, the Bureau of State Audits, or their designated representative shall have the right to review and to copy any records and supporting documentation pertaining to the performance of this Agreement if it exceeds \$10,000. The agency performing work agrees to maintain such records for possible audit for a minimum of three (3) years after final payment, unless a longer period of record retention is stipulated.

3. **PAYMENT:** Costs for this Agreement shall be computed in accordance with State Administrative Manual Section 8752 and 8752.1.

4. **AMENDMENT:** No amendment or variation of the terms of this Agreement shall be valid unless made in writing, signed by the parties, and approved as required. No oral understanding or agreement not incorporated in the Agreement is binding on any of the parties.

5. **SUBCONTRACTING:** All subcontracting must comply with the requirements of the State Contracting Manual, Section 3.06.

6. **ADVANCE PAYMENT:** The parties to this interagency agreement may agree to the advancing of funds as provided in Government Code Sections 11257 through 11263.

7. **DISPUTES:** The agency performing work under this Agreement shall continue with the responsibilities under this Agreement during any dispute.

8. **TIMELINESS:** Time is of the essence in this Agreement.

9. **NON-PAYMENT OF INVOICES – FUND TRANSACTION REQUEST:** In accordance with Government Code Section 11255, the parties agree that when an invoice is not paid by the requested due date to the Contractor (agency providing the service) and the invoice is not disputed by the contracting Department (agency receiving the service), Contractor may send the contracting Department a 30-day notice that it intends to initiate a transfer of funds through a Transaction Request sent to the State Controller's Office. To facilitate a Transaction Request should one be needed, the contracting Department shall no later than 10 business days following execution of this Agreement provide data to the Contractor for the appropriation to be charged including: fund number, organization code, fiscal year, reference, category or program, and, if applicable, element, component, and task.

RESOLUTION NO. 2014-01

RESOLUTION OF THE CALIFORNIA SECURE CHOICE RETIREMENT SAVINGS INVESTMENT BOARD RELATING TO THE APPROVAL TO EXECUTE AN INTERAGENCY AGREEMENT WITH THE STATE TREASURER'S OFFICE FOR PROCUREMENT AND CONTRACT MANAGEMENT SERVICES

WHEREAS, the California Secure Choice Retirement Savings Investment Board (the "Board") is established under SB 1234 (Chapter 734, 2012; codified under Government Code section 100000 et seq.) and mandated to conduct a market analysis to determine whether the necessary conditions for implementation of the California Secure Choice Retirement Savings Trust Act (the "Act") can be met, provided that the Board shall conduct the market analysis only if sufficient funds to initiate and complete the required market analysis are made available through a nonprofit or private entity, or from federal funding;

WHEREAS, Government Code section 100042 provides, in part, that the Act shall become operative only if the Board determines that, based on the market analysis, the provisions of the Act will be self-sustaining, and funds are made available through a nonprofit or other private entity, federal funding, or an annual Budget Act appropriation in amounts sufficient to allow the Board to implement the Act until the California Secure Choice Retirement Savings Trust has sufficient funds to be self-sustaining;

WHEREAS, Government Code section 100043 provides that the Board shall not implement the California Secure Choice Retirement Savings Program (the "Program") if the Individual Retirement Account ("IRA") arrangements offered fail to qualify for the favorable federal income tax treatment ordinarily accorded to IRAs under the Internal Revenue Code, or if it is determined that the Program is an employee benefit plan under the federal Employee Retirement Income Security Act;

WHEREAS, the Board wishes to enter into an interagency agreement with the State Treasurer's Office to assist the Board with procurement and contract management for the necessary market analysis, program design, feasibility study, and legal analysis; and

WHEREAS, the Secure Choice Retirement Savings Program Fund holds sufficient funds to enter into an interagency agreement with the State Treasurer's Office for procurement and contract management services;

NOW, THEREFORE, BE IT RESOLVED that the Chair or the Chair's designee is hereby authorized to prepare, execute, and take whatever steps necessary to enter into an interagency agreement with the State Treasurer's Office for procurement and contract management services in an amount not to exceed \$150,000.

Attest: _____
Chairperson

Date of Adoption: _____