



# Regular Meeting

## Item Number 11d – Open Session

**Subject:** Contracts Requiring Board Approval

**Presenter(s):** Chairperson

**Item Type:** Consent Action

**Date & Time:** March 7, 2024 – 0 minutes

---

**Attachment(s):** None

**PowerPoint(s):** None

---

### **Contracts Requiring Board Approval**

The Teachers' Retirement Board delegation to the Chief Executive Officer requires that the board approve: all non-investment contracts with a cumulative value exceeding \$1,000,000; all non-competitive bid contracts with a cumulative value exceeding \$100,000; and any contract amendment exceeding 15% of the cumulative value previously approved by the board exceeding \$1,000,000. The contracts listed below meet these criteria:

#### **CONTRACT**

##### 1. Vendor To Be Determined

Title:	Microsoft Enterprise Licenses
Solicitation Number:	To Be Determined
Contract Number:	To Be Determined
Contract Term:	April 1, 2024 through March 31, 2027
Total Contract Amount:	Up to \$8,075,000.00
Source of Funds:	Support Appropriation
Branch Executive:	Ashish Jain

#### **PURPOSE**

Staff request board approval to award a three (3) year contract to provide Microsoft software licenses for the enterprise. CalSTRS staff uses various Microsoft software products in conducting

daily business activities. This purchase order ensures CalSTRS’ continued license to use the required Microsoft products.

**SUMMARY**

The Purchase Order for Microsoft enterprise software licenses, currently held by Zones, LLC., will expire on March 31, 2024. CalSTRS staff will obtain quotes from vendors authorized to provide Microsoft enterprise software licenses to California State governmental entities under a leveraged procurement model. The selection of the vendor will be based primarily on the lowest quoted price for the Microsoft enterprise software licenses. The projected purchase order amount in this request is based off a quote provided by our current agreement holder, Zones, LLC. for our current licensing levels and projects for potential increases in licenses and the “true-up” that will be performed annually.

Approval of this request will ensure CalSTRS can maintain and add Microsoft licenses as needed to sustain everyday essential business needs throughout the enterprise.

**AMENDMENTS**

2. Guidehouse Inc.

Title:	Independent Project Oversight Consultant Services
Contract Number:	4400002752, A-5
Current Term:	August 1, 2019 through May 31, 2024
Proposed Term:	August 1, 2019 through May 31, 2025
Current Contract Amount:	\$3,249,251.62
Amendment Amount:	\$ 642,829.56
Proposed Contract Amount:	\$3,892,081.18
Source of Funds:	Support Appropriation
Branch Executive:	Ashish Jain

**PURPOSE**

Staff requests the Board’s approval to amend the contract with Guidehouse Inc. to increase the contract by \$642,829.56 to continue Independent Project Oversight Consultant (IPOC) services on the Pension Solution Project for another year through May 2025.

**SUMMARY**

Guidehouse Inc. serves as the Board’s Independent Project Oversight Consultant (IPOC) consultant on the Pension Solution project, providing an independent perspective on system

implementation processes and practices. Specifically, IPOC focuses on project management process compliance and risk reporting, as well as cost and schedule compliance.

The current contract was executed in August 2019 originally with Grant Thornton, LLP and because of a company merger, the contract was updated to Guidehouse Inc. to continue to provide IPOC services on this project. This contract amendment will extend the contract term through an optional 12 months to continue the services required for the project.

This contract supports CalSTRS Strategic Plan Pension Solution project initiative. Approval of this contract amendment is critical to retain IPOC services ensuring oversight is in place to provide an independent assessment of project health.

3. Dr. Robert Yetman

Title:	Audits and Risk Management Committee (ARM) Consultant
Contract Number:	4400001614, A2
Current Term:	July 1, 2016 – June 30, 2024
Proposed Term:	July 1, 2016 – June 30, 2026
Current Contract Amount:	\$ 803,555.00
Amendment Amount:	\$ 221,235.00
Total Contract Amount:	\$1,024,790.00
Source of Funds:	Support Appropriation
Branch Executive:	Lisa Blatnick

**PURPOSE**

Staff requests board approval for a contract amendment with Dr. Yetman as the Audits and Risk Management (ARM) Committee consultant to increase the contract by \$221,235.00 to continue providing financial expertise for another two years through June 30, 2026.

**SUMMARY**

The CalSTRS ARM Committee Charter outlines its responsibility for designating at least one member of the committee as the Audit Committee Financial Expert as defined by the Securities and Exchange Commission (SEC). The member's knowledge includes understanding of generally accepted accounting principles for public pension funds issued by the Governmental Accounting Standards Board. The consultant provides advice to the ARM committee relating to auditing (internal and external), financial reporting, and risk management. Specifically, the consultant provides advice regarding audit planning and audit findings, financial reporting issues, changes to accounting rules, and provides training and education to the board and staff.

In March 2016, CalSTRS issued a Request for Proposal (RFP) to perform advisory services, training, consulting, and special projects as directed by the Chief Auditor, the ARM Committee and/or the Chief Operating Officer. A competitive RFP process was conducted, and the contract was awarded to Dr. Robert Yetman. CalSTRS entered into an agreement with Dr. Robert Yetman in July 2016.

Approval of this contract supports the ARM Committee and the board in fulfilling its fiduciary oversight responsibilities over audit, finance, governance, risk and controls. This amendment increases the total contract amount by \$221,235.00 and extends the term of the contract through June 2026.

**RECOMMENDATION**

Staff recommends the board approve the above contract and amendment items.