



Regular Meeting

Item Number 16d – Open Session

Subject: Contracts Requiring Board Approval

Presenter(s): Chairperson

Item Type: Consent Action

Date & Time: January 10, 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:

CONTRACTS

1. Deloitte Consulting, LLP

Title:	SAP Managed Services
Contract Number:	TBD
Contract Term:	March 1, 2024 through February 28, 2026 (with 5 1-year options to extend and a 3 month exit period)
Total Contract Amount:	\$36,130,146.80 (cost for all 7 years and a 3 month exit period)
Source of Funds:	Support Appropriation
Branch Executive:	Ashish Jain

PURPOSE

Staff requests board approval to enter into a contract with Deloitte Consulting, LLP to provide essential maintenance and operations support for CalSTRS' existing SAP solutions as well as support the long-term SAP roadmap of the organization.

SUMMARY

On October 2, 2023, CalSTRS issued a Request for Proposal (RFP) for SAP Managed Services. CalSTRS received four proposals and has selected Deloitte Consulting, LLP for award.

The Contractor will provide support on existing SAP solutions such as CalSTRS’ BusinessDirect, Concur, and HR Link. The BusinessDirect system relies primarily on SAP technology and incorporates the functionality essential to maintain CalSTRS’ financial and management needs at the highest level of integrity and efficiency. BusinessDirect provides CalSTRS with one comprehensive system for the tracking and reporting of critical activities as diverse as budgeting, procurement, asset management, contract processing, business partner relationship management, accounts payable, accounts receivable, investment accounting, tax and financial reporting. SAP Concur is CalSTRS’ travel and expense management system.

Additionally, HR Link utilizes SAP SuccessFactors modules such as Employee Central, Learning Management System, Onboarding & Cross-boarding, and Performance Management. HR Link is a system that has been put in place to keep pace with the growing human capital needs of CalSTRS and support business goals. It is a modernized system that makes the organization’s efforts more effective with our strongest asset in mind, our employees. HR Link is an all-inclusive system for Human Resources processes that streamline efficiencies and accuracy of employee and position data. Deloitte will also support the retrofitting of CalSTRS’ SAP solutions with the new pension administration system.

Approval of this contract will ensure continuous expertise and essential services required to maintain and operate CalSTRS existing SAP solutions to meet the ongoing needs for CalSTRS’ business as well as support the CalSTRS’ long-term SAP roadmap.

2. Maximus US Services, Inc.

Title:	Independent Verification and Validation Services
Contract Number:	TBD
Contract Term:	January 16, 2024 through January 15, 2026
Total Contract Amount:	\$3,054,192.48
Source of Funds:	Support Appropriation
Branch Executive:	Lisa Blatnick

PURPOSE

Staff requests board approval to enter into a contract with Maximus US Services, Inc., in the amount of \$3,054,192.48, to provide Independent Verification and Validation (IV&V) services on the Pension Solution Project.

SUMMARY

Due to the complexity and critical nature of the Pension Solution project, CalSTRS requires the services of an IV&V firm to perform all applicable IV&V tasks and activities in accordance with the Institute of Electrical and Electronics Engineers (IEEE) Standard 1012 and perform all technical IV&V assessments and activities throughout the project lifecycle to help ensure a successful project outcome; provide an objective assessment of all products and processes throughout the project software development lifecycle to ensure the project is following industry best practices; and facilitate early detection, documentation and correction of errors and improve management insight into issues and risks before they become problems that could impede the progress and quality of the development effort.

The Pension Solution project has worked with the solution implementor to solidify the project schedule extension. It is crucial to maintain the continuity of IV&V services to ensure the solution implementation meets the quality expectations and standards and fulfills all contractual requirements.

Approval of this contract supports CalSTRS Strategic Plan’s Pension Solution initiative. The current IV&V services contract ends in January 2024, and it is essential that we continue these services to align with the current project completion timeline. A Request for Offer (RFO) was issued on October 10, 2023, in which Maximus US Services, Inc. was selected over other bidders by having the most extensive expertise in Independent Verification and Validation Services as well as relevant experience.

3. Carahsoft Technology Corp.

Title:	Cloud Data Center Services
Contract Number:	Multiple Purchase Orders resulting from NASPO ValuePoint Master Agreement No. AR2472 Participating Addendum # 7-17-70-40-05
Contract Term:	September 15, 2023 through September 15, 2026
Total Contract Amount:	Not to exceed \$12,695,000.00
Source of Funds:	Support Appropriation
Branch Executive:	Ashish Jain

PURPOSE

Staff requests board approval to make purchases and/or enter into purchase order agreements for cloud data center services using Carahsoft Technology Corp. through the NASPO Master Agreement. The ability to procure cloud services on an as-needed basis is essential to support the technology needs of CalSTRS in providing effective and innovative services to our members and employers.

SUMMARY

The CalSTRS data center provides computing infrastructure that supports mission critical applications used by all business areas. Many of the applications are hosted at Headquarters (HQ) while Pension Solution is hosted at Quest data centers. The Datacenter Hosting and Migration Services (DHMS) project was launched to build a single cloud infrastructure and migrate CalSTRS applications from HQ and Quest data centers into that environment to enable more agility in providing innovative services and resilient business continuity capabilities.

The Carahsoft NASPO Master Agreement leverages pre-negotiated state pricing to provide cloud data center services to government agencies. The agreement includes a wide range of services from computing processors to storage, network connections, data backup and many other services. These services can be acquired on demand with a pay-per-use model which makes it a flexible and cost-effective way of scaling an enterprise data center.

Utilizing cloud data center services through the Carahsoft NASPO Master Agreement is vital for maintaining the highest levels of operational efficiency and security. These services are not only pivotal in supporting our current infrastructure but are also crucial for future proofing CalSTRS against evolving technological challenges and security threats. This ensures uninterrupted service delivery and robust protection of sensitive data, aligning with our commitment to excellence and trustworthiness in serving our members and employers.

Approval of this contract supports CalSTRS Strategic Plan and essential technology initiatives. The Carahsoft NASPO Master Agreement allows CalSTRS to be able to solicit and execute purchase orders to obtain cloud data center services to meet the needs of the DHMS project and on-going business needs timely. This will ensure that CalSTRS can quickly respond to business demands, project requests and other innovative endeavors while continuing to maintain service levels for existing business applications and systems and providing robust business resiliency.

AMENDMENTS

4. Mosaic Governance Advisors, LLC

Title:	Board Governance Consultant
Contract Number:	4400002612, A-1
Current Term:	May 1, 2019 through April 30, 2024
Proposed Term:	May 1, 2019 through April 30, 2026
Current Contract Amount:	\$ 991,000.00
Amendment Amount:	\$ 400,000.00
Proposed Contract Amount:	\$1,391,000.00
Source of Funds:	Support Appropriation
Branch Executive:	Cassandra Lichnock

PURPOSE

Staff requests board approval for a contract amendment with Mosaic Governance Advisors, LLC (Mosaic Governance Advisors) to increase the contract by \$400,000.00 to continue providing governance consulting services for another two years through April 30, 2026.

SUMMARY

On October 2018, CalSTRS issued a Request for Proposal (RFP) to provide a variety of governance consulting services to the full board as well as the board’s governance committee. A competitive RFP process was conducted, and the contract was awarded to Mosaic Governance Advisors. CalSTRS entered into an agreement with Mosaic Governance Advisors in May 2019.

Approval of this contract supports the Teachers’ Retirement Board in their governance of policies and oversight to CalSTRS. The contract provides a variety of essential services which includes leading the board’s strategic planning process, reviewing materials related to board polices, and consulting advice for board leadership. It also includes leading the board annual self-evaluations, CEO/CIO annual performance appraisals, and board consultant evaluations at the board offsites. This amendment increases the total contract amount by \$400,000.00 and extends the term of the contract through April 2026.

5. AVI-SPL LLC

Title:	Audiovisual Support
Contract Number:	4400004080, A2
Contract Term:	October 3, 2022 through October 2, 2027
Current Contract Amount:	\$1,056,764.78
Amendment Amount:	\$5,216,180.85
Proposed Contract Amount:	\$6,272,945.63
Source of Funds:	Support Appropriation
Branch Executive:	Ashish Jain

PURPOSE

The purpose of this amendment is to request board approval for an increased budget allocation to AVI-SPL LLC's contract. This increase, raising the total contract value to \$6,272,945.63, is essential to meet the escalating audiovisual (AV) support needs at CalSTRS. The additional funds will ensure that our AV infrastructure remains state-of-the-art, supporting our mission of seamless and effective communication in a hybrid work environment.

SUMMARY

CalSTRS relies on advanced AV technology to facilitate vital operations including Teachers’ Retirement Board (TRB) and Committee meetings, large-scale organizational gatherings, and

public engagements. These activities are integral to our commitment to transparency, as mandated by the Bagley-Keene Open Meeting Act, and to fostering a collaborative work culture in a blended environment.

The AVI-SPL contract leverages pre-negotiated state pricing to provide technological upgrades and specialized support across CalSTRS facilities, including Headquarters, and the Irvine and Santa Clara Member Service Centers (MSCs). The contract's scope encompasses a comprehensive technology refresh, equipping these sites with modern AV solutions to enhance both in-person and remote communication capabilities.

Approval of this amendment is critical for replacing outdated equipment and upgrading to new technologies, ensuring CalSTRS continues to meet essential business needs efficiently. The increased contract amount will facilitate procurement of new equipment, comprehensive technology refreshes, and extended technical support for our facilities.

RECOMMENDATION

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