
CONTRACTS REQUIRING BOARD APPROVAL

Attachment(s): None

PowerPoint(s): None

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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. Milliman, Inc.

Title:	Actuarial Consulting Services
Contract Number:	TBD
Solicitation Method:	RFP
Solicitation Number:	5000002581
Term:	October 1, 2023 – September 30, 2031
Total Contract Amount:	Not to exceed \$6,207,000.00
Source of Funds:	Support Appropriation
Branch Executive:	Julie Underwood

PURPOSE

Staff request board approval to award an eight (8) year contract with options to extend for an additional two (2) years to provide actuarial consulting services, routine actuarial reports, analyses, and fiscal reporting changes from an actuarial focus for CalSTRS programs. This new contract will replace an existing contract with Milliman for similar services that is scheduled to expire on September 30, 2023.

SUMMARY

On April 7, 2023, CalSTRS released the RFP to provide funding and accounting actuarial valuations and actuarial experience studies for the Defined Benefit, Defined Benefit Supplement, Cash Balance Benefit, and Medicare Premium Payment programs. Also included in scope were actuarial projections for the Supplemental Benefit Maintenance Account program, advising on legislation and program plan design, and assisting CalSTRS with various member calculations related to subrogation cases and IRC 415.

CalSTRS issued an RFP for up to ten (10) years for this service and received four (4) responses. Milliman’s proposal received the highest score and was selected for the contract. If CalSTRS exercises their option to add up to two (2) additional years in the future, the contract shall not exceed \$6,207,000.00.

AMENDMENT

2. Sagitec Solutions, LLC

Title:	Pension Solution Interim Services Period Contractor
Contract Number:	4400004042, A-2
Solicitation Method:	NCB
Current Term:	July 1, 2022 – June 30, 2023
Proposed Term:	July 1, 2022 – October 31, 2023
Current Contract Amount:	\$30,000,000.00
Amendment Amount:	\$0
Proposed Contract Amount:	\$30,000,000.00
Source of Funds:	N/A
Branch Executive:	Ashish Jain

PURPOSE

For informational purposes, staff is advising the board of A-2 to amend the contract with Sagitec Solutions, LLC to extend the working relationship to continue design, development, and testing of the Pension Solution Project through October 2023, until a newly established contract can be approved by the board at the September 2023 board meeting. The amendment is for a contract extension period only; no additional funding is necessary.

SUMMARY

An Interim Services Period (ISP) contract was entered into with Sagitec Solutions, LLC for the period of July 1, 2022 – June 30, 2023, to continue the Pension Solution Project for an interim period while a longer-term contract to establish new terms and conditions and a new project schedule was developed. During this interim period, lessons learned from prior project experiences were identified and the teams worked to strengthen the foundation of the project while the new contract was being developed. The CalSTRS Pension Solution team has been working closely with Sagitec Solutions, LLC on a contract to move beyond the Interim Services Period (ISP), which includes a new project schedule with key testing activities beginning July 1, 2023.

The ISP contract was initially scheduled to end on June 30, 2023. However, the contract language allows for two, two-month extensions in case of need. Staff has exercised the options to extend both of these two-month periods to continue the contractual relationship with Sagitec Solutions, LLC until October 2023. This extension will allow the staff to present the long-term

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contract for completing the project at the upcoming September 2023 board meeting, where it will undergo final board review and approval.

RECOMMENDATION

Staff recommends the approval of the above contract and amendment requests.