



Regular Meeting

Item Number 7e – Open Session

Subject: Contracts Requiring Board Approval

Presenter(s): Chairperson

Item Type: Consent Action

Date & Time: January 25, 2023 – 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. Accenture LLP

Title:	Innovation Consultant Contract
Contract Number:	TBD
Solicitation Method:	RFP
Solicitation Number:	5000002380
Term:	March 1, 2023 through February 28, 2026 (with two (2) one year options to extend)
Total Contract Amount:	Not to exceed \$3,750,000.00
Source of Funds:	Support Appropriation
Branch Executive:	Cassandra Lichnock

PURPOSE

Staff request that the board approve a new agreement with Accenture LLP to provide innovation consulting services to CalSTRS for a total not to exceed \$3,750,000.00 over a five (5) year period.

SUMMARY

During development of the 2022–25 *Strategic Plan*, innovation was flagged as a major strategic goal and a board leadership priority. To realize the long-term goal of leading innovation and managing change, it was determined that we must grow our capabilities and evolve our culture to support a strategic and innovation mindset.

Though CalSTRS has a reputation of innovating, until now our approach was largely project-specific and continuous-improvement focused. The pandemic’s disruptions presented opportunities for us to re-evaluate and optimize how we work across the entire operation—investments, administration and technology. By using the lessons of the pandemic, we can develop a holistic, formalized approach to innovation to increase resiliency and efficiency in service of our members.

We are seeking Accenture’s assistance for three (3) years with two (2) one-year options to extend. The services provided by Accenture will support CalSTRS as we assess our current innovation capabilities, define innovation for the organization, create an innovation roadmap that aligns with the 2022–25 *Strategic Plan*, build our innovation capabilities and develop a sustainable innovation program.

Accenture is a recognized industry leader in innovation consulting. They provide services in strategy and consulting, digital experience, technology and operations in over 40 industries, including financial services and the public sector. Accenture’s team has extensive experience assessing, building and running innovation programs, including those in the public sector.

2. GoldLink Pacific, Inc.

Title:	Senior Natural Software Developers
Contract Number:	TBD
Solicitation Method:	RFO
Solicitation Number:	5000002420
Term:	February 13, 2023 through February 12, 2026
Total Contract Amount:	\$1,082,880.00
Source of Funds:	Support Appropriation
Branch Executive:	Ashish Jain

PURPOSE

Staff requests board approval to enter into a multi-year contract with GoldLink Pacific, Inc. to provide two (2) Senior Natural Software Developer resources to perform various systems analyses and programming activities related to the CalSTRS’ current mainframe pension administration system and the future pension administration system.

SUMMARY

On October 21, 2022, CalSTRS issued a Request for Offer (RFO) 5000002420 for Senior Natural Software Developers resources. CalSTRS received 5 vendor offers and selected GoldLink Pacific, Inc. based on defined qualifications and best value to CalSTRS.

These resources are needed since existing contracts for Senior Natural Software Developers are coming near the end of term. Senior Natural Software Developers are critical to maintaining CalSTRS current pension administration system to ensure members receive their benefits accurately and without interruption. Services on this agreement will include: business requirement analysis, system design, functional and technical specification documentation, programming/coding, testing, development of critical enhancements, and ongoing maintenance.

AMENDMENTS

3. Nossaman, LLP

Title:	Specialized Legal Services
Contract Number:	4400002635, A-6
Current Term:	January 1, 2019 through December 31, 2024
Proposed Term:	January 1, 2019 through December 31, 2026
Current Contract Amount:	\$ 480,796.00
Amendment Amount:	\$ 700,000.00
Proposed Contract Amount:	\$1,180,796.00
Source of Funds:	Support Appropriation
Branch Executive:	Brian J. Bartow

PURPOSE

Staff requests approval to increase Nossaman contract funding by \$700,000.00, for a new contract amount of \$1,180,796.00, extending the term for two years, to cover the costs associated with personnel matters.

SUMMARY

Contractor shall provide specialized legal services to CalSTRS on personnel issues including investigations, factual findings, legal advice and representation, and presentation to executives and/or board members as required. There are no other state agencies or staff that provide this type of specialized legal review and advice or guidance.

4. Genesys Cloud Services, Inc.

Title:	Contact Center Solutions and Services
Contract Number:	4400002943, A-3
Current Term:	March 1, 2020 through February 28, 2023
Proposed Term:	March 1, 2020 through February 29, 2024
Current Contract Amount:	\$1,891,749.00
Amendment Amount:	\$ 819,000.00
Proposed Contract Amount:	\$2,710,749.00
Source of Funds:	Support Appropriation
Branch Executive:	Ashish Jain

PURPOSE

Staff requests approval to increase the contract amount with Genesys Telecommunications Laboratories, Inc. by a total of \$819,000.00 and extend the term to secure contact center services through February 29, 2024.

SUMMARY

In August 2019, CalSTRS issued an RFP for a Contact Center Solution. The contract was subsequently awarded to Genesys Telecommunications Laboratories, Inc. (Genesys), which expires February 2023. This contract provides for a variety of services including the use of the Genesys Cloud Contact Center solution to support the ongoing contact center support needs and other critical Contact Center functions required to provide necessary services to CalSTRS' members. This amendment will exercise the first year of three one-year extension options.

5. Weaver and Tidwell, LLP

Title:	Audits and Consulting Services
Contract Number:	4400003562
Term:	June 30, 2021 through June 29, 2024
Total Contract Amount:	\$1,175,700.00
Amendment Amount:	Not to exceed \$1,364,500.00
Proposed Contract Amount:	Not to exceed \$2,540,200.00
Source of Funds:	Support/Continuous Appropriation
Branch Executive:	Lisa Blatnick

PURPOSE

Staff requests approval to amend the contract for Audit Services' external contractor, Weaver and Tidwell, LLP, to add an additional amount not to exceed \$1,364,500.00 effective February 1, 2023. This amendment will assist Audit Services in completing its board-approved audit plans specific to audits and consulting services.

SUMMARY

Audit Services provides independent, objective audit assurance, and consulting services designed to add value and improve CalSTRS’ operations. Audit Service’s objective is to determine whether CalSTRS risk management, internal controls, and governance processes, as designed and represented by management, are adequate, effective, and implemented. Audit Services contracts with qualified firms, including Weaver and Tidwell, LLP, to assist in performing investment and information technology audits.

Audit Services audit plans includes investment and information technology audits that require specialized knowledge and require Audit Services to engage a contractor to perform audit services. To procure these services if awarded, Audit Services requires approval from the Board to increase the amount of our existing contract. In addition, Audit Services extends the use of its contract with Weaver and Tidwell, LLP in support of the organizational initiatives, such as Enterprise Compliance and Risk Management activities and the Pension Solution project.

NON-COMPETITIVE BID (NCB)

6. Lockton Insurance Brokers, LLC

Title:	Cyber Security Insurance
Contract Number:	4400001467, A-6
Current Term:	April 1, 2016 through June 30, 2025
Current Contract Amount:	\$2,879,144.28
Amendment Amount:	\$5,000,000.00
Proposed Contract Amount:	Not to exceed \$7,879,144.28
Source of Funds:	Continuous Appropriation
Branch Executive:	Brian J. Bartow

PURPOSE

Staff requests approval to amend the contract for Lockton Insurance Brokers’, to add \$5,000,000.00 for a new contract total of \$7,879,144.28 to cover the annual cyber security insurance premiums for fiscal years 2023/2024 and 2024/2025 Cyber Security insurance and services.

SUMMARY

The complexities of modern business ecosystems and global interconnectivities create obscure pools of cyber risk. Systemic cyber risk can emerge from internal enterprise vulnerabilities and lack of controls, but cyber risk can also originate from our external business streams, such as disruptive technology, supply-chain providers, trusted partners, outsourced contractors, hacktivist attacks or geopolitical actors. To obtain the most comprehensive cyber-related insurance coverage,

CalSTRS requires an experienced broker with detailed knowledge of this emerging market to identify and negotiate the best possible terms on behalf of our organization. The \$5,000,000.00 asked for covers two (2) years of services, allowing for potential increases in insurance rates over time.

RECOMMENDATION

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