

PERSONNEL AND ANIMAL WELFARE COMMITTEE REPORT relative to proposed First Supplemental Agreement to Contract No. C- 127171 with Mercer Investment Consulting, LLC (Mercer) for consulting services for the Deferred Compensation Plan and Pension Savings Plan.

Recommendations for Council action:

1. APPROVE and AUTHORIZE the General Manager, Personnel Department, to execute the proposed First Supplemental Agreement to Professional Services Agreement C-127171 with Mercer, subject to City Attorney approval as to form, to:
 - a. Extend the term two additional years resulting in a five year term effective July 1, 2015 through June 30, 2020.
 - b. Increase the expenditure authority by \$379,000 providing for a not to exceed total of \$649,000.
2. INSTRUCT the Personnel Department to work with the City Ethics Commission (CEC) to ensure that Mercer submits current documents for compliance with the applicable contracting requirements prior to executing the Agreement including the Bidder Certification CEC Form 50 and Prohibited Contributors (Bidders) CEC Form 55.

Fiscal Impact Statement: The City Administrative Officer (CAO) reports that there is no impact on the General Fund. Contractual services supporting the Deferred Compensation Plan and Pension Savings Plan are paid by third party administrators and funded by participant fees, in accordance with Los Angeles Administrative Code Division 4, Section 4.1407(f) and Section 4.1610(a), respectively. Approval of the proposed Agreement complies with the City's Financial Policies as sufficient funds are available to support the proposed expenditures in the Agreement.

Community Impact Statement: None submitted.

TIME LIMIT FILE - MAY 28, 2019

(LAST DAY FOR COUNCIL ACTION - MAY 28, 2019)

Summary:

On April 17, 2019, your Committee considered a March 15, 2019 CAO report relative to proposed First Supplemental Agreement to Contract No. C- 127171 with Mercer for consulting services for the Deferred Compensation Plan and Pension Savings Plan. According to the CAO, on March 20, 2018, the Board of Deferred Compensation Administration (Board) adopted a Personnel staff recommendation to extend the Agreement with Mercer as a provider for investment and communication consulting services (Services) for the City's Deferred Compensation Plan (DCP) and Pension Savings Plan (PSP). The proposed Agreement continues the current level of Services which include:

1. Providing investment option performance monitoring,

2. Informing the City of investment issues which may impact the DCP and PSP.
3. Developing communications materials, strategies, and participant surveys.
4. Advising the Board on staff reports and other investment-related communications.
5. Conducting investment manager searches to support the DCP and PSP.

Personnel states that conducting investment manager searches was not necessary during the initial three year term as the contracts for investment managers were current and did not require replacement. The contracts for investment managers expire beginning September 2019 through June 2020 and will require replacement during the term of the proposed Agreement. The original funding of \$270,000 was consumed during the initial three year term for Services provided under this Agreement and not involving investment manager searches. Personnel anticipates continuing the existing service level and adding activities for investment manager searches. Therefore, a higher level of service and cost is expected, as proposed in this request.

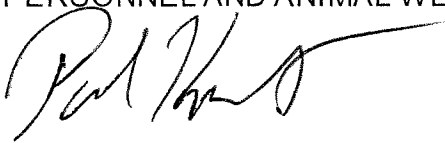
Approval of the proposed First Supplemental Agreement will:

1. Extend the term by two years resulting in a total five year term effective July 1, 2015 through June 30, 2020.
2. Increase the expenditure authority by \$379,000 providing a not to exceed total of \$649,000 over the term of the Agreement.

Additional changes include administrative updates to the City contact information for invoices and replacement of the contracting provisions to include the Standard Provisions for City Contracts. After consideration and having provided an opportunity for public comment, the Committee moved to recommend approval of the recommendations contained in the CAO report and detailed in the above recommendations. This matter is now submitted to Council for its consideration.

Respectfully Submitted,

PERSONNEL AND ANIMAL WELFARE COMMITTEE



MEMBER VOTE

KORETZ: YES
SMITH: YES
PRICE: ABSENT

ARL
4/17/19

-NOT OFFICIAL UNTIL COUNCIL ACTS-