

IN PERSON & VIRTUAL BOARD MEETING

*The Committee meeting will be held following the Board of Retirement meeting scheduled prior.



TO VIEW VIA WEB



TO PROVIDE PUBLIC COMMENT

Members of the public may address the Committee orally and in writing. To provide Public Comment, you should visit the above link and complete the request form by selecting whether you will provide oral or written comment from the options located under Options next to the Committee meeting.

Attention: If you have any questions, you may email PublicComment@lacera.com. If you would like to make a public comment during the committee meeting, review the [Public Comment instructions](#).

LOS ANGELES COUNTY EMPLOYEES RETIREMENT ASSOCIATION
300 N. LAKE AVENUE, SUITE 650, PASADENA, CA

AGENDA

A REGULAR MEETING OF THE OPERATIONS OVERSIGHT COMMITTEE AND BOARD OF RETIREMENT*

LOS ANGELES COUNTY EMPLOYEES RETIREMENT ASSOCIATION

300 N. LAKE AVENUE, SUITE 810, PASADENA, CA 91101

9:00 A.M., WEDNESDAY, AUGUST 7, 2024**

This meeting will be conducted by the Operations Oversight Committee and Board of Retirement both in person and by teleconference under California Government Code Sections 54953(b), (f).

Any person may view the meeting in person at LACERA's offices or online at <https://LACERA.com/leadership/board-meetings>.

The Committee may take action on any item on the agenda, and agenda items may be taken out of order.

*Teleconference Locations for Trustees and the Public under California Government Code Section 54953(b)
1388 Kapiolani Blvd., Honolulu, HI 96814*

COMMITTEE TRUSTEES:

JP Harris, Chair
Antonio Sanchez, Vice Chair
Jason Green, Trustee
Wayne Moore, Trustee
David Ryu, Alternate Trustee

- I. CALL TO ORDER
- II. PROCEDURE FOR TELECONFERENCE MEETING ATTENDANCE UNDER AB 2449, California Government Code Section 54953(f)
 - A. Just Cause
 - B. Action on Emergency Circumstance Requests
 - C. Statement of Persons Present at AB 2449 Teleconference Locations

III. APPROVAL OF MINUTES

- A. Approval of the Minutes of the Regular Meeting of June 5, 2024
- B. Approval of the Minutes of the Regular Meeting of July 3, 2024

IV. PUBLIC COMMENT

(Members of the public may address the Committee orally and in writing. To provide Public Comment, you should visit <https://LACERA.com/leadership/board-meetings> and complete the request form by selecting whether you will provide oral or written comment from the options located under Options next to the Committee meeting.

If you select oral comment, we will contact you via email with information and instruction as to how to access the meeting as a speaker. You will have up to 3 minutes to address the Committee. Oral comment request will be accepted up to the close of the Public Comment item on the agenda.

If you select written comment, please input your written public comment or documentation on the above link as soon as possible and up to the close of the meeting. Written comment will be made part of the official record of the meeting. If you would like to remain anonymous at the meeting without stating your name, please leave the name field blank in the request form. If you have any questions, you may email PublicComment@lacera.com.)

V. NON-CONSENT ITEMS

A. **Policy for the Procurement of Goods and Services**

Recommendation as submitted by Ricki Contreras, Administrative Services Manager, and Elsy Gutierrez, Supervising Administrative Assistant II: That the Committee recommend the Board of Retirement adopt the Policy for the Procurement of Goods and Services.

(Memo dated July 23, 2024)

B. **Vendor Recommendation: Global Relay eDiscovery Solution**

Recommendation as submitted by Chait Errande, Information Security Officer, and Kathy Delino, Chief, Information Technology: That the Committee recommend the Board of Retirement authorize staff to engage with Global Relay Archive to provide eDiscovery services for LACERA. The term of the contract is for 5 years where there would be a one-time setup fee of \$8,480 and monthly recurring costs of \$10,240. The total cost over the term of the contract of 5 years is \$622,880.

(Presentation) (Memo dated July 24, 2024)

VI. REPORTS

A. **LACERA Operations Briefing**

Luis A. Lugo, Deputy Chief Executive Officer
JJ Popowich, Assistant Executive Officer
Laura Guglielmo, Assistant Executive Officer
(For Information Only)

B. **BOR Strategic Plan – Quarterly Update**

Luis A. Lugo, Deputy Chief Executive Officer
(For Information Only)

C. **New Calendar for Pensionability Determinations**

Jean J. Kim, Senior Staff Counsel
(Presentation) (Memo dated July 15, 2024)

VII. ITEMS FOR STAFF REVIEW

(This item summarizes requests and suggestions by individual trustees during the meeting for consideration by staff. These requests and suggestions do not constitute approval or formal action by the Board, which can only be made separately by motion on an agenda item at a future meeting.)

VIII. ITEMS FOR FUTURE AGENDAS

(This item provides an opportunity for trustees to identify items to be included on a future agenda as permitted under the Board's Regulations.)

IX. GOOD OF THE ORDER

(For Information Purposes Only)

X. EXECUTIVE SESSION

A. **Potential Threats to Public Services or Facilities**

(Pursuant to Subdivision (a) of California Government Code

Consultation with: LACERA Chief Executive Officer Santos H. Kreimann, Deputy Chief Executive Officer Luis Lugo, Assistant Executive Officers JJ Popowich and Laura Guglielmo, Chief, Information Technology Kathy Delino, Information Security Officer Chaitanya Errande, and Other LACERA Staff.

August 7, 2024

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XI. ADJOURNMENT

***The Board of Retirement has adopted a policy permitting any member of the Board to attend a standing committee meeting open to the public. In the event five or more members of the Board of Retirement (including members appointed to the Committee) are in attendance, the meeting shall constitute a joint meeting of the Committee and the Board of Retirement. Members of the Board of Retirement who are not members of the Committee may attend and participate in a meeting of a Board Committee but may not vote on any matter discussed at the meeting. The only action the Committee may take at the meeting is approval of a recommendation to take further action at a subsequent meeting of the Board.**

****Although the meeting is scheduled for 9:00 a.m., it can start anytime thereafter, depending on the length of the Board of Retirement meeting preceding it. Please be on call.**

Any documents subject to public disclosure that relate to an agenda item for an open session of the Committee, that are distributed to members of the Committee less than 72 hours prior to the meeting, will be available for public inspection at the time they are distributed to a majority of the Committee, at LACERA's offices at 300 North Lake Avenue, Suite 820, Pasadena, California during normal business hours from 9:00 a.m. to 5:00 p.m. Monday through Friday *and will also be posted on lacera.com at the same time, [Board Meetings | LACERA](#).*

Requests for reasonable modification or accommodation of the telephone public access and Public Comments procedures stated in this agenda from individuals with disabilities, consistent with the Americans with Disabilities Act of 1990, may call the Board Offices at (626) 564-6000, Ext. 4401/4402 from 8:30 a.m. to 5:00 p.m. Monday through Friday or email PublicComment@lacera.com, but no later than 48 hours prior to the time the meeting is to commence.

MINUTES OF THE REGULAR MEETING OF THE OPERATIONS OVERSIGHT
COMMITTEE AND BOARD OF RETIREMENT*

LOS ANGELES COUNTY EMPLOYEES RETIREMENT ASSOCIATION

300 N. LAKE AVENUE, SUITE 810, PASADENA, CA 91101

11:10 A.M. – 11:34 A.M., WEDNESDAY, JUNE 5, 2024

This meeting was conducted by the Operations Oversight
Committee both in person and by teleconference under California
Government Code Section 54953(b), (f)

COMMITTEE TRUSTEES

PRESENT: JP Harris, Chair
Antonio Sanchez, Vice Chair
Jason E. Green, Trustee
Wayne Moore, Trustee
(Teleconference under CA Govt. Code Section 54953(b))
David Ryu, Alternate Trustee

OTHER BOARD OF RETIREMENT TRUSTEES

Nancy Durazo, Trustee
Vivian H. Gray, Trustee
Ronald Okum, Trustee
Les Robbins, Trustee
(Teleconference under CA Govt. Code Section 54953(b))

STAFF, ADVISORS AND PARTICIPANTS

Santos H. Kreimann, Chief Executive Officer

Luis Lugo, Deputy Chief Executive Officer

JJ Popowich, Assistant Executive Officer

Laura Guglielmo, Assistant Executive Officer

Steven P. Rice, Chief Counsel

Eugenia W. Der, Senior Staff Counsel

Chaitanya Errande, Information Security Officer

I. CALL TO ORDER

This meeting was called to order by Chair Harris at 11:10 a.m.

II. PROCEDURE FOR TELECONFERENCE MEETING ATTENDANCE UNDER AB 2449, California Government Code Section 54953(f)

A. Just Cause

B. Action on Emergency Circumstance Requests

C. Statement of Persons Present at AB 2449 Teleconference Locations

There were no requests received.

III. APPROVAL OF MINUTES

A. Approval of the Minutes of the Regular Meeting of May 1, 2024

Trustee Sanchez made a motion, Trustee Moore seconded, to approve the minutes of the regular meeting of May 1, 2024. The motion passed by the following roll call vote:

Yes: Sanchez, Green, Moore, Harris

No: None

IV. PUBLIC COMMENT

There were no requests from the public to speak.

V. NON-CONSENT ITEMS

A. **Request for Proposal: Taxonomy and Knowledge Management Consulting Services**

Recommendation as submitted by Eugenia W. Der, Senior Staff Counsel, Strategic Objective 2.2 Project Lead: That the Committee authorize staff to issue a Request for Proposal (RFP) for consulting services to assist LACERA in implementing an enterprise-wide knowledge management system to digitally capture, document, organize, and access critical business knowledge and information using appropriate taxonomy.

(Presentation) (Memo dated May 22, 2024)

Trustee Moore made a motion, Trustee Sanchez seconded, to approve staff recommendation. The motion passed by the following roll call vote:

Yes: Sanchez, Green, Moore, Harris

No: None

VI. REPORTS

A. **LACERA Operations Briefing**

Luis A. Lugo, Deputy Chief Executive Officer
JJ Popowich, Assistant Executive Officer
Laura Guglielmo, Assistant Executive Officer
(For Information Only)

The Executive team presented the monthly briefing and was available to answer questions from the Committee. This item was received and filed.

B. **Rehired Retirees Automated Notification Process**

Alex Ochoa, Retirement Benefits Specialist, Process Mgmt. Group
Kevin Hunter, Data Systems Analyst, Systems
(Presentation)

There being no objection from the Committee, Chair Harris announced that this item would be postponed until the July meeting.

C. **NIST Cybersecurity Framework and Introduction Education Series Part II**

Chaitanya Errande, Information Security Officer
(Presentation)

Mr. Errande gave a brief presentation and was available to answer questions from the Committee. This item was received and filed.

VII. ITEMS FOR STAFF REVIEW

(This item summarizes requests and suggestions by individual trustees during the meeting for consideration by staff. These requests and suggestions do not constitute approval or formal action by the Board, which can only be made separately by motion on an agenda item at a future meeting.)

There was nothing to report.

VIII. ITEMS FOR FUTURE AGENDAS

(This item provides an opportunity for trustees to identify items to be included on a future agenda as permitted under the Board's Regulations.)

Item VI-B above, Rehired Retirees Automated Notification Process, will be agendized for the July meeting.

IX. GOOD OF THE ORDER

(For Information Purposes Only)

There was nothing to report.

X. ADJOURNMENT

There being no further business to come before the Committee, the meeting was adjourned at 11:34 a.m.

***The Board of Retirement has adopted a policy permitting any member of the Board to attend a standing committee meeting open to the public. In the event five or more members of the Board of Retirement (including members appointed to the Committee) are in attendance, the meeting shall constitute a joint meeting of the Committee and the Board of Retirement. Members of the Board of Retirement who are not members of the Committee may attend and participate in a meeting of a Board Committee but may not vote on any matter discussed at the meeting. The only action the Committee may take at the meeting is approval of a recommendation to take further action at a subsequent meeting of the Board.**

MINUTES OF THE REGULAR MEETING OF THE OPERATIONS OVERSIGHT
COMMITTEE AND BOARD OF RETIREMENT*

LOS ANGELES COUNTY EMPLOYEES RETIREMENT ASSOCIATION

300 N. LAKE AVENUE, SUITE 810, PASADENA, CA 91101

12:43 P.M. – 12:57 P.M., WEDNESDAY, JULY 3, 2024

This meeting was conducted by the Operations Oversight
Committee both in person and by teleconference under California
Government Code Section 54953(f)

COMMITTEE TRUSTEES

PRESENT: JP Harris, Chair
David Ryu, Alternate Trustee

ABSENT: Antonio Sanchez, Vice Chair
Jason E. Green, Trustee
Wayne Moore, Trustee

OTHER BOARD OF RETIREMENT TRUSTEES

Nancy Durazo, Trustee
Elizabeth Ginsberg, Trustee
Vivian H. Gray, Trustee
Shawn R. Kehoe, Trustee
Les Robbins, Trustee

STAFF, ADVISORS AND PARTICIPANTS

Santos H. Kreimann, Chief Executive Officer

Luis Lugo, Deputy Chief Executive Officer

JJ Popowich, Assistant Executive Officer

Laura Guglielmo, Assistant Executive Officer

Steven P. Rice, Chief Counsel

Alex Ochoa, Retirement Benefits Specialist, Process Mgmt. Group

I. CALL TO ORDER

This meeting was called to order by Chair Harris at 12:43 p.m.

II. PROCEDURE FOR TELECONFERENCE MEETING ATTENDANCE UNDER AB 2449, California Government Code Section 54953(f)

- A. Just Cause
- B. Action on Emergency Circumstance Requests
- C. Statement of Persons Present at AB 2449 Teleconference Locations

There were no requests received.

III. APPROVAL OF MINUTES

- A. Approval of the Minutes of the Regular Meeting of June 5, 2024

As there was not a quorum of the Committee present, no action was taken on this item, and it will be moved to the August Operations Oversight Committee. The non-action agenda items were discussed in open or closed session as agendized and as permitted by the Brown Act.

IV. PUBLIC COMMENT

There were no requests from the public to speak.

V. REPORTS

A. **LACERA Operations Briefing**

Luis A. Lugo, Deputy Chief Executive Officer
JJ Popowich, Assistant Executive Officer
Laura Guglielmo, Assistant Executive Officer
(For Information Only)

The Executive team presented the monthly briefing and was available to answer questions from the Committee. This item was received and filed.

B. **Rehired Retirees Automated Notification Process**

Alex Ochoa, Retirement Benefits Specialist, Process Mgmt. Group
Kevin Hunter, Data Systems Analyst, Systems
(Presentation)

Mr. Ochoa gave a brief presentation and was available to answer questions from the Committee. This item was received and filed.

VI. ITEMS FOR STAFF REVIEW

(This item summarizes requests and suggestions by individual trustees during the meeting for consideration by staff. These requests and suggestions do not constitute approval or formal action by the Board, which can only be made separately by motion on an agenda item at a future meeting.)

There was nothing to report.

VII. ITEMS FOR FUTURE AGENDAS

(This item provides an opportunity for trustees to identify items to be included on a future agenda as permitted under the Board's Regulations.)

There was nothing to report.

July 3, 2024

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VIII. GOOD OF THE ORDER
(For Information Purposes Only)

There was nothing to report.

IX. ADJOURNMENT

There being no further business to come before the Committee, the meeting was adjourned at 12:57 p.m.



***The Board of Retirement has adopted a policy permitting any member of the Board to attend a standing committee meeting open to the public. In the event five or more members of the Board of Retirement (including members appointed to the Committee) are in attendance, the meeting shall constitute a joint meeting of the Committee and the Board of Retirement. Members of the Board of Retirement who are not members of the Committee may attend and participate in a meeting of a Board Committee but may not vote on any matter discussed at the meeting. The only action the Committee may take at the meeting is approval of a recommendation to take further action at a subsequent meeting of the Board.**



July 23, 2024

TO: Operations Oversight Committee
JP Harris, Chair
Antonio Sanchez, Vice Chair
Wayne Moore, Trustee
Jason Green, Trustee
David Ryu, Alternate

FROM: Ricki Contreras 
Administrative Services Division Manager

Elsy Gutierrez 
Supervising Administrative Assistant II

FOR: August 7, 2024, Operations Oversight Committee Meeting

SUBJECT: Revised Policy for the Procurement of Goods and Services

RECOMMENDATION

That the Operations Oversight Committee recommend the Board of Retirement (Board) adopt the Policy for the Procurement of Goods and Services (Policy).

EXECUTIVE SUMMARY

The LACERA 2023–2028 Strategic Plan, endorsed by the Board on July 6, 2023, highlighted the need to refine our procurement processes to better support our fiscal and operational objectives. In response, the Contracts Unit within the Administrative Services Division participated in nationally recognized training and conducted extensive research into industry standards and best practices for purchasing and contract management.

The Policy was last updated and adopted by the Board in November 2019. The Contract Unit staff reviewed the Policy from 2019 and identified areas where procurement-related risks could be managed more effectively. The updated Policy focuses on strengthening internal controls, enhancing vendor management, and improving cost efficiency and transparency.

The revised Policy introduces robust mechanisms for oversight and governance to address vulnerabilities in procurement activities and reinforce accountability. It emphasizes better vendor relationships through improved performance monitoring and management. Additionally, it refines procurement processes to promote competitive bidding and the use of Leverage Agreements to achieve greater cost savings and resource management. These updates align with LACERA's

strategic goals, aiming to enhance operational efficiency, fiscal responsibility, and risk management.

Due to the significant revisions in the new Policy, it was determined that a redlined comparison of the original document would not facilitate an effective review process. The Policy from 2019 is attached for your comparison.

AUTHORITY

The Board of Retirement has the discretion to adopt such policies as they deem necessary as part of their plenary authority and fiduciary responsibility for the administration of the system, under Article XVI, Section 17 of the California Constitution and California Government Code Section 31595 of the County Employees Retirement Law of 1937 (CERL).

The BOR Standing Committee Charters, Section I authorizes the Operations Oversight Committee (OOC) to make recommendations that assist “the BOR with its oversight responsibilities with respect to Procurement.”

DISCUSSION

The updated Policy establishes a centralized approach to procurement, contract, and vendor management that aligns with LACERA’s core values of Integrity, Transparency, and Accountability. The major changes to the Policy include:

Reference to Code of Ethical Conduct and Conflict of Interest Code

The previous sections on Conflict of Interest, Quiet Period, and Confidentiality have been replaced with references to LACERA’s Code of Ethical Conduct and Conflict of Interest Code. The Codes comprehensively address these areas and ensure a unified standard of ethical behavior for all procurement activities.

Purchasing and Contract Authority

The revised Policy designates Procurement Buyers and Contract Analysts as authorized designees for LACERA’s Purchasing Agent. This addition clarifies their roles within the procurement process.

Increase Signing Authority of Chief Executive Officer

To streamline the approval process, the Policy raises the Chief Executive Officer’s (CEO) signing authority to \$500,000. This change is complemented by enhanced oversight from the Systems Division, Information Security Office, IT Coordination Council (ITCC), Information Security Committee, and Administrative Services Vendor Management Unit.

Information Technology Purchases

The Policy mandates that all information technology purchases be reviewed by the Systems Division and the Information Security Office. Additionally, the Systems Manager will identify purchases requiring approval from the ITCC. Renewals of software licenses, subscriptions, and annual maintenance and/or service agreements for software, operating systems, and equipment must be reviewed and approved by the Information Security and Legal Office.

Purchase Orders (POs)

The revised Policy removes the 60/40 rule and allows POs to be issued for service contracts. The previous Policy required the service component to be less than or equal to 40% of the total purchase value.

Sole-Source

The updated Policy requires that sole-source purchases receive approval from the CEO. This ensures that such purchases are subject to higher levels of scrutiny and authorization.

Corporate Credit Card Purchases

Business Owners are now required to opt out of auto-renewal plans and obtain prior approval from the Information Security and Legal Office before the renewal date. This ensures that renewals are properly vetted and authorized.

Retroactive Purchases

Purchases made without prior approval in accordance with the Policy now require the CEO's approval. This provision ensures accountability and proper authorization for all retroactive purchases.

Fragmenting (Split Purchasing)

The Policy prohibits intentionally splitting requisitions or orders from the same vendor for the same items within a short period to circumvent the Competitive Bidding or approval process. This prevents the manipulation of procurement processes and ensures fair competition.

Bid Evaluation Process

The Policy establishes new uniform guidelines for evaluating bids, developing evaluation documents, and forming Evaluation Committees when necessary. This ensures consistency and fairness in the bid evaluation process.

Contract Monitoring

The Vendor Management Unit is now responsible for managing vendor onboarding, monitoring contract performance, and ensuring vendor compliance with insurance requirements and data security audit reports. This enhances oversight and accountability throughout the contract lifecycle.

CONCLUSION

The updates to the Policy incorporate procurement industry standards and best practices that enhance LACERA's procurement, contract, and vendor management processes. By expanding signing authority, and refining oversight mechanisms, the revised Policy strengthens our commitment to LACERA's core values of Integrity, Accountability, and Transparency.

In conclusion, the revised Policy not only aligns with LACERA's strategic objectives but also ensures that our procurement practices are robust, compliant, and transparent. These changes are expected to improve operational effectiveness, mitigate risks, and uphold the highest standards of ethical conduct in all procurement activities.

IT IS THEREFORE RECOMMENDED THAT THE OPERATIONS OVERSIGHT COMMITTEE recommend the Board of Retirement adopt the Policy for the Procurement of Goods and Services.

Noted and Reviewed:



Laura Guglielmo
Assistant Executive Officer

Attachments

EG: eg

- C: Santos H. Kreimann, Chief Executive Officer
- Luis Lugo, Deputy Chief Executive Officer
- JJ Popowich, Assistant Executive Officer
- Jon Gabel, Chief Investments Officer
- Steven P. Rice, Chief Counsel
- Richard Bendall, Chief Internal Audit
- Carly Ntoya, Director of Human Resources

ATTACHMENT B



**POLICY FOR THE
PROCUREMENT OF
GOODS AND SERVICES
(PGS)**

**Board of Retirement
[PENDING ADOPTION DATE]**

Policy for the Procurement of Goods and Services (PGS)

Authorizing Manager: Ricki Contreras, Administrative Services Division

Original Issue Date: December 15, 2005

Last Updated: July 18, 2024

Mandatory Review: Every Three Years

Approval Level: Board of Retirement

I. Purpose

To establish a uniform process for Procurement, Contracts, and Vendor Management to support LACERA's Strategic Priorities of Fiscal Durability, Compliance, and Risk Management.

Standardizing the Procurement, Contracts, and Vendor Management processes will allow LACERA to:

- Maximize LACERA's purchasing power by using Competitive Bidding and cooperative purchasing strategies.
- Mitigate risks associated with purchasing activities (e.g., fraud, waste, abuse), avoid Conflict of Interests, and Vendor operational disruptions.
- Ensure contract compliance, measure Vendor performance, and mitigate risks associated with Vendors' noncompliance with Contract terms.
- Promote good governance and uphold LACERA's fiduciary duty to administer the system in a manner that will assure the prompt delivery of benefits and services to members and their beneficiaries (Cal. Const. Art. XVI. Sec. 17).

II. Scope

This Policy applies to all LACERA employees (temporary and permanent), contract employees, and Trustees who participate in the Procurement and/or contracting of any Goods and Services.

III. Legal Authority

The Board of Retirement has the discretion to adopt such policies as they deem prudent as part of their plenary authority and fiduciary responsibility for the administration of the system, under Article XVI, Section 17 of the California Constitution and California Government Code Section 31595 of the County Employees Retirement Law of 1937 (CERL).

IV. Definitions

Whenever the following words appear in this Policy or other documents connected with the transactions relative to the Procurement process, they will be construed to have the following meaning:

- Amendment:** An agreed addition to, deletion from, correction, or modification of a contract signed by all authorized parties. An Amendment may include a Renewal or extension of an existing Contract.
- Bid:** A Quotation received from a Vendor in response to a Solicitation from LACERA.
- Bidder:** A Supplier/Vendor who responds to a Solicitation.
- Bidder's Conference:** A meeting chaired by the Contract Analyst, which is designed to help potential Vendors understand the requirements of a Solicitation.
- Business Owner:** The unit within a division that receives the purchased Goods or contracted Services.
- Conflict of Interest:** As defined in LACERA's [Code of Ethical Conduct](#) and in compliance with the [Conflict of Interest Code](#).
- Consultant:** An individual or firm that provides Consulting Services to LACERA and does not involve the traditional relationship of employer and employee.
- Contract:** A legally binding written agreement executed between LACERA and a third party in which the parties agree to perform in accordance with the obligations expressed therein.
- Contract Closeout:** The process conducted at the completion of the Contract during which the Business Owner confirms and Vendor Management documents compliance with the terms and conditions of the Contract, that final deliverables are received, and any outstanding payments are made.
- Contract Extension:** An increase in the duration of the agreement specified in a Contract.

Contractor:	A person, partnership, corporation, or other entity that has contracted with LACERA to provide Goods or perform Services for LACERA. A Contractor includes a subcontractor, Vendor, or any of their respective officers, directors, shareholders, partners, managers, employees, or other individuals associated with the Contractor, subcontractor, or Vendor who participated in, knew of, or had reason to know of the Contract.
Evaluation Committee:	A team comprised of the Business Owner(s), and as needed, cross-functional members such as: subject matter experts, information technology, risk management, legal, compliance, and internal audit. The size and members of the Evaluation Committee depend on the project's scope, nature, and complexity.
Goods:	Supplies, products, materials, or equipment. Goods do not include Services.
Invoice:	A document showing the Specifications, quantity, price, terms, nature of delivery, and other particulars of Goods sold or of Services rendered.
Procurement (Procure):	Purchasing, renting, leasing, or otherwise acquiring any Goods and/or Services, including all functions from the time of acquisition through to Contract Closeout.
Purchase Order (PO):	A buyer-generated document that authorizes a purchase transaction. When accepted by the seller, the PO becomes a binding Contract on both parties. A PO sets forth the descriptions, quantities, prices, and identifies a specific seller.
Quotation or Quote:	A statement of price, terms of sale, and description of Goods or Services offered by a Vendor to LACERA. This is normally provided in response to an inquiry and often considered an offer to sell.
Renewal:	The process where an existing Contract is renewed for an additional period in accordance with the terms and conditions of the original Contract.

Request for Information (RFI):	A general invitation requesting information for a potential Solicitation. An RFI is typically used as a research tool to prepare a Solicitation or determine the number of qualified Vendors in each market for a possible future competitive Procurement (e.g., Request for Proposal).
Request for Proposal (RFP):	A Solicitation method used to purchase complex Goods and Services that do not have standardized Specifications.
Request for Quotation (RFQ):	A Solicitation method that involves submitting a document to one or more potential Suppliers to elicit Quotations for Goods or Services. Typically, an RFQ seeks an itemized list of prices for Goods or Services that are well defined and quantifiable, such as hardware.
Requisition:	A formal request for the purchase of Goods or contracting of Services.
Response:	A submission from a potential Contractor in response to a Solicitation.
Service(s):	The performance of labor by a third-party firm or Contractor for and/or on behalf of LACERA. Services may be rendered to LACERA by a firm or individual, with or without the furnishing of Goods.
Sole Source:	A Procurement which only one Vendor supplies the Goods or Service. This may occur when the Goods or Services are specialized or unique in character. Sole means “the one and only.”
Solicitation:	A document or process used to communicate LACERA’s requirements to potential Bidders or Proposers inclusive of requesting a Response in the form of a Quote or proposals for Goods or Services.
Specification(s):	Description of the requirements for Goods and/or Services including the Statement of Work to be fulfilled by the Vendor.
Statement of Work:	A detailed written description of the scope of work, Specifications, deliverables, timeline, and acceptance criteria agreed upon by the Vendor and LACERA

Supplier:	Provider of Goods and/or Services. This term is interchangeable with such terms as Contractor, Vendor, seller, and Consultant.
Vendor:	An individual, business, or governmental entity that has a Contract to provide Goods and/or Services to LACERA. Used interchangeably with the term “Contractor” or “Supplier.”
Vendor Management:	The unit responsible for monitoring Vendor performance for compliance with all the terms and conditions contained within the Contract.

V. Purchasing and Contracting Policy

The Policy promotes LACERA’s values of Integrity, Transparency, Accountability, and Inclusivity. Employees who participate in the Procurement process must conduct their duties in accordance with LACERA’s [Code of Ethical Conduct](#) and in compliance with the [Conflict of Interest Code](#). Employees must prevent actual or perceived Conflicts of Interest.

The Vendor Management Unit within the Administrative Services Division is responsible for implementing and maintaining the processes outlined in this Policy.

Purchasing and Contracting Authority.

The Board of Retirement (Board) has the authority to purchase Goods and Services necessary to administer the system in a manner that will assure the prompt delivery of benefits and services to members and their beneficiaries (Cal. Const. Art. XVI, Sec. 17). The Board has a fiduciary duty to ensure LACERA obtains high-quality Goods and Services at competitive prices. As part of its fiduciary duty, the Board delegates the purchasing responsibility to the Chief Executive Officer (CEO).

The CEO further delegates the purchasing responsibility to LACERA’s Purchasing Agent and their designees. The Administrative Services Division Manager is the Purchasing Agent for LACERA. The Purchasing Agent’s designees are the Procurement Buyers and Contract Analysts.

A. Exempt Procurements

The Purchasing Agent is responsible for the Procurement of all Goods and Services, except for:

- Procurement of Services necessary to adjudicate disability retirement applications, such as Panel Physicians, Hearing Officers, Court Reporters, and outside disability counsel for conflict cases.

- Procurement of Goods and Services necessary to effectively administer the Retiree Health Care Benefits Program, such as health plan providers, plan managers, Consultants, auditors, and independent fiduciaries.
- Procurement of Services necessary for the Audit, Compliance, Risk, and Ethics (ACRE) Committee to investigate any matter within their scope of responsibility, including outside counsel and Consultants.
- Procurement of Services subject to the Procurement Policy for Investment-Related Services, such as investment managers, Consultants, legal Services, appraisers, auditors, custodians, securities lending providers, and independent fiduciaries.

B. Requisitions

All Requisitions must be submitted through LACERA’s Enterprise Contract Lifecycle Management System (ECLM) and will require two approvals at the appropriate authority levels as indicated in the table below. Division Managers are responsible for ensuring approved Requisition(s) do not exceed their division budget expenditures for the fiscal year.

Signing Authority for Requisitions	
Purchase Value or Contract Value	Signing Authority
Up to \$30,000	Division Manager and Assistant Executive Officer
Up to \$100,000	Deputy Chief Executive Officer or Authorized Designee (Assistant Executive Officers)
Up to \$500,000	Chief Executive Officer or Authorized Designee (Deputy Chief Executive Officer or Assistant Executive Officer)
Exceeds \$500,000	Chief Executive Officer or Authorized Designee (Deputy Chief Executive Officer or Assistant Executive Officer) with Board Approval

C. Technology Review and Information Security

The Systems Division and the Information Security Office (InfoSec) are responsible for vetting purchases of new technology Goods and Services to ensure compatibility with LACERA’s IT infrastructure and compliance with security requirements. The System Division Manager will identify the IT purchases that require the approval of the [IT Coordination Council \(ITCC\)](#). The ITCC ensures the purchases align with LACERA’s strategic goals, business strategy, and acceptable levels of risk. The CEO holds final approval authority over all IT purchases.

The Information Security Office must approve the following IT purchases:

- Software license Renewals and subscriptions.
- Annual maintenance and service agreements for operating systems, software, and hardware.

Requisitions for Purchase Orders (POs)

The Procurement Unit within the Administrative Services Division is responsible for purchasing Goods, Equipment, and Services that require a PO for LACERA. Business Owners are responsible for determining the technical Specifications and Service requirements. The Procurement Unit Buyers must ensure that the appropriate authority approves the Requisitions before starting the Procurement process. Buyers determine the purchasing method, manage Competitive Bids, negotiate prices, and manage PO's.

Requisitions for Contracts

The Contracts Unit within the Administrative Services Division is responsible for Contract Requisitions for complex Goods and Services. The Business Owners are responsible for developing Service requirements, deliverables, timeline, and the evaluation criteria. The Contract Unit Analysts prepare Solicitation packets, manage the Solicitation process, assist with Bid evaluations, conduct market research on prices, perform Vendor due diligence, negotiate prices, and execute Contracts that comply with this Policy. Whenever possible, the use of a Contract is preferred.

D. Purchasing Methods

1. Competitive Bidding

Competitive Bidding is LACERA's preferred purchasing and contracting method because it ensures accuracy, fairness, and transparency throughout the Procurement process. It also allows LACERA to obtain quality Goods and Services at competitive prices from qualified Vendors.

2. Sole Source

Sole Source is LACERA's non-competitive Procurement method used when competition is not practicable due to the unique qualifications of a Vendor or compelling business reasons documented in a justification memo by the Business Owner. Sole Source Procurements must be approved by the Chief Executive Officer and reported to the Board. A Sole Source Procurement cannot be based on a Business Owner's preference to work with a particular Vendor or because the competitive process requires an abundance of work.

Acceptable Sole Source Justifications include:

- Goods that are unique, proprietary to the Vendor, or not available through resellers.
- Manufacturers that have licensed the Goods to be sold only by one or more reseller.
- When the use of alternative Goods would compromise existing Contracts or result in significant related costs such as additional hardware, training, or lead time, or
- Goods that are purchased in response to an Emergency where time is of the essence.
- The Service provider is a subject matter expert and possesses highly specialized knowledge and expertise in a particular subject or field.
- LACERA's required time for project completion is critical, time is of the essence and cannot be exceeded without extreme hardship to LACERA.
- A unique and proprietary solution was offered in the best interest of LACERA.

Type of Purchasing Transactions

3. Purchase Orders (POs)

PO's must include the following information:

- PO Number--Buyers will assign a unique PO Number.
- PO Date--the date the PO was created.
- Order Details.
- Clear description of Goods and/or equipment.
- Technical Specifications or requirements if applicable.
- Quantity and unit price.
- Delivery date.
- Shipping methods.
- Payment terms.
- LACERA standard terms and conditions, if applicable

4. Contracts

Contracts are used for complex Goods and/or Services, or long-term Agreements. They define each party's rights and responsibilities. Contract Analysts must ensure all Contracts are approved at the appropriate authority level before initiating the Solicitation process. Whenever possible, the use of Contracts is preferred.

5. Corporate Credit Card Purchases

Authorized employees can use a Corporate Credit Card to purchase Goods or Services when another form of payment is not acceptable or practical. All purchases must comply with this Policy and [LACERA's Corporate Credit Card Policy](#).

Corporate Credit Card users must opt out of auto renewal plans for IT related purchases. IT related purchases must be approved by the Information Security Office and the Legal Office prior to the Renewal date.

6. Leverage Procurement Agreement (LPA)

A Leverage Procurement Agreement (LPA) is a strategic purchasing method that allows LACERA to purchase Goods or contract for Services using existing Contracts competitively Bid and negotiated by other public agencies. Purchases utilizing LPAs or any agreement are not considered Sole Source purchases, they are agreement purchases. LPAs are available to California's state, county, city, special district, education, and other government entities.

LPAs allow LACERA to negotiate with the Supplier to provide the same item(s) at the same price(s) without the need for a competitive process (i.e., "Piggyback request"). All terms and conditions must remain the same as the original purchase.

7. Master Agreements

Master Agreements (MAs) are competitively Bid Contracts for Goods and/or Services that establish a list of pre-qualified Vendors. LACERA utilizes MAs to obtain routine Goods and Services on an as-needed basis. Vendors qualify through a Solicitation process known as the Request for Statement of Qualification (RFSQ). Those who meet the minimum qualifications and accept the terms and conditions of the MA are designated as LACERA Vendors within their specific categories.

MA Vendors are eligible to receive work or purchase order (PO) Solicitations in the categories for which they are pre-qualified. Awards for work or POs are typically made to the lowest-priced Vendor unless the Solicitation specifies other evaluation criteria, such as quality, quantity, availability of goods, delivery schedules, or geographical convenience.

8. Prohibited Purchases

LACERA staff exercise prudence and integrity in the management of LACERA funds. LACERA funds cannot be used for any personal purchases or celebrations (e.g., birthdays, retirements, holiday parties). Authorized employees may purchase food and beverage for Board meetings, conferences, employee recognition ceremonies, and other official events conducted to improve the quality of service provided to LACERA Members.

9. Retroactive Purchases

Except in the case of a bona fide Emergency, a properly executed PO, Contract, or change order must be in place prior to ordering or receiving Goods or Services. Retroactive POs for unauthorized purchases must be approved by the Executive Office. The requesting division manager must also submit a statement of good cause explaining why they circumvented the procurement process.

An unauthorized purchase occurs when any division, unit, or individual approves, negotiates, or otherwise commits LACERA to do business with a specific Vendor to provide equipment, supplies, or Services without prior approval in accordance with the processes outlined in this Policy.

10. Emergency, Confidential or Time Sensitive Purchases

An emergency is any unexpected circumstance that critically impacts LACERA's ability to conduct its day-to-day operations, affects the health, safety, and welfare of LACERA staff or members, impairs LACERA's legal rights, or harms any of its property. Such circumstances may demand immediate action and require staff to obtain Goods and Services outside the parameters set forth in this Policy and therefore qualify as exceptions to LACERA's standard Procurement process. Failure to anticipate a need, timely perform requisite job duties, or comply with any LACERA policies and procedures does not qualify as a justifiable emergency.

In a justifiable emergency, the Chief Executive Officer or their designee may procure Goods and Services beyond stated discretionary spending limits as considered reasonable under the circumstances. Corporate Credit Card spending limits may also be increased as considered reasonable under the circumstances and in accordance with LACERA's Corporate Credit Card Policy when possible. Any emergency purchase shall be subject to review by the Legal Office, unless rendered unfeasible by the particular emergency circumstances.

Emergency purchases requiring confidentiality may be made without notifying the Procurement Unit in writing explaining the grounds of the confidentiality and the steps that need to be taken to protect it. All such purchases require appropriate documentation (redacted as necessary) which shall be forwarded to the Administrative Services Division Manager, the Legal Office, and the CEO.

Within seven (7) calendar days of any emergency purchase, a complete description of the emergent circumstances and justification for making the purchase outside the requirements set forth in this Policy shall be documented in writing and submitted to the Administrative Services Division Manager and the Chief Executive Officer, and the Legal Office if needed and the Legal Office is not otherwise involved in requesting the purchase. If the purchase is greater than the spending authority outlined in this Policy, request shall be made to the Board of Retirement to certify that the circumstances required an emergency purchase and qualified as a valid exception to LACERA's standard Procurement process, and the requirements set forth in this Policy.

11. Fragmenting (Split Purchasing)

The ensure transparency in the Procurement process serial and fragmented purchasing is prohibited. Serial and fragmented purchasing is the practice of intentionally splitting Requisitions and/or orders for the same or similar Goods or Services to avoid the competitive process or circumvent the appropriate signature authority levels. To avoid fragmentation Business Owners must consider the aggregate value of the Goods and Services.

12. Invoices

POs and Contracts must include instructions on how to submit Invoices for payment. To facilitate payment, the Invoices must be addressed to the Business Owner's Division and suite number. All Invoices must be validated against the original PO and delivery documents before payment is issued.

E. Solicitations Competitive Process

Competitive Bidding is the process of obtaining Bids for the same Goods and/or Services from multiple Vendors. The award is given to the most responsible Bidder. LACERA utilizes Competitive Bidding to survey the marketplace and obtain Goods and Services from qualified Vendors at competitive prices. The Competitive Bidding process aligns with LACERA's values and promotes transparency, fairness, and equity of opportunity to potential Vendors.

Vendors doing business with LACERA must register at Vendor Client Gateway and submit required documentation.

1. Informal Bidding

Informal bidding refers to the process of soliciting at least three Bids or Quotations without a formal "Invitation to Bid" or "Request for Proposal." Competitive Bids are obtained by email, catalogues, or other manner that does not require a sealed Bid or other formalities. LACERA uses informal bidding for Procurements of Goods or Services up to \$25,000.

a) Request for Quotation (RFQ)

An informal Bid where a request and description of the Goods and Services are sent to at least three Vendors. LACERA uses RFQs for Goods and Services with well-defined requirements and where cost is the primary determining factor. An RFQ is less restrictive than a Request for Proposals (RFP) and designed to expedite purchases *up to* \$25,000.

2. Formal Bidding

The formal bidding process requires an invitation to Bid, public posting of the Solicitation, sealed Bids, and public disclosure of competition, Contract awards or

rejections. LACERA requires formal bids where the purchase value or total Contract value is over \$25,000.

a) Request for Bid (RFB)

A Formal Bid used for Goods and Services where cost is the primary determining factor. LACERA uses RFBs for non-complex Services that do not require a complicated evaluation method.

b) Request for Proposal (RFP)

A Formal Bid used when Goods or Services do not have standard Specifications. RFPs are also used when the scope of services is complex and/or require specialized skills or expertise. In addition to cost, RFPs evaluate Vendors' qualifications, experience, technical performance, and service or value-added service component.

c) Request for Information (RFI)

A Formal Bid used to explore available options or solutions for organizational needs. LACERA uses RFIs to obtain additional information about the service or product capabilities before issuing an RFP or RFB. To ensure fairness and equity of opportunity, RFIs must be published. The goal of an RFI is to trim down the final group of Vendors to be included on the RFP or RFB.

3. Bidder's Conference

A Bidder's Conference can be held to allow the Bidders to ask questions and clarify any ambiguities. The questions and answers must be prepared as an Amendment to the Solicitation and sent to all Bidders, whether during a Bidder's Conference, via email, or at any other time prior to the Bid closing date.

Solicitations Requirements for POs and Contracts	
Purchase Value or Total Contract Value	Bid Type
Up to \$5,000	Not Required
Up to \$25,000	At least three written Quotations (RFQ)
Above \$25,000	At least three written Bids or proposals (RFB) or (RFP). The Solicitation document must be published for thirty (30) calendar days.

F. Evaluation Process and Due Diligence

All Bids and proposals must be evaluated against the uniform criteria and process outlined in the Solicitation document. The Solicitation document must provide enough information for the Bidder/Proposer to understand what or how an award will be determined. LACERA staff must use a consistent approach when scoring each proposal.

1. Evaluation Document

The Evaluation Document must explicitly state how each criterion is evaluated and scored. To ensure consistency between the two documents, the Evaluation Document should be developed simultaneously with the Solicitation. In conjunction with the subject matter experts, PMO will develop the Evaluation Document for IT related Solicitations. The subject matter experts, in conjunction with the Contract Unit, will develop the Evaluation Documents for all other Solicitations.

Evaluation Documents may include the following sections:

- a) Minimum Requirements identified in the Solicitation Document. The Vendor must meet every minimum requirement in the Solicitation to move on to the next step in the evaluation process.
- b) Evaluation criteria can include:
 - Vendor's qualifications: length, scope, and depth of experience, financial capability, certifications, and licensing requirements.
 - Special Terms and Conditions: Ability to meet requirements that are unique to a particular type of Bid.
 - Vendors' Technical and Management Approach: project methodology, quality of Goods and Services, quality control programs, compliance with regulations, and training plan.
 - Pricing/Cost: Is the cost reasonable and competitive?
 - Optional Oral Interview/Optional Site Visit.

LACERA reserves the right to award the Contract to the submission that offers the best value, which includes accepting LACERA's preferred terms. As such, LACERA requires Bidders to accept LACERA's preferred terms as a basis of being awarded a Contract. Excessive mark-ups or deletion of LACERA's preferred terms may result in disqualification.

2. Evaluation Committee

If an Evaluation Committee is needed, it should consist of all relevant stakeholders and subject matter experts for the service or product being solicited. The size and members of the Evaluation Committee depend on the project's scope, nature, and complexity. The ideal size of the committee will balance subject matter expert representation and workgroup effectiveness.

The Evaluation Committee should be composed of at least one representative from:

- Contracts Unit
- Subject Matter Expert(s)
- PMO (must participate in IT related Bids and proposals)
- InfoSec (if applicable)
- Legal (when exceptions are taken to LACERA's terms and conditions, or anytime legal advisory is otherwise indicated).

The Contracts Unit facilitates and ensures the integrity of the evaluation process. They are responsible for the following:

- Conducting Vendor risk assessment.
- Conducting Vendor reference checks.
- Setting up Bidder's Conference or open house.
- Obtaining SOC-2 Reports and submitting them to the Information Security Office for review and approval (if applicable).
- Guiding the Evaluation Committee Members through the evaluation process.
- Evaluation process management:
 - Developing Solicitations, timelines, and coordinating posting.
 - Coordinating responses to Vendor questions.
 - Summarizing scores, rankings, and evaluation results.
 - Obtaining additional information from Vendors.
 - Developing approval materials for Management or Boards.
- Collecting and archiving Evaluation Documents from each Committee Member. Sending Bid award/non-award letters to Vendors.
- Responding to any Vendor appeal.

3. The Committee's responsibilities include:

- Evaluation: Committee members must separately evaluate the Bids in their area of expertise and provide documentation to support their evaluation.
- Deliberation: If needed, when the Committee members are evaluating the same part of the Solicitation, the members must hold at least one meeting to discuss the merits of the proposals.

- Committee members may adjust their scoring after the meeting with sufficient narrative to explain the adjustment.
 - When conducting site visits and/or oral interviews, all Committee members must be present at all events.
- Research: Outside sources may be used to gather information.
- Due Diligence: The Contracts Unit must do reference checks.
 - Finance or other knowledgeable parties can review financial information.
 - Technical staff can review proposal components if necessary and report findings to the committee for their evaluation and ratings.

The Contracts Unit will total and average the final scores of the Committee and prepare a single score sheet for each Bid and proposal. The score sheet must include written documentation of reference checks and financial statement analysis to support the rating in those categories.

4. Third Party Oversight and Risk Management

The Information Security Committee (ISC) oversees service providers that access or maintain personal or sensitive information on behalf of LACERA. The ISC must evaluate new and current Vendors that do not meet all of LACERA's information security requirements and determine if accepting some level of additional risk is in the best interest of LACERA. The ISC must provide a written explanation of the reasons for permitting Vendor non-compliance with any LACERA Information Security Policy.

G. Legal Review

The Contract is the result of the Solicitation with all the negotiated terms, conditions, the Statement of Work, and any other requirement set forth in the Solicitation document. The Contract Analysts must ensure the Contract satisfies the objectives of Business Owner and LACERA.

The Legal Office must review and approve all Contracts.

Contract Term

Evergreen Contracts are prohibited, unless approved by the Board of Retirement. Contracts shall be limited to a maximum of five (5) consecutive years with an optional extension of up to two years. The Contract term extension must be approved by the Chief Executive Officer and reported to the Operations Oversight Committee prior to the date of the Contract Extension.

Who Can Sign a Contract	
Total Contract Value	Signing Authority
Up to \$ 30,000	Division Manager and Assistant Executive Officer
Up to \$100,000	Deputy Chief Executive Officer or Authorized Designee (Assistant Executive Officers)
Up to \$500,000	Chief Executive Officer or Authorized Designee (Deputy Chief Executive Officer or Assistant Executive Officer)
Exceeds \$500,000	Chief Executive Officer or Authorized Designee (Deputy Chief Executive Officer or Assistant Executive Officer) with the Board Approval

H. Contract Lifecycle Management

Onboarding Vendors

The Contract Analysts must ensure that Vendors who are awarded a Contract are registered in the Vendor Portal. and have submitted required documents. Required documents include but are not limited to Nondisclosure Agreement, Information Security Reports or Questionnaire or SOC 2 report, Certificate(s) of Insurance, and Form W-9.

Performance Management

The Business Owner and the Vendor Management Unit within the Administrative Services Division are responsible for tracking, monitoring, and managing the Contract progress to ensure that the Vendor meets their contractual obligations.

The Business Owner and Vendor Management Unit’s responsibilities include:

- Monitoring Vendor’s performance to ensure Goods and/or Services comply with the Contract requirements.
- Resolving performance gaps, invoicing discrepancies, and document resolution.
- Monitoring Contract Invoices, payments, and budget.
- Maintaining Contract files; Certificates of Insurance, Security Audit Reports, or other documentation required under the Contract.
- Managing and mitigating any detected risks, including but not limited to non-performance, performance gaps, invoicing discrepancies, et. al.
- Coordinating Contract Amendments or extensions with LACERA’s Legal Office.

Contract Closeout

The Vendor Management Unit must prepare a final Vendor evaluation report. The report must include the following information.

- Whether the Vendor fulfilled their obligations under the Contract.
- Feedback from the Business Owner.

I. Receiving and Paying Invoices

Procurement Staff must check the Invoice against its corresponding PO and delivery receipt. The purchasing, receiving, and payment must be done by three different staff members. The Invoice normally includes an itemized list of items for which the Vendor is requesting payment.

When receiving and paying an Invoice the following must be checked:

- PO number or Contract number.
- Shipping address and date.
- Itemized list of the shipped items or Services rendered.
- Quantity of each item.
- SKU or UPC of each item.

Invoices that cannot be validated with an original PO and/or delivery receipt will be handled as an unauthorized purchase.

J. Payment Request (Direct Payments)

An internal document requesting payment for items already agreed to and negotiated on a Contract or for payments on items that cannot be competitively solicited, including but not limited to governmental fees, conferences, and training. Payment Requests for Goods and Services covered by a Contract must be signed by the Division Manager.

K. Commitment to Transparency

The Vendor Management Unit will provide the Board a “For Information Only Report” of any expenditures that exceed the original approved project budget.

L. Diversity, Equity, and Inclusion (DEI) Initiative

LACERA is committed to promoting Diversity, Equity, and Inclusion (DEI) in its Procurement practices. We actively seek business relationships with qualified Vendors and individuals from diverse backgrounds including by partnering with the Los Angeles County Community Business Enterprise (CBE) Program.

Vendors doing business with LACERA must complete LACERA’s DEI questionnaire and company demographic survey. This data will be used to monitor the success of our DEI efforts.

M. Environmental Awareness

Environmental impact is considered in purchasing decisions, when appropriate. LACERA Purchasing Agents consider the use of Goods and Services that are energy efficient, made from or use recycled material.

N. Procedures Manual

The Vendor Management Unit shall be responsible for preparing and maintaining a Procedures Manual that details the purchasing process and any delegated duties and defined terminology. This Procedures Manual shall include this Policy and must be approved by the Chief Executive Officer. These procedures may be modified at any time as deemed necessary, provided they remain within this Policy's framework. If there is a conflict between this Policy and the Procedures Manual, the Policy shall prevail.

VI. References

These references are intended to help explain this Policy and are not an all-inclusive list of policies, procedures, laws, and requirements relating to the Procurement of Goods and Services. The following information complements and supplements this Policy:

Related Policies:

- [Code of Ethical Conduct](#)
- [Conflict of Interest Code](#)
- [Corporate Credit Card Policy](#) (Internal Document)
- [Information Technology Coordination Council \(ITCC\) Charter](#) (Internal Document)

Related Procedures:

- [Procurement and Contract Administration Manual](#) (Internal Document)

Related Forms/Templates: Not Applicable

Other Related Information:

- [IT Coordination Council \(ITCC\)](#)

VII. Version History

Update/Review Summary: Previous policy version(s) superseded by this Policy:

- Policy For Purchasing Goods and Services: November 6, 2019

Original Issue Date: Board of Retirement, Approved on December 15, 2005

VIII. Policy Review/Approval

This Policy shall be reviewed by the Operations Oversight Committee, and the Board of Retirement every three years or as needed and may be amended at any time as deemed necessary.

ATTACHMENT B



POLICY FOR PURCHASING GOODS AND SERVICES

Adopted Date: November 6, 2019

POLICY FOR PURCHASING GOODS AND SERVICES

Responsible Manager	Kimberly D. Hines, Manager, Administrative Services Division
Original Effective Date	November 6, 2019
Date of Last Update	December 15, 2005
Mandatory Review	[Two years after Original Effective Date]
Approval Level	Board of Retirement (BOR)

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POLICY FOR PURCHASING GOODS AND SERVICES

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1. Purpose

The purpose of this policy is to establish guidelines for the procurement of goods and the selection of service providers for LACERA.

It is LACERA's objective to select the best goods and services available at the best value, while acting in a manner that is consistent with statutory requirements, fiduciary responsibility, and LACERA's Values.

Vendor selection for goods and services will be transparent, objective and free from bias. Competition increases the cost-effectiveness of the process and ensures that LACERA will obtain qualified goods and services providers.

2. Legal Authority

The Board of Retirement and the Board of Investment has discretion to adopt such policies as they deem prudent as part of their plenary authority and fiduciary responsibility for administration of the system, under Article XVI, Section 17 of the California constitution.

3. Scope

This policy applies to all LACERA Trustees and staff, including all full-time, part-time and contract employees.

4. Conflict of Interest

LACERA is committed to the principles of impartiality and objectivity. It is the practice of LACERA to identify, and avoid organizational conflicts of interest before entering into procurement transactions.

A conflict of interest situation exists when a LACERA Trustee or staff member has even the appearance of an interest or a potential interest of any kind in a contract, agreement or financial relationship in which LACERA has an interest or potential interest. In relationships with vendors, the appearance of a conflict or potential conflict can be created by non-monetary interests such as gifts and business courtesies, and social or personal relationships.

LACERA Trustees and staff are expected to be free of the appearance of interests or relationships that are actually or potentially detrimental to the organization. They shall not engage or participate in any procurement transaction involving LACERA in which they have an actual or potential interest or conflict under applicable law. For additional

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information see LACERA's Code of Ethical Conduct. Questions on conflict of interest issues should be directed to the Legal Office.

5. Observance of a Quiet Period

There shall be a quiet period to ensure that the process of selecting a contractor is efficient, diligent and fair. The quiet period is a "no contact period" during the procurement process and is intended to establish guidelines by which Trustees and staff will communicate with prospective vendors. Questions concerning the quiet period should be directed to the Legal Office.

- A. The quiet period shall be maintained after the issuance of a solicitation and continue until a final selection is made or the process is otherwise terminated.
- B. Initiation, continuation, and conclusion of the quiet period shall be publicly communicated to prevent inadvertent violations.
- C. During the quiet period, all Trustees and staff, except for designated LACERA contact persons, shall refrain from communicating with contractor candidates regarding any product or service offered by the candidate, except as permitted by Subsection F below.
- D. During the quiet period, no Trustee or staff member shall accept meals, travel, lodging, entertainment, or any other good or service of value from the candidates.
- E. If any Trustee or Staff member is contacted by a candidate during the quiet period about a matter relating to the pending selection, the Trustee or Staff member shall refer the candidate to the designated LACERA contact person and report the contact to the Chief Counsel.
- F. The quiet period does not prevent Board approved meetings or communications by Staff with an incumbent contractor that is also a candidate provided that their communication is strictly limited to matters necessary in connection with the contractor's existing scope of work. The quiet period does not prevent Board approved meetings and communications by staff with any candidate to the extent such communication is necessary as part of a due diligence process or necessary in connection with other pending LACERA business. Due diligence will be overseen and approved in advance by the responsible Board or Boards or the authorized staff with contracting authority, and not independently by Board members or staff.

Other than due diligence or other pending LACERA business, discussion related to the pending selection is not permitted during these activities.

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- G. A contractor candidate may be disqualified from a search process for a violation of the quiet period.

6. Confidentiality

Procurement Staff maintains regular contact with many individuals and companies seeking to initiate or expand business relations with LACERA.

LACERA is committed to fair and ethical business practices that encourage competition and enhances our supplier relationships. A cornerstone of this policy is maintaining the confidentiality of all supplier proposals, quotations, prices, contracts and other proprietary materials during the bidding process. These materials are not to be disclosed in any way to other suppliers, outside organizations or to any unauthorized persons.

After completing the procurement process, proposals, purchase orders and other non-exempt information of a public nature shall be available for public inspection upon request under the Public Records Act.

7. Purchasing Authority

The ultimate responsibility for purchasing the best goods and services at reasonable costs lies with the Board of Retirement and Board of Investments. Consistent with the Boards' fiduciary duties, the Boards delegate such responsibility to their Chief Executive Officer to facilitate efficient administration of the retirement system.

Similarly, the Chief Executive Officer (CEO) further delegates purchasing responsibility to LACERA's Purchasing Agent. The Administrative Services Division Manager is the Purchasing Agent for LACERA, subject to the terms of this Policy.

For Investment related services, purchases are delegated to the Chief Investment Officer in accordance with the Procurement Policy for Investment-Related Services.

Procurement of services necessary to adjudicate disability retirement applications, such as Panel Physicians, Hearing Officers, and outside disability counsel are deemed exempt from the Contracting Authority set forth in this policy.

A budget for goods and services shall be approved by the appropriate Board or Boards through either the annual budget process or specific Board action related to the specific procurement.

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8. Centralized Purchasing

LACERA employs a centralized procurement unit within the Administrative Services Division that is charged with purchasing for the various organizational units of LACERA.

Buyers are authorized purchasing agents of the Administrative Services Procurement Unit. Buyers perform all necessary acquisition steps, including:

- Bidding and price negotiation
- Placing orders for goods
- Purchase order processing
- Receipt of purchased goods

Staff requiring supplies and other goods shall first submit written requests to the Administrative Services Procurement Unit.

Similarly, staff interested in contracting for services, shall contact the Administrative Services Procurement Unit to initiate the contracting process.

Buyers and Contract Administrators must document all transactions according to established procurement procedures and maintain such documentation for audit purposes.

9. Collaboration and Consultation

Prior to purchasing a new product or service, requesting divisions should consult with other primary users and stakeholders to ensure the new purchase will meet organizational needs.

10. Purchasing Methods

LACERA uses the following methods of performing transactions with vendors.

Corporate Credit Card Purchases are used by authorized LACERA staff members when making purchases in accordance with LACERA's Corporate Credit Card Policy.

Payment Request (Direct Payments) are issued for subscriptions, registrations, fees, professional licenses and other regulated costs that cannot be bid or negotiated. Payment is made directly to suppliers without the issuance of a purchase order.

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Purchase Order is a written authorization from a buyer (LACERA), for a supplier to deliver specified goods and services to the buyer (LACERA) at the price, quality level, delivery date, and other terms specified.

Contract is used to purchase goods and services where a purchase order is not adequate to describe all the terms and conditions, and is required to be executed by both parties. Contracts are any legally binding document between two or more parties. Examples include, but are not limited to, formal agreements, letter agreements, emails confirming transaction terms, memoranda of understanding, nondisclosure agreements, licenses, leases, amendments, addenda, terms and conditions on invoices or purchase orders, and many others.

11. Solicitations

11.1 General

In broad terms, the Solicitation is the instrument by which requirements are presented to contractors to obtain offers for the acquisition of supplies, equipment, and services.

11.2 Methods

The solicitation method is influenced by factors such as speed, value and complexity. They include the following:

Request for Quotation (RFQ) a solicitation method that involves submitting a document to one or more potential suppliers eliciting quotations for a product or service. Typically, an RFQ seeks an itemized list of prices for something that is well-defined and quantifiable, such as hardware.

Invitation to Bid (ITB) a solicitation method used to invite contractors and suppliers to submit a bid on a specific service or a product. These solicitations include precise specifications and requirements that each bidding vendor must meet in order to be considered for the contract.

Request for Proposal (RFP) a solicitation method used to purchase complex goods and services that do not have standardized specifications.

11.3 Publicizing Solicitations

Solicitations of goods and services exceeding \$150,000 require public advertisement.

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Solicitations shall be publicized, for a sufficient amount of time to allow interested firms to develop a thorough proposal. Solicitations shall be placed on LACERA's website and can be advertised in newspapers and professional publications. The advertisement period is 30 days unless LACERA has an urgent need for the service or product which would not allow the posting to run the full 30 days.

Publicizing out-sourcing solicitations lends transparency to the process, increases cost-effectiveness, promotes fairness, and expands opportunities for small, women-owned and minority-owned businesses.

11.4 Approvals

Administrative

Release of an RFP affecting administrative and operations activities, require approval by the Operations Oversight Committee, with the results and recommendations returned to the full Board of Retirement for authorization to execute an agreement.

Retiree Health Care

RFPs or other solicitations related directly to Retiree Health Care benefits, such as health care plans and insurance, are approved for release by the Insurance, Benefits and Legislative Committee, with results and recommendations returned to the full Board of Retirement for authorization to execute an agreement.

External Audits

RFPs or other solicitations related to audits performed by external auditors are approved for release by the appropriate Board Committee with results and recommendations returned to the respective Board for approval.

12. Competitive Bidding

Competitive bidding is the process that allows LACERA to properly survey the marketplace and secure goods and services at a fair price. Competitive bidding also reduces the risk of fraud and promotes fairness. Competition should be attempted and obtained for any purchase where competition is available. The bidding process is primarily determined by the estimated value of the procurement request and consists of the following:

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12.1 Informal Bidding

Generally reserved for non-complex solicitations where the description of the goods and services can be clearly stated. Quotes are obtained by less formal means such as an internet page, via email, catalogs, price lists, and letters.

12.2 Formal Bidding

Solicitations that require a more detailed description and explanation. These solicitations include precise specifications and requirements that each potential vendor must meet. Depending on the dollar amount, formal bids require public advertising.

13. Purchasing Process

13.1 Procurement of Equipment and Other Goods

13.1.1 Purchasing Schedule

To begin the process of purchasing equipment and other goods, the purchaser will submit a written request to the Administrative Services Procurement Unit.

Buyers shall comply with the following:

- A. Procurements **up to \$5,000** may be made without securing competitive prices if the Buyer is able to determine that the price is reasonable through personal knowledge of the product or by comparing the price with a recently paid price, or the price of similar items.
- B. Procurements **between \$5,001 and \$150,000** require a minimum of three (3) written bids/proposals, Activities in this category require approval by the Administrative Services Division Manager, or approved designee.
- C. Procurements **over \$150,000** require a formal solicitation process including public advertising, and a minimum of three (3) written bids/proposals. Formal solicitation may include an Invitation to Bid (ITB) or a Request for Proposal (RFP). Approval is required by the Administrative Services Manager and the Chief Executive Officer or authorized designees. Board of Retirement approval is required unless specifically approved as part of the annual budget adoption.

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LACERA shall develop maximum competition for purchases and to make awards based on the best value for the goods or services rendered to determine the best value bidder consideration shall be given to price, delivery time, quality, compatibility, references, experience, parts and service. Additionally, the Buyer may take into consideration reputation, business and financial capabilities.

If the buyer is unable to obtain the three required quotes, the contact information of a minimum of five vendors must be documented.

Buyers may not split purchase transactions or take any other action in order to circumvent the competitive process or the legal review process.

All competitive bids shall be maintained and recorded for audit purposes.

13.1.2 Vendor Lists and Master Agreements

Vendor Lists are comprised of current suppliers and other known vendors, including those who have formally requested to participate in competitive bidding within their respective areas of specialization.

Buyers shall refer to existing Vendor Lists when making purchases or soliciting bids.

Buyers shall periodically (at least annually) update their Vendor Lists to provide new, interested suppliers, as well as current vendors, the opportunity to participate in future competitive bidding.

Buyers shall give reasonable notice to suppliers on existing Vendor Lists when soliciting bids. Communication should include e-mail notification where possible.

Master Agreements, wherein costs for goods and services are established for an extended period, help control costs and promote timely delivery, particularly where recurring or routine purchases and common services are concerned. Vendors providing routine goods or recurring services may be awarded Master Agreements for specified commodities as the result of competitive bidding.

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13.2 Contracting for Services

Service is the performance of labor or professional consulting by an outside firm or contractor for LACERA. It can be rendered to LACERA by a firm or individual, with or without the furnishing of materials. Contracts are to be used whenever services are needed regardless of the dollar amount.

To begin the process of contracting for services, the purchaser will submit a written request to the Administrative Services Procurement Unit.

A Contract Administrator is the Division Manager or designee that performs all the necessary steps involved in the preparation, negotiation, formulation, administration, and closeout of contractual agreements. This includes the solicitation and the competitive bidding process. The Contract Administrator also oversees the performance of the contract, tracks the payments and ensures that both parties meet the various obligations set forth in the contract.

13.2.1 Contract Signing Authority

- A. Contracts with a total value **up to \$5,000** do not require competitive bidding and the requesting Division Manager may select the qualified vendor and sign the contract.

- B. Contracts with an annual amount **between \$5,001 and \$25,000** require a minimum of three (3) written bids/proposals. Activities in this category require approval by the Administrative Services Division Manager, or authorized designee and can be signed by the requesting Division Manager. Due diligence must be performed and documented to justify the vendor selection and may include an Invitation to Bid (ITB) or a Request for Proposal (RFP). At a minimum, such due diligence must include the following elements:
 - 1. A description of the service to be provided by prospective vendor
 - 2. An evaluation of prospective vendor's qualifications
 - 3. An evaluation of the reasonableness of prospective vendor's fees
 - 4. An evaluation of the prospective vendor's security and privacy policies if the contract is to provide services that permit vendors to access any member data, personal information (PI), personal health information (PHI), or other business critical information or when they provide access to LACERA's systems or files

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- C. Contracts with an annual amount **between \$25,001 and \$150,000** require a minimum of three (3) written bids or proposals and due diligence as described above in section 13.2.1.B. Contracts in this category require approval by the Administrative Services Division Manager, or designee, and must be signed by the Chief Executive Officer, or authorized designees.
- D. Contracts that **exceed an annual amount of \$150,000** require a formal solicitation process including public advertising. Contract Administrators shall solicit bids or proposals through a formal solicitation process that shall include an Invitation to Bid (ITB) or a Request for Proposal (RFP). Approval is required by the Administrative Services Division Manager, Chief Executive Officer, or authorized designees and the Board of Retirement.

Aggregate service purchase orders or contracts to any single vendor for a project or a similar type of service cannot exceed the total value for any of the three value categories listed above. Contracts may not be split in order to circumvent the competitive process.

Services contracts that are bundled with a purchase of equipment or software, and the service component is less than or equal to 40% of the total cost are deemed to be a purchase of equipment and other goods and would fall under the requirements of Section 13.1 the Procurement of Equipment and other Goods section of this policy.

Documentation must be maintained in accordance with the Records and Information Management Policy by the Contract Administrator and in accordance with procedures for storing contracts in the LACERA Contract Management System. In addition, all information supplied by vendors in their bids, quotations or proposals must be held in strict confidence by the person(s) evaluating the bid, quotation or proposal and may not be revealed to any other vendor or unauthorized individual.

13.2.2 Fee Schedule or Hourly Rate Contracts

For contracts that require a fee schedule for services (i.e. hourly rates) and do not have a fixed value, the Contract Administrator must determine the estimated annual value of the contract, based on the scope of the services. Prior to the execution of the contract, the Contract Administrator must verify the appropriate level of signature authority specified in Section 13.2.1 of this Policy. Fee Schedule contracts should contain a “not to exceed amount” in the agreement. During the course of the agreement, the contract value may

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increase beyond the original approved value threshold, requiring next level signature authority approval. Written justification must be submitted to appropriate signature authority by the Contract Administrator well in advance to allow sufficient time for the approval process.

13.3 Information Technology Purchases

Procurement of information technology products or solutions must be initiated and processed with the full knowledge, direction, and consent of LACERA's Systems Division, regardless of cost, to ensure compatibility with LACERA's current technology environment.

13.4 Procurements Exempt from Competition

Certain limited circumstances sometimes warrant exemption from the competitive solicitation process. Such circumstances require documented justification explaining the exceptional need for exemption and approval by the Administrative Services Division Manager. Exemptions include the following:

13.4.1 Emergency Purchases - For guidelines, See Section 16 Emergency, Time Sensitive or Confidential Purchases.

13.4.2 Sole-Source or Single Source Purchases. A Sole-Source procurement is one in which only one vendor is capable of supplying the commodity or service. This may occur when the goods or services are specialized or unique in character. Sole means "the one and only." Single-Source procurement is one in which, although two or more vendors supply the commodity or service, a specific vendor is selected for substantial reasons thereby eliminating the competitive bidding process. Single means "the one among others."

Examples include:

- When products are of a proprietary nature.
- When the use of alternatives would compromise existing contracts, service agreements or business strategies.

13.4.3 Leveraged Procurement Agreement (LPA) / Piggyback – LPAs allow agencies to buy directly from suppliers through existing contracts and agreements negotiated by other agencies. LPAs are available to Federal, State, county, city, special district, education and other government entities.

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13.4.4 Renewal of Software Licenses, Operating System Maintenance, or System Maintenance Services: Where LACERA has procured equipment, software, and operating systems for its use, procurement of the continuing maintenance, and upgrades of the software and operating systems from the developer, manufacturer or authorized reseller.

14. Contract Development

14.1 General

Contract development is a joint effort involving the LACERA Contract Administrator, LACERA's Administrative Services Division LACERA's Legal Office, designated LACERA and vendor staff and LACERA's Systems Division and Internal Audit, when appropriate.

14.2 Term of Contract

Contracts shall be limited to a maximum of five (5) consecutive years with an optional extension of up to an additional two (2) years, with approval by the Chief Executive Officer or designee. Contract term extensions must be reported to the Operations Oversight Committee at the next meeting.

14.3 Insurance

Immediately after award and prior to the start of performance, a Certificate of Insurance shall be obtained from the contractor as evidence that insurance policies providing the coverage specified in the contract are in full force and effect. Contract Administrators shall review certificates of insurance to ensure that the coverage and limits of insurance specified in the Agreement remain in full force and effect throughout the performance period.

14.4 Information Security Due Diligence

As part of initial and ongoing due diligence required by Contract Administrators, a SOC-2 (system and organizational controls) Type II, or an agreed upon alternate report must be received from vendors that will have access to confidential information as determined necessary by staff with contracting authority in consultation with the Legal Office. A SOC-2 Report (or agreed upon equivalent), more formally known as Service Organization Control 2 Report, reports on a vendor's organizational controls related to security, availability, processing integrity, confidentiality, or privacy. To confirm these controls, site visit inspections are to be included when appropriate.

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LACERA's Information Security Officer must approve the SOC-2 Type II or equivalent report is to be submitted, reviewed and documented by LACERA's Information Security Officer prior to entering into a contract. The report is to also be requested as part of ongoing due diligence for vendors that receive or obtain LACERA member and other security and privacy related data.

14.5 Legal Office Review

All contracts, for goods or services exceeding \$5,000 shall be reviewed and approved as to form by LACERA's Legal Office. LACERA staff responsible for managing contracts is responsible to consider potential risks to the organization associated with contract amounts of \$5,000 or less. Legal review and approval is required for these contracts if it is determined that a breach of the contract could result in a material adverse impact to LACERA.

Staff responsible for requesting legal review will meet and confer with the Legal Office to agree upon a reasonable time frame for completion of the review. Staff is responsible to ensure that, where legal review is required, the Legal Office is provided and has reviewed and approved the final version of the agreement before it is executed. Staff will provide the Legal Office with all information and documents that are necessary to complete the review.

Before a contract is signed, the Legal office will confirm its review and approval in writing.

15. Contract Administration

15.1 Contract Administrator Responsibilities

Before approving the contract and related payments, the Contract Administrator must verify that the contract meets LACERA's requirements and that any payments specified in the contract are appropriate. The Contract Administrator also oversees the performance of the contract and ensures that both parties meet the various obligations set forth in the contract

The Administrative Services Division Contract Management Unit and the Budget Unit also support the contract administrator by verifying the appropriateness of all payments made.

The Contract Administrator is responsible for ensuring that the parties to the contract adhere to it, and that all issues are addressed and resolved.

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15.2 Contract Monitoring

Each Division is responsible for monitoring its contracts on an ongoing basis and administering its terms and conditions.

In addition, LACERA's Internal Auditors shall periodically review the contracting and contract administration process. Internal Audit may review the Statement of Work and the Payment Schedule of a given contract to ensure that the payment points coincide with completed deliverables.

Internal Audit may review the payment process at any time throughout the engagement to ensure that payments are made for completed tasks only.

15.3 Contract Management System

All executed contracts will be sent to the Contract Management Unit in Administrative Services for imaging and import into the Contract Management System. The Contracts Management Unit supports the Contract Administrator by providing periodic reports to alert when contracts, insurance certificates and due diligence system security reports are set to expire.

16. Emergency, Confidential or Time Sensitive Purchases

An emergency is any condition that may affect LACERA's ability to conduct normal and routine business, any condition that may affect the health, safety and welfare of LACERA staff or members, or any condition which may impair LACERA's legal rights. Failure to anticipate a need is not, of itself, considered a bonafide emergency

Response to an emergency may require immediate action by staff to acquire equipment and services. In such a case, the Chief Executive Officer or their designee may make reasonable and responsible procurements of goods and services beyond the usual discretionary spending limits. In addition, Corporate Card spending limits may be increased as needed in accordance with LACERA's Corporate Credit Card Policy. If circumstances permit, also subject to Legal Office review under Section 14.5.

Within 7 calendar days of the purchase, a complete description of the emergency and justification for the purchase must be documented, approved and submitted to the Administrative Services Division Manager and the Chief Executive Officer according to the spending thresholds as outlined in Section 13.1 and 13.2. If the purchase is greater than staff spending authority, a Retirement Board agenda item must be prepared for Board certification that the condition and circumstances required an emergency purchase.

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Purchases requiring confidentiality may be purchased without notification of the Procurement Unit, but appropriate documentation (redacted if necessary) must be forwarded to the Administrative Services Division Manager and the CEO in accordance with the paragraph above.

17. Supplier Diversity

LACERA values diversity and inclusion. In complete alignment with diversity initiatives across the organization, LACERA is committed to fostering diversity in its procurement process through the inclusion and utilization of small and diverse businesses. LACERA recognizes that supplier diversity provides a broad array of choice and contributes to the expansion of the local marketplace. In addition, when we diversify the supplier portfolio, it increases our ability to secure better pricing, higher quality products and services through increased competitive bid participation.

We actively seek to foster business relationships with diverse suppliers who respect and reflect LACERA's value of diversity and inclusion, offer high-quality goods and services, competitive pricing and premium customer service. Currently we identify Minority, Women and Disabled Veterans suppliers by partnering with the Los Angeles County Business Enterprise (CBE) Program. CBE is a program that LA County uses to certify businesses to be included in the County's CBE listing. LACERA Purchasing agents use this listing to identify and invite diverse vendors to participate in the bidding process.

18. Environmental Awareness

Environmental impact should be considered in purchasing decisions, when appropriate. LACERA Purchasing Agents will consider the use of products and services that impact the environment less than competing products, when it is a best value decision to do so. A best value decision based on a thorough total cost of ownership analysis considers the initial cost of the item, delivery time as well as factors such as:

- **Energy Efficiency.** Purchase equipment that is Energy Star-rated (or, if there is no Energy Star rating, equipment that is highly energy efficient). Energy Star is a program helping businesses and individuals protect the environment through superior energy efficiency.
- **Shipping Materials.** Purchase products that are shipped in containers that are returnable or reusable and made from recycled content (i.e. cardboard boxes).
- **Recycled Content.** Purchase products made with recycled content suitable for the intended use.

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19. Procedures Manual

The Administrative Services Division Purchasing Unit shall be responsible for preparing and maintaining a procedures manual that details the purchasing process and any delegated duties and defined terminology. This procedures manual shall include this policy and must be approved by the Chief Executive Officer. These procedures may be modified at any time as deemed necessary, provided that the procedures remain within the framework of this policy.

In the event that there is a conflict between this policy and the procedures manual the policy shall prevail.

20. History

20.1 Approvals.

As the scope of this Policy applies to all Trustees and LACERA staff and has an organization-wide effect concerning the administrative governance of the organization, the following approvals are required.

20.1.1 Recommendation by Operations Oversight Committee

20.1.2 Approval by Board of Retirement

20.2 Current Status

20.2.1 Original Effective Date: December 15, 2005

20.2.2 Last Updated: December 15, 2005

20.2.3 Mandatory Review [Two years after Original Effective Date]

20.3 Versions

20.3.1 Version 2



July 24, 2024

TO: Operations Oversight Committee
JP Harris, Chair
Antonio Sanchez, Vice Chair
Wayne Moore
Jason Green
David Ryu, Alternate

FROM: Chait Errande 
Information Security Officer

Kathy Delino 
Chief, Information Technology

FOR: August 7, 2024, Operations Oversight Committee

SUBJECT: Vendor Recommendation: Global Relay eDiscovery Solution

RECOMMENDATION

That the Operations Oversight Committee recommends to the Board of Retirement to authorize staff to engage with Global Relay Archive to provide eDiscovery services for LACERA. The term of the contract is for 5 years where there would be a one-time setup fee of \$8,480 and monthly recurring cost of \$10,240. The total cost over the term of the contract of 5 years is \$622,880.

BACKGROUND

In October 2023, the Information Security Office (ISO) began to evaluate various technologies implemented at LACERA. We identified that the current procedure and systems for conducting eDiscovery were highly inadequate and non-compliant. There were several issues, including the eDiscovery process was manual, labor intensive and did not meet the standard of providing confidentiality and integrity. We approached the Information Technology Coordination Council (ITCC) to implement a robust eDiscovery solution on November 28, 2023, and the ITCC approved.

PRESENTATION INFORMATION

After the ITCC approval, ISO along with the Project Management Office (PMO) began investigating alternate vendors. Initial study involved listing all the business requirements and sending these questionnaires to potential vendors. Based on the responses to our initial questionnaire and interviews, staff invited SMARSH, Global Relay and Veritas to conduct a deeper dive into each of their offerings and conducted current client interviews. In April 2024, the evaluation team

which included Steven Rice, John Harrington, Chait Errande and Celso Templo completed its assessment of the responses to the solutions provided by the firms including proof of concept studies. Attached is a presentation that includes the scope of services, process, evaluation of finalist firms, and description of the firms being recommended – SMARSH, Global Relay and Veritas.

Vendors were evaluated on the following Criteria Organizational Background (10%), Evaluation of Approach to performances of required services (60%), Team Credentials (20%) and Fee Proposal (10%).

Chart 1 shows the weighted scores for each of the vendors based on sub criteria.

SOC Requirements Score Card			Weighted Score		
	Criteria	Weights	SMARSH	GlobalRelay	Veritas
Organization Background (10%)	Vendor History and Structure	3	2.40	3.00	1.80
	Vendors experience relevant to engagement	5	5.00	5.00	3.00
	Vendor Marketshare and reputation	2	1.60	1.60	1.20
Evaluation of Approach to Performance of Required Services (60%)	Platform Built for eDiscovery	5	5.00	5.00	4.00
	Provide Information Governance (Third party attestation)	5	4.00	5.00	4.00
	Fast search and robust complex querying capability	5	4.00	4.00	4.00
	Ability to manage legal holds	5	3.00	3.00	2.00
	Allow for early case assessment	5	4.00	4.00	4.00
	Maintain Confidentiality, Integrity and availability	5	5.00	5.00	5.00
	Allow for self help by legal	5	5.00	5.00	3.00
	Compliant Storage to hold and house this data for various timeframes	5	5.00	5.00	5.00
	Save on Expensive storage costs	5	5.00	5.00	5.00
	Provide access and activity logs	5	5.00	5.00	5.00
	Role based access	5	5.00	5.00	4.00
	Allow individual to quickly search their email	5	5.00	5.00	5.00
	Ability to house emails,sharepoint and text	5	4.00	5.00	5.00
Team Credentials (20%)	Implementation Team's work experience client references	3	3.00	3.00	3.00
	Integration services	2	1.60	1.60	2.00
	Team's experience relevant to the engagement	3	2.40	2.40	3.00
	24x7 365 help support	2	0.40	2.00	0.40
	Training expertise	5	4.00	5.00	4.00
Fee Proposal (10%)	Fees and hours proposed to complete engagement	5	4.00	4.00	4.00
	Cost of Product	5	4.00	4.00	5.00
		100	87.40	92.60	82.40

Based on this evaluation we concentrated our POC efforts on the top 2 contenders SMARSH and Global Relay. Both providers were comparable in cost and functionality Global Relay was the only firm that offered 24x7 365 support and training included. SMARSH has a very hands-off approach and lacked 24x7 365 support and training. Further, the client references of Global Relay were much stronger.

Chart 2 shows the final score:

eDiscovery Provider	Phase 1 Score	Determination
SMARSH	87.40	Did not advance
GlobalRelay	92.60	Selected

Based on this staff recommends Global Relay based on their expertise and value.

Chart 3 provides the costs that we would incur to implement the solution for the term of the contract. With Global Relay we will be paying out monthly. There is also a one-time setup fee for both vendors. Clearly the Global Relay option is much more cost effective than SMARSH. SMARSH is \$229,051.50 more expensive with no added benefit.

Item	Global Relay	SMARSH
One Time Setup Cost	\$ 8,480.00	\$ 32,940.00
Monthly Cost:	\$ 10,240.00	NA
Annual Cost:	\$ 122,880.00	\$ 163,798.30
Total cost of Contract for 5 years	\$ 622,880.00	\$ 851,931.50

Note: SMARSH is an annual fee whereas Global Relay is monthly

Global Relay has a robust Diversity Equity & Inclusion (DEI) program in place. Their current management team of 16 has five women and five people of color. Global Relay publishes an online magazine called GRIP dedicated to compliance and regulatory issues. They have dedicated an entire section of the magazine to covering DEI.

CONCLUSION

Following a public search and multi-month evaluation process, Global Relay is the vendor of choice for eDiscovery services for LACERA.

Noted and Reviewed:



Santos H. Kreimann
Chief Executive Officer

Attachment

eDiscovery Solution Recommendation

Operation Oversight Committee Meeting

August 7, 2024

Confidential

Recommendation and Overview



Recommendation

That the Operations Oversight Committee recommends to the Board of Retirement to authorize staff to engage with Global Relay Archive to provide eDiscovery services for LACERA. The term of the contract is for 5 years where there would be a one-time setup fee of \$8480 and monthly recurring cost of \$10240. . The total cost over the term of 5 years the cost is \$622,880.

Overview

- This search aligns with LACERA's strategic plan for fiscal durability by exercising care in managing resources to ensure the long-term soundness of LACERA's Retirement Plan and Los Angeles County's OPEB Program.
- Five-year (5) contract, in accordance with LACERA's Policy for Purchasing Goods and Services.
- Global Relay Archive will provide eDiscovery services that will cover a major gap in our data retention and our fiduciary obligations when it comes to digital communication assets . The selection process supports the recommendation that Global Relay Archive will offer LACERA the best service when it comes to various tasks associated with eDiscovery such as a facility to have legal holds, being able to search through archives quickly while maintaining confidentiality, integrity and availability.
- Global Relay Archive is a multinational eDiscovery company that ranks very highly on the Gartner's list. The company serves over 20,000 organizations, including financial companies such as Fidelity, State Street, Prudential and BlackRock to name a few. They also serve some of the worlds larges banks such as HSBC and Société Générale.

Scope of Services



Selected firm is to provide LACERA with the following scope of services:

eDiscovery Services

eDiscovery services:

- Serve as a repository of all digital communication assets such as email, MS Teams, Sharepoint SMS texts.
- Facilitate all eDiscovery requirements such as facilitate legal holds, early case management
- Allow the legal team to conduct their own eDiscovery and to work with ISO on complex queries
- Provide Consultation, training and 24x7x365 access to support
- Provide Third Party attestation on the Integrity of the data

Storage Repository

Storage Repository services:

- Provide WORM (Write once read many) storage for all digital communication
- Provide cost effective method to hold this data in comparison to Azure cloud storage services
- Allow for robust access control on the data
- Provide detailed access logs

Evaluation Team



Evaluation Team

Executive Office	Chait Errande Information Security Officer
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PMO	Celso Templo Project Lead
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Legal Services	Steven Rice Chief Counsel LACERA
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Legal Services	John Harrington Senior Staff Counsel
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Additional Team Members

Systems	Summy Wong Information Technology Manager II
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Systems	Jim Lyle Network Engineer
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Admin Services	James Beasley Supvg Administrative Assistant II
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Evaluation Criteria



The Evaluation Team scored proposals based on the following categories:

Organization Background (10%)

- Vendor history and structure
- Vendor's experience relevant to the engagement
- Vendor market share and reputation

Evaluation of Approach to Performance of Required Services (60%)

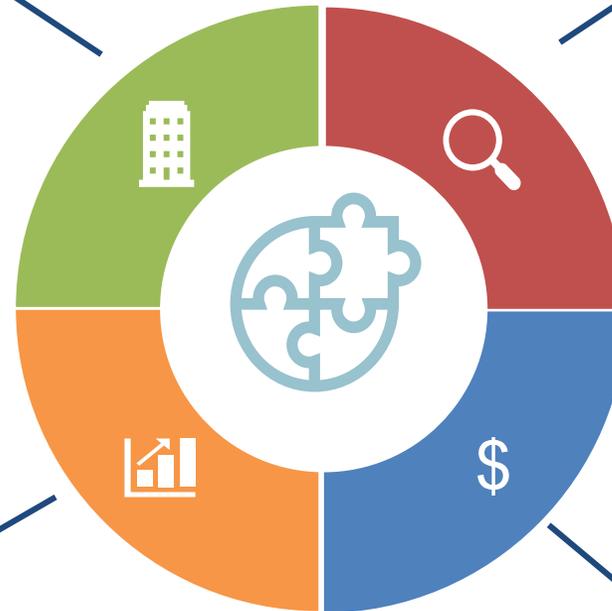
- Platform Built for eDiscovery
- Provide Information Governance (Third party attestation)
- Fast search and robust complex querying capability
- Ability to manage legal holds
- Allow for early case assessment
- Maintain Confidentiality, Integrity and availability
- Allow for self help by legal
- Compliant Storage to hold and house this data for various timeframes
- Save on Expensive storage costs
- Provide access and activity logs
- Role based access
- Allow individual to quickly search their email
- Ability to house emails, Sharepoint and text

Team Credentials (20%)

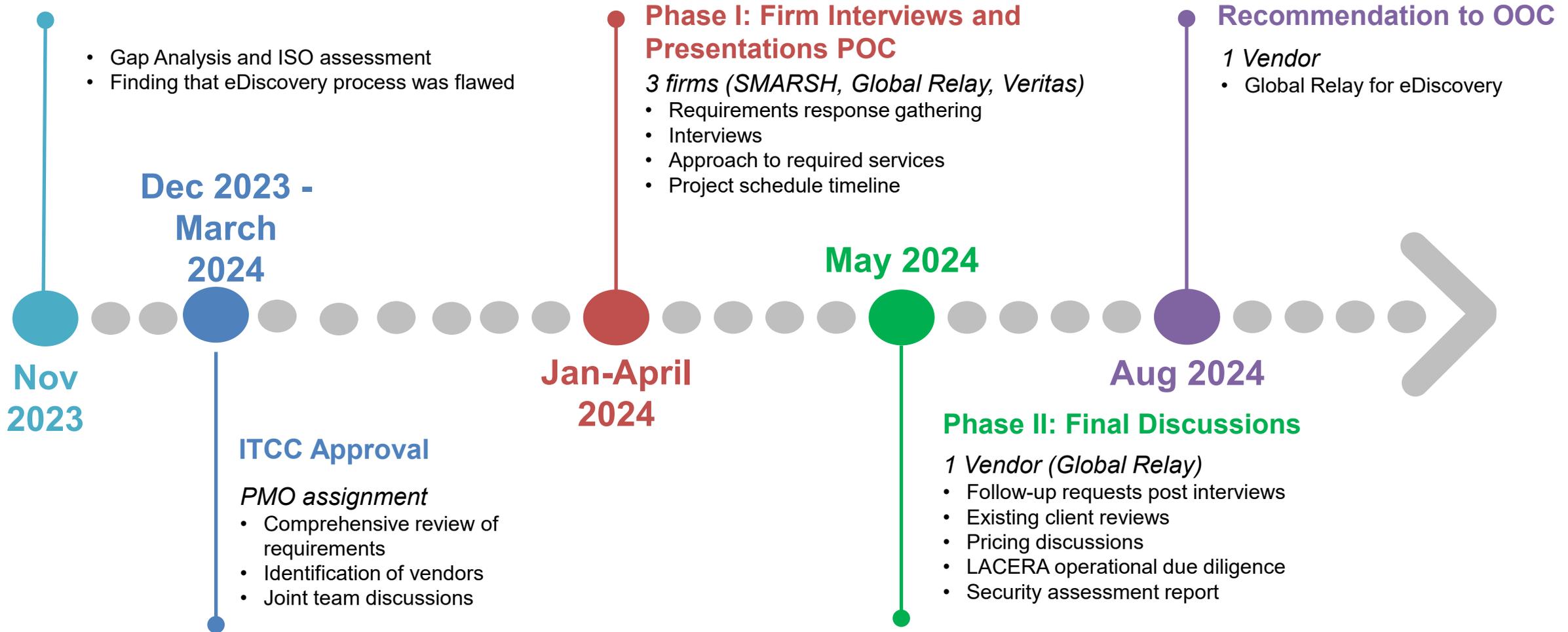
- Implementation Team's work experience client references
- Integration services
- Team's experience relevant to the engagement
- 24x7 365 help and support
- Client communications

Fee Proposal (10%)

- Fees and hours proposed to complete engagement
- Cost of Product



Evaluation Process and Timeline



Evaluations



SOC Requirements Score Card									
	Criteria	Weights	Unweighted Score			Weighted Score			
			SMARSH	GlobalRelay	Veritas	SMARSH	GlobalRelay	Veritas	
Organization Background (10%)	Vendor History and Structure	3	↗ 4	↑ 5	→ 3	2.40	3.00	1.80	
	Vendors experience relevant to engagement	5	↑ 5	↑ 5	→ 3	5.00	5.00	3.00	
	Vendor Marketshare and reputation	2	↗ 4	↗ 4	→ 3	1.60	1.60	1.20	
Evaluation of Approach to Performance of Required Services (60%)	Platform Built for eDiscovery	5	↑ 5	↑ 5	↗ 4	5.00	5.00	4.00	
	Provide Information Governance (Third party attestation)	5	↗ 4	↑ 5	↗ 4	4.00	5.00	4.00	
	Fast search and robust complex querying capability	5	↗ 4	↗ 4	↗ 4	4.00	4.00	4.00	
	Ability to manage legal holds	5	→ 3	→ 3	↘ 2	3.00	3.00	2.00	
	Allow for early case assessment	5	↗ 4	↗ 4	↗ 4	4.00	4.00	4.00	
	Maintain Confidentiality, Integrity and availability	5	↑ 5	↑ 5	↑ 5	5.00	5.00	5.00	
	Allow for self help by legal	5	↑ 5	↑ 5	→ 3	5.00	5.00	3.00	
	Compliant Storage to hold and house this data for various timeframes	5	↑ 5	↑ 5	↑ 5	5.00	5.00	5.00	
	Save on Expensive storage costs	5	↑ 5	↑ 5	↑ 5	5.00	5.00	5.00	
	Provide access and activity logs	5	↑ 5	↑ 5	↑ 5	5.00	5.00	5.00	
	Role based access	5	↑ 5	↑ 5	↗ 4	5.00	5.00	4.00	
	Allow individual to quickly search their email	5	↑ 5	↑ 5	↑ 5	5.00	5.00	5.00	
	Ability to house emails,sharepoint and text	5	↗ 4	↑ 5	↑ 5	4.00	5.00	5.00	
Team Credentials (20%)	Implementation Team's work experience client references	3	↑ 5	↑ 5	↑ 5	3.00	3.00	3.00	
	Integration services	2	↗ 4	↗ 4	↑ 5	1.60	1.60	2.00	
	Team's experience relevant to the engagement	3	↗ 4	↗ 4	↑ 5	2.40	2.40	3.00	
	24x7 365 help support	2	↓ 1	↑ 5	↓ 1	0.40	2.00	0.40	
	Training expertise	5	↗ 4	↑ 5	↗ 4	4.00	5.00	4.00	
Fee Proposal (10%)	Fees and hours proposed to complete engagement	5	↗ 4	↗ 4	↗ 4	4.00	4.00	4.00	
	Cost of Product	5	↗ 4	↗ 4	↑ 5	4.00	4.00	5.00	
		100				Score	87.40	92.60	82.40

Scoring Criteria

↑ 5	Leading
↗ 4	Strong
→ 3	Satisfactory
↘ 2	Building
↓ 1	Not meeting expectations

Evaluations – Phase I & II



eDiscovery
Services

Phase I

Based on Requirements

eDiscovery Provider	Phase 1 Score	Determination
SMARSH	87.40	Advanced to Phase II
GlobalRelay	92.60	Advanced to Phase II
Veritas	82.40	Did not advance

- Select firms have a long firm history with a substantial size and client base and proved to have high quality teams.

Phase II

Firm Interviews, Integration and Price Negotiations

eDiscovery Provider	Phase 1 Score	Determination
SMARSH	87.40	Did not advance
GlobalRelay	92.60	Selected

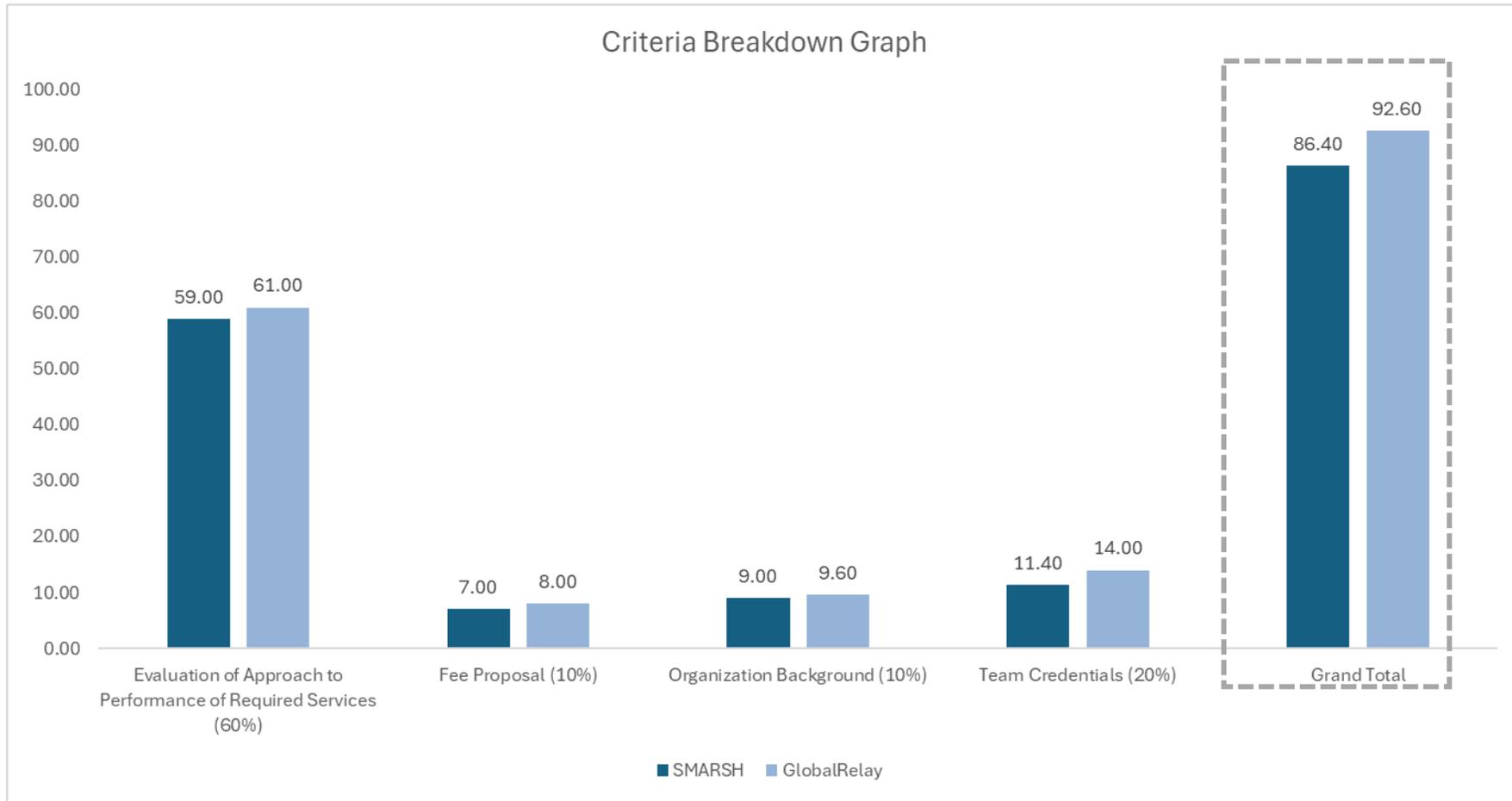
- Based on a variety of factors including presentations client reviews and consistency in quality and providing an integrated platform, offering an emergency 24x7 365 days response Global Relay emerged as the finalist.

Evaluations – Phase II Scores



eDiscovery Services: Global Relay ended up with the highest score.

eDiscovery Services





Customers include...

Over 20,000 organizations depend on Global Relay



Global Relay



Organization



Company History

- Global Relay was founded in 1999. The company serves over 20,000 organizations
- From seamless data migration and secure, unified archiving through to messaging and collaboration tools, Global Relay provides government organizations with comprehensive solutions..
- Headquartered Vancouver, BC, Canada with several offices worldwide
- Provides eDiscovery services to 22 of the world's 25 biggest banks and 61% of all US hedge funds.^{1,2} Revenue growth over the last five years has been rapid.

TRACK RECORD

- Many large institutions and regulatory bodies rely on Global Relay such as BlackRock, Fidelity, FINRA,
- Since their founding they have made it their niche to focus on compliance solutions even today they are one of the few that are able to archive ChatGPT prompts for those companies that wish to use it or will be required to do so in the future
- The GRIP ([Global Relay Intelligence & Practice – All the latest news, insights, and publications from Global Relay](#)), magazine they started covers news and articles covering regulatory and compliance issues such as DEI.



TEAM & RESOURCES

- Over **20** years of experience eDiscovery and compliance services and is the #1 player in the field of eDiscovery.
- Known for their customer service

BREADTH OF EXPERIENCE

- Having served both Public and private sectors they have dedicated resources to satisfy the wants of each sector
- Having been in the compliance and regulatory industry they are at the forefront of upcoming regulatory issues.

¹ Data as of January 2024.

Global Relay and DE&I



Policy Commitments

Policies

Equal Employment opportunity and no discrimination policies	YES
Anti-Harassment policies	YES
Number of Employees	1600

Management

People of Color	5
Women	5
Total People of Color and Women	7
Management Strength	16

Notes and Highlights:

Global Relay has a robust DEI program in place. They recently launched an online magazine called the GRIP where they have a dedicated section devoted to the latest news on regulatory and compliance issues involving DEI

Identified EEO Legal, Regulatory, or Claims in Past 12 Years:

- **None.**

Momentum and Analysis

Diversity and inclusion are a fundamental part of our culture.

We hire, train, compensate, and promote all employees based on business needs and individual qualifications, skills, and experience.

Our practices include:

Training hiring managers on diversity and inclusion topics like discrimination and protected classes

Objective recruitment and promotion criteria designed to avoid discrimination

Analysis of job postings to avoid wording that may discourage particular groups from applying

Actively encouraging the promotion of women

Building multicultural and diverse teams

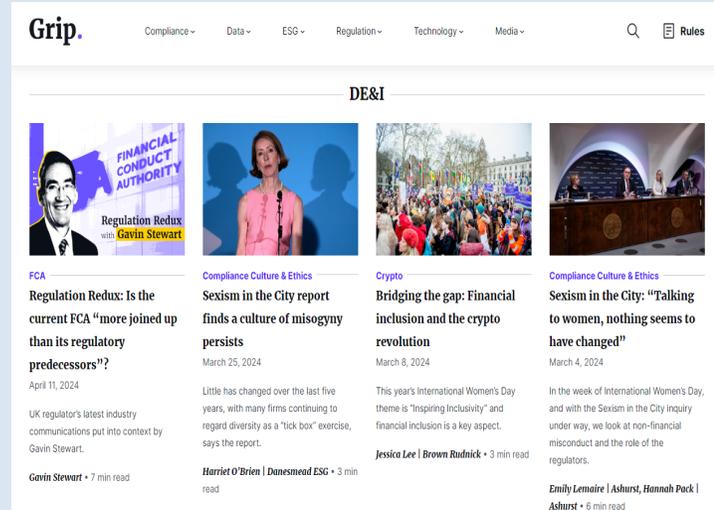
Zero tolerance of workplace harassment

Considering internal equity in salary offers and adjustments

Ethics and conduct standards based on fair dealing and mutual respect

We also try to promote diversity and inclusion outside of our organization.

As the title sponsor and operator of the Global Relay Gastown Grand Prix (a criterium-style cycling race), we have offered equal prize purses to men and women since 2014 (previously a rarity in cycling). Many other North American criteriums have since followed our lead.



Cost over 5-year term



Cost Comparison

Item	Global Relay	SMARSH
One Time Setup Cost	\$ 8,480.00	\$ 32,940.00
Monthly Cost:	\$ 10,240.00	NA
Annual Cost:	\$ 122,880.00	\$ 163,798.30
Total cost of Contract for 5 years	\$ 622,880.00	\$ 851,931.50

Note: SMARSH is an annual fee whereas Global Relay is monthly

Global Relay is also cheaper by \$229,051 over a 5-year term given they have the economies of scale in their favor



Recommendation

That the Operations Oversight Committee recommends to the Board of Retirement to authorize staff to engage with Global Relay Archive to provide eDiscovery services for LACERA. The term of the contract is for 5 years where there would be a one-time setup fee of \$8480 and monthly recurring cost of \$10240. The total cost over the term of the cost is \$622,880.

Summary

- This search aligns with LACERA's strategic plan for fiscal durability by exercising care in managing resources to ensure the long-term soundness of LACERA's Retirement Plan and Los Angeles County's OPEB Program.
- Global Relay Archive will provide eDiscovery services that will cover a major gap in our data retention and our fiduciary obligations when it comes to digital communication assets . The selection process supports the recommendation that Global Relay Archive will offer LACERA the best service when it comes to various tasks associated with eDiscovery such as a facility to have legal holds, being able to search through archives quickly while maintaining confidentiality, integrity and availability.
- This solution will also provide the option to save storage and backup costs and reduce the need of resources needed to maintain the current manual system of eDiscovery.

FOR INFORMATION ONLY



**Operations Briefing Report
Fiscal Year 2024-2025**



August 7, 2024



The Operations Briefing Report includes a Project Status Dashboard presenting a quick at-a-glance view of each project’s status. The Dashboard is broken up into three color coded sections: New projects or projects with updates are reflected in purple and active projects with no new updates are reflected in blue. Projects completed this fiscal year are reflected in green.

- **New Projects and Updated Project Information**
- **Existing Projects/Initiatives: No New Updates**
- **Completed Projects/Initiatives**

Status Indicator Note		
Color coded statuses for a quick at-a-glance indicator to tell you how the project is proceeding.		
On Schedule	Delayed	Pushed Back
(The project is on schedule and the team intends to meet the stated target date)	(The project is slightly delayed. The team does expect a one to two month slip in meeting the target date. Management is more actively watching the progress of these projects)	(The project has been impacted by a significant obstacle or has been suspended due to emergent priorities. Management is actively discussing remedial steps or has a plan waiting to be implemented)

The Project Status Dashboard includes links to the project’s Active Project Details summary or the Completed Projects Detail summary. This section continues to provide an overall narrative of the project’s purpose and an overview of the project to date. The Project Details summary includes a section highlighting the latest updates to the project in the “Current Update” section followed by a “Historical Perspective” section to show past progress, successes, and challenges the project has gone through since it started.



PROJECT STATUS DASHBOARD

New Projects and Updates to Existing Projects

Project Title	Strategic Plan Initiative	Target Date	Status
<u>960-hour Rehired Retiree audit process</u>	Superior Member Experience	6/30/2023	Delayed
<u>Actuarial Valuation Reports: Retiree Healthcare (RHC) or Other Post-employment Benefits (OPEB) Program</u>	Compliance & Enterprise Risk Management	09/04/2024	Delayed
<u>Annual Financial Statement Preparation and Audit</u>	Compliance & Enterprise Risk Management	12/31/2024	On Schedule
<u>Alameda Decision Implementation</u>	Compliance & Enterprise Risk Management	TBD	Delayed
<u>Case Management Project (Sol: Phase I)</u>	Superior Member Experience	11/30/2024	Delayed
<u>Data Digitization Sharing Project</u>	Innovation Through Technology	09/30/2024	Delayed
<u>eDiscovery Solution</u>	Compliance & Enterprise Risk Management	07/31/2024	Delayed
<u>Enterprise Budget Application (Questica) Implementation Phase II: Budget Book</u>	Compliance & Enterprise Risk Management	TBD	Delayed
<u>Enterprise Contract Lifecycle Management (ECLM) Solution</u>	Compliance & Enterprise Risk Management	09/02/2024	On Schedule
<u>HR-NeoGov Expansion & Learning Management System</u>	Investing in People	12/31/20204	On Schedule



<u>LACERA Incident Response Team (LIRT) Management Solution</u>	Compliance & Enterprise Risk Management	08/30/2024	Delayed
<u>Member Experience Communication Platform (MECP)</u>	Superior Member Experience	08/31/2025	On Schedule
<u>Medicare Part B Verification Enhancement</u>	Innovation Through Technology	6/30/2023	Delayed
<u>PEPRA Implementation: Annual Benefit Statement</u>	Superior Member Experience	12/31/2025	Delayed
<u>PEPRA Implementation: FAC Issue</u>	Compliance & Enterprise Risk Management	12/31/2024	Pushed Back
<u>Prepaid Bank Card Project</u>	Superior Member Experience	06/30/2025	Delayed
<u>Retiree Healthcare Administration: Lifetime Maximum Benefit Project</u>	Superior Member Experience	12/31/2024	On Schedule
<u>Retirement Estimate Redesign</u>	Superior Member Experience	12/30/2024	On Schedule
<u>Virtual Mailroom</u>	Innovation Through Technology	07/01/2024	On Schedule



Existing Projects - No Updates

Project Title	Strategic Plan Initiative	Target Date	Status
<u>COLA Bank Retroactive Changes</u>	Compliance & Enterprise Risk Management	12/31/2024	Delayed
<u>Communications Plan</u>	Superior Member Experience	06/30/2024	Pushed Back
<u>Microsoft Copilot Search Implementation</u>	Innovation Through Technology	07/31/2024	Delayed
<u>Pre-2003 Pension Reserve Clean-up</u>	Superior Member Experience	09/30/2024	On Schedule
<u>Retroactive Payroll Adjustments: Prospective Correction</u>	Compliance & Enterprise Risk Management	TBD	Pushed Back



FY 24-25 Completed Projects

Project Title	Strategic Plan Initiative	Target Date	Status
			<i>Pending</i>

ACTIVE PROJECT DETAILS

Status Indicator Note

Color coded statuses for a quick at-a-glance indicator to tell you how the project is proceeding.

On Schedule	Delayed	Pushed Back
(The project is on schedule and the team intends to meet the stated target date)	(The project is slightly delayed. The team does expect a one to two month slip in meeting the target date. Management is more actively watching the progress of these projects)	(The project has been impacted by a significant obstacle or has been suspended due to emergent priorities. Management is actively discussing remedial steps or has a plan waiting to be implemented)



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Project / Issue Title Brief Description	Strategic Plan Initiative:		Superior Member Experience		
	Type	Project Sponsor	Start Date	Target Date	
	Benefits	Exec	2/1/2023	3/31/2024	
	Project Lead(s): Shonita Peterson & Alex Ochoa				
Delayed					
Current Update					
960-hour Rehired Retiree Audit Process Automate the reporting and auditing of rehired retirees. Import data from the 120-day report into Workspace and automate notification letters to members approaching IRS limits.	<p><i>In February 2024, the software changes to support automated auditing and reporting of rehired retirees were deployed in MyLACERA and Workspace. The changes included a new tile on MyLACERA for rehired retirees detailing the total hours that they have worked for the current fiscal year as well as audit routine in Workspace that detects rehired retiree work hours and automatically sends notifications to members and their departments as certain thresholds of work hours are reached.</i></p> <p><i>In March 2024, the first audit process was executed to identify rehired retirees and send notifications to both the members and their departments.</i></p> <p><i>From April through June 2024, the audit process was executed monthly to identify members that were exceeding certain thresholds and sending automated notifications to both the members and their departments. It is important to note that no members have exceeded the 960-hour limit since the automated audit process was implemented. We consider this a complete success.</i></p> <p><i>The Systems Division is currently transitioning the rehired retiree audit process from a monitoring and controlling phase to project closure by adding it to LACERA's enterprise systems calendar and turning operational support over to the production support team. We expect the transition to be completed and the project to be closed by August 31, 2024.</i></p>				
	Historical Perspectives				
	<p>The California Public Employees' Pension Reform Act of 2013 (PEPRA) prescribes limitations on the activities of retired members of these retirement systems, which supersede the provisions of PERS with which they conflict. Under both PERS and PEPRA, a retired member is generally subject to a limit of 960 hours of employment within a calendar or fiscal</p>				



	<p>year, depending on the administrator of the system, for specified employers without reinstating in the system.</p> <p>To remain compliant with IRS regulations, LACERA must audit rehired retirees to ensure that these members do not exceed the 960-hour limit.</p>
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Project / Issue Title Brief Description	Strategic Plan Initiative:		Compliance & Enterprise Risk Management	
	Type	Project Sponsor	Start Date	Target Date
	BSG	Financial & Accounting Services Division	August 2023	September 2024
Project Lead(s): Ted Granger				
Delayed				
Current Update				
<p>Actuarial Valuation Reports: Retiree Healthcare (RHC) or Other Post-employment Benefits (OPEB) Program</p> <p>The Retiree Healthcare (RHC) Program administered by LACERA on behalf of Los Angeles County includes retiree healthcare benefits such as medical and dental/vision insurance plans and death benefits. GASB refers to these benefits as Other Post-Employment Benefits (OPEB) for financial reporting. GASB Statement Numbers 74 & 75 prescribes financial statement reporting standards for OPEB programs. Actuarial valuations are prepared annually, and experience and assumption studies are prepared triennially for Los Angeles County and</p>	<p><i>During July, the Board of Retirement approved the 2023 OPEB Experience Study draft report which included updated actuarial assumptions and methods that will be used to prepare the 2023 OPEB Valuation report. Milliman provided the draft valuation report appendices to LACERA for review. Milliman will continue working on the draft valuation and planning for the upcoming stakeholder meeting in August.</i></p> <p><i>LACERA slightly delayed the experience study process so Milliman could review the Board of Investment's recently updated strategic asset allocation (SAA) for the OPEB Trust when considering the investment return assumption. The target completion date for this project was moved from August to September 2024.</i></p>			
	Historical Perspectives			
	<p>August 2023 – LACERA transmitted the census data file to Milliman when they began planning for the triennial year OPEB actuarial project cycle which includes an investigation of experience study and an annual valuation. Milliman started their work shortly thereafter.</p>			



LACERA's Board of Retirement to make funding decisions and to provide the information for the GASB 75 report which is based on the actuarial valuation and used for employer financial statement disclosure reporting.

In February 2024, Milliman presented a first draft Experience Study report to the Los Angeles County Stakeholder group. The BOR approved FY 2024-2025 retiree medical insurance premiums presented by the Retiree Healthcare (RHC) Division at the March meeting. Milliman updated their analysis to include the latest premium information to develop the medical cost trends and projections.

April 2024 – The Board of Investments approved and updated their strategic asset allocation (SAA) for the OPEB Trust. It was determined that LACERA needed to delay the experience study process so Milliman could review the new SAA when considering the OPEB Trust investment return assumption and share this recent information with the County Stakeholder Group.

In May 2024, the Board of Investments approved and updated the OPEB Trust performance benchmarks and in June, the Investment Policy Statement (IPS) based on their recent approval of the SAA. LACERA held a second meeting to discuss draft 2 of the OPEB Experience Study with the Los Angeles County Stakeholder group including the County, Superior Court, labor groups, and their consultants, to review the remaining economic assumptions impacted by the SAA. There were no additional questions/concerns from the Stakeholder group.

July 2024 – Milliman provided an educational session to the Board of Investments at their in June meeting. The draft experience study report, which includes the actuarial assumptions, was completed by Milliman and presented at the July Board of Retirement meeting for approval. Milliman will prepare the annual valuation report and present it at the Board of Retirement meeting for approval in September.



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Project / Issue Title Brief Description	Strategic Plan Initiative:		Compliance & Enterprise Risk Management	
	Type	Project Sponsor	Start Date	Target Date
	BSG	Financial & Accounting Services Division	May 2024	December 2024
	Project Lead(s): Ted Granger			
	On-Schedule			
	Current Update			
<p>Annual Financial Statement Preparation and Audit: Government code sections require that LACERA prepare annual financial statements including footnotes and disclosures in accordance with applicable accounting standards, obtain an external audit opinion of the financial statements, and transmit the reports to the Los Angeles County Board of Supervisors within six-months following the fiscal year-end.</p>	<p>2024 – Annual Financial Statements/Audit <i>In July, staff completed the annual financial statement closing process, began preparing the Annual Financial Statements (AFS) and note disclosures, and preparing for the audit. Staff sent out preliminary information requests to other LACERA Divisions and Los Angeles County.</i></p> <p style="text-align: center;">Historical Perspectives</p> <p>In May and June, staff kicked off the June 30, 2024, annual financial statement reporting and audit season. Plante Moran, LACERA’s external financial statement auditor, completed the interim audit testing which focused on member data, benefit calculations, internal control assessments and fraud interviews. Plante Moran met with the Audit Committee in June and completed their pre-audit communication.</p> <p>Plante Moran completes the audit process starting in May and running through October. Staff expects to complete the AFS and audit opinion by mid-October and provide LACERA’s AFS to Los Angeles County, so the County can finalize their financial statements prior to calendar year-end.</p>			



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Project / Issue Title Brief Description	Strategic Plan Initiative:		Compliance & Enterprise Risk Management	
	Type	Project Sponsor	Start Date	Target Date
	MOG	Benefits	08/01/2020	TBD
	Project Lead(s): Shonita Peterson			
	On Schedule			
	Current Update			



Alameda Decision Implementation

In 2020, the California Supreme Court issued its decision in the Alameda County Deputy Sheriff’s Association v. Alameda County Employees Retirement Association (“Alameda”), challenging the constitutionality of changes passed in 2013 Assembly Bill 197, which amended the definition of compensation earnable, specifically, excluding pay items previously included such as unused vacation, termination pay, in-kind payments, and payments for services rendered outside of normal working hours. The Court upheld the constitutionality of the Legislature’s actions. In 2021, the Legal Office notified the Board of Retirement that it had completed an initial review of LACERA legacy pay codes and determined that Standby Pay did not meet the expanded understanding of compensation earnable because of the Alameda Case.

Now that these cases have been reviewed and processed, staff continues working on Alameda cases including previous service contracts and other more complex cases.

Five groups of members impacted by this project have been identified in the project table. The remaining cases include previous service contracts, members subject to 401(a)(17) Compensation Limits and other complex cases that require significant time to review and correct.

Alameda Project Status	Current Report: 06/30/2024	
Row Labels (Type, Status, Detail, Outstanding)	Count	%
Pending Notification (Staff Reviewing and Processing)	261	5.41%
Active	0	0.0%
Retired	5	0.1%
Deferred/Inactive	0	0.0%
Retired Deceased	38	0.8%
Active Death	4	0.1%
Other – *Active/Exceptions	214	4.43%
Withdrawn	0	0.0%
Completed	4,570	94.58%
Active	3,035	62.8%
Retired	874	18.09%
Deferred/Inactive	149	3.1%
Deceased	0	0.0%
Other - *Active/Exceptions	400	8.28%
Withdrawn	56	1.2%
Not affected	56	1.2%
Grand Total	4,832	100%



Historical Perspectives

Since the project started, staff have updated the salaries for 4,176 members to exclude Standby Pay and computed the contributions on earnings that occurred on or after January 1, 2013. Of those, 3,013 were actively employed, but only 2,284 had overpaid contributions. Since Active members cannot receive a refund while in service, LACERA suspended future contributions beginning with the March 30, 2022, salary (paid on April 15, 2022) through the point each member's balance had been depleted. Staff mailed 1,000 letters to the active members on February 11, 2022, and the remaining 1,084 letters on February 25, 2022. A split mailing was used to prevent overwhelming the Member Services Call Center.

Subsequently, staff identified 149 deferred and inactive members, most of whom were entitled to a refund. Staff issued 132 checks to those members entitled to a refund. The balance of seventeen were not owed a refund.

The Systems Division developed programming to remove the Standby Pay code earnings for all retirees who retired on or after January 1, 2013, and recalculated their FAC earnings once the pay codes were removed. Per the BOR approval, these members were subject to having their benefits adjusted prospectively from August 30, 2020, following the court's decision.

Beginning May 24, 2022, LACERA notified 710 members via email that their monthly benefit allowance will be reduced effective July 31, 2022. Of these, 405 members were notified that due to the retroactive deduction of benefits to the August 2020 monthly allowance, they have been overpaid and will be required to repay the overpaid benefits. Members were given the option to repay by lump sum, or via deductions from their benefits over a period of time (including financing interest). The remaining 305 retirees were mailed a refund check for the overpaid retirement contributions that exceeded the overpaid retirement benefit. An additional fifty-six members with Standby Pay neither have a refund nor a benefit change due to the timing of their standby pay, while a Plan E member, or having a 30-year cancellation.

The Alameda team continues to work on Active/Exceptions cases. Staff focused on adding alerts and comments to the remaining 140 cases not impacted by the Alameda Decision.



	<i>The project was placed on hold in April 2024 due to the need to reallocate staff to ensure March Madness cases were processed timely. Staff resumed processing cases effective May 1, 2024, focusing primarily on Alameda cases that included previous service contracts and 401(a)(17) Compensation Limits.</i>
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Project / Issue Title Brief Description	Strategic Plan Initiative:		Superior Member Service	
	Type	Project Sponsor	Start Date	Target Date
	Strategic	Executive (MOG/BSG)	08/24/2022	11/30/2024
Project Lead(s): JJ Popowich, Luis A. Lugo, & Iveta Brecko (PM)				
Delayed				
Current Update				
<p>Case Management Project (Sol: Phase I)</p> <p>Implement a case management system that will improve efficiency in processing member requests, provide accurate status and data collection for metrics, and improve the member experience.</p> <p>Processes included in Phase I are: Disability Retirement Services (DRS) Disability Litigation Office (DLO) Benefits – First Payment</p>	<p><i>First Payment user acceptance testing (UAT) is ongoing. 31 cases are being tested in parallel with production. 60 cases with retirement dates in July and August payroll will be tested next. New cases are also created for new retirement applications submitted to LACERA. The applications development team is coordinating payroll cycle updates in the Quality Assurance environment to replicate production. Users identified 12 more functionality items as a part of the Minimum Viable Product, that will be part of the next change request. Currently out of 116 open issues, 12 are MVP, 23 are ready to test and the rest are in progress, including 40 items in the LACERA developer's queue. We continue having twice a week UAT meetings with the vendor and twice a week meetings with LACERA applications development team.</i></p> <p><i>Based on current development and testing status we have adjusted the target date by two months to reflect the estimated time needed to complete MVP change requests, test, and train staff. If users are satisfied with the test results, true implementation to production will take place in October-November 2024.</i></p>			



Historical Perspectives

In May of 2022, the BOR approved LACERA’s recommended vendor, Eccentex, to partner with LACERA to develop our Case Management System. Eccentex was selected after an extensive review of thirteen vendor proposals received from our RFP.

The team identified five phases over a series of years that would benefit from the Case Management System.

Phase I consisted of three sub-phases: Disability Retirement Services (DRS), Disability Litigation Office (DLO, and the Benefits First Payment Process. The LACERA and Eccentex teams completed the development of the case management processes for DRS going live effective: September 22, 2023. The team continues to fine tune the systems performance and making updates as needed.

Development of the last sub-phase – the Benefits First Payment process – began simultaneously with the other projects as staff worked to develop detailed process flow maps of the process and define and refine business rules and minimum expectations for the case management system. With the completion of the DRS/DLO sub-phases the teams focused their efforts on the First Payment Process.



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Project / Issue Title Brief Description	Strategic Plan Initiative:		Compliance & Enterprise Risk Management	
	Type	Project Sponsor	Start Date	Target Date
	MOG	Benefits	04/01/2021	12/31/2024
Project Lead(s): Louis Gittens / Shonita Peterson				
Delayed				
Current Update				
COLA Bank Retroactive Changes In April of 2021, the Board of Retirement approved corrections to the COLA Accumulation Bank, which involved making retroactive corrections, recalculating benefit allowance amounts, and paying members retroactive benefits due to a discrepancy discovered in the COLA Accumulation.	<i>No update at this time.</i>			
	Historical Perspectives			
	<p>The project was broken down into five phases based on the complexity of the calculations needed to pay retroactive benefits to members. We will resume working on this project in July 2024.</p> <p>Phase I-IV: As of the date of this report, LACERA has paid out just over \$3.8 million in retroactive COLA earnings. Of the 9,672 members and survivors impacted, 8,511 accounts have been systematically resolved, which represents all members and survivors currently in a payment status.</p> <p>The fourth phase of the project, which requires manually calculating the retroactive benefits, includes 1,494 cases in a payment status. The manual phase of the project began in December 2021. Staff have manually calculated COLAs for 455 members and payments were issued for this population.</p> <p>Phase V: The final phase involves deceased members with no survivors currently receiving benefits. This phase requires research to identify the appropriate beneficiary(ies) or estates to pay the retroactive benefits that were due to the deceased member. This phase is currently delayed due to staffing limitations and the focus on the Alameda Decision Implementation.</p>			



Systems and Benefits have been reviewing the root cause for the manual processing and developing plans for redesigning some portions of our pension administration system to help alleviate the need for processing for future projects.

COLA Bank: Retroactive Payment Project		
Status (As of 3/31/23)	Number	Percentage
Completed	8,511	88%
In-Process	1,161	12%
Grand Total	9,672	100%

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Project / Issue Title Brief Description	Strategic Plan Initiative:		Superior Member Experience	
	Type	Project Sponsor	Start Date	Target Date
	Strategic	Exec (MOG)	02/28/2022	06/30/2024
Project Lead(s): JJ Popowich & Cynthia Martinez				
Pushed Back				
Current Update				
Communications Plan The development of a strategic Communications Plan providing an overview of the guiding principles used to communicate with LACERA's various stakeholder groups. The plan will also provide an overview of the channels, resources, methods, planned campaigns, and current commitments of the Communications team. The plan will outline how our communications Division has been designed to be flexible and responsive to	<i>No update at this time.</i>			
	Historical Perspectives			
The LACERA executive team met on August 30, 2022, to review and discuss the Communication Plan(s) drafted by both EKA (the Board of Retirement's public relations consultant) and the LACERA Communications division. Both plans outlined a more tactical approach to engaging our members and various stakeholders, as opposed to a strategic roadmap. The team discussed opportunities and ideas for improving the Communication plan document. We are going to coordinate these efforts with our Strategic Planning process, since the work overlaps with our current Strategic Planning efforts.				



our needs as we fulfill our communication goals.	The Communications team is continuing the process of updating the draft Communications Plan to incorporate the Strategic Plan priorities based on the input from the assigned LEADS of each objective and other feedback provided by the Executive Team.
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Project / Issue Title Brief Description	Strategic Plan Initiative:		Innovation Through Technology	
	Type	Project Sponsor	Start Date	Target Date
	<p>Data Digitization Sharing Project</p> <p>A project to share previously digitized microfiche and Optical Archive System (OAS) records with the LA County Auditor/Controller</p>	Strategic	Systems	11/01/2023
Project Lead(s): Tom De Luca				
Delayed				
Current Update				
<p><i>The team will meet with the Auditor/Controller on July 29, 2024, to present the Digitized Microfiche Prototype as well as establish user acceptance testing schedules and access requirements.</i></p>				
Historical Perspectives				
<p>The Information Technology Coordination Council (ITCC) approved a prototype project to share previously digitized microfiche with the LA County Auditor/Controller (A/C) in October 2023. LACERA previously digitized 50 million microfiche and Optional Archive System (OAS) records containing LA County payroll data and built an electronic viewer for the images. The A/C only has the physical microfiche and the OAS records for this payroll data. The LACERA Systems Division would like to share our digitized images with the A/C in a portable format that is independent from all technology at LACERA. The prototype project that was approved by the ITCC will involve converting a subset of microfiche images to searchable PDF files and building a SharePoint page for searching the images. If the prototype is successful, and the A/C finds the files useful, we will make a request to the ITCC to convert 30 million of the 50 million images to searchable .pdf and securely transmit them to the A/C.</p>				



	<p>We have converted the subset of files to searchable PDF files for the prototype and are configuring the SharePoint page that will be used to search these files.</p> <p>Systems completed the configuration and set-up of the SharePoint site that will be used by the Auditor-Controller. The team continued to conduct internal testing to ensure it works as expected during the month of May. The prototype for sharing the digitized microfiche with the LA County Auditor/Controller (A/C) has been completed.</p>
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Project / Issue Title Brief Description	Strategic Plan Initiative:		Compliance & Enterprise Risk Management	
	Type	Project Sponsor	Start Date	Target Date
	BSG	Executive (BSG)	12/01/2023	TBD
	Project Lead(s): Laura Guglielmo and Cookie Jaranilla (PM)			
Delayed				
Current Update				
<p>Enterprise Budget Application (Questica) Implementation Phase II: Budget Book</p> <p>LACERA nearly finished implementing its first automated enterprise budget application which will be used for budget development and budget control and will integrate with LACERA’s financial system, Great Plains. This phase of the project will address the Budget Book that is submitted to the Boards during the approval process.</p>	<p><i>On July 15th, the Budget Modernization Project Team held a kick-off meeting with FH Black, our partner from Questica, the vendor for our new budgeting software. The team discussed the project’s scope, requirements, implementation plan, post-implementation support, and training. We emphasized the importance of clear communication and setting expectations among all involved parties, including our own resources, subject matter experts, key stakeholders, and the vendor’s implementation team.</i></p> <p><i>The project team has scheduled a follow-up meeting for July 31st to discuss the project timeline, scope, and key resources in more detail. One important discussion topic will cover the integration and support of CaseWare, FH Black’s business intelligence tool, which will be used to create dashboards and reports of the Budget Book.</i></p>			



	Historical Perspectives
	<p>The implementation of the Questica budgeting solution has been divided into two phases. Phase I concerns the implementation of the budgeting application itself. Phase II consists of the review and implementation of the Budget Book function to assist with assembling the budget book that is submitted for approval to the Boards.</p> <p>Development of the budget book is a unique and detailed process that requires significant focus to migrate to a new platform. The native budget book application provided by Questica will be evaluated by the team after we have completed implementation of the budget application. The team plans to produce the FY 25 Budget Book outside of this application while this is under review. Once we have completed the roll out of the Questica application we will assign a target date for completion of this phase. The Project Team has been actively collaborating with Questica's Implementation Team to discuss project planning and schedule a kickoff for this initiative.</p>

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Project / Issue Title Brief Description	Strategic Plan Initiative:		Compliance & Enterprise Risk Management	
	Type	Project Sponsor	Start Date	Target Date
	Strategic	Information Security	12/01/2023	09/30/2024
	Project Lead(s): Steven Rice, Chaitanya Errande, & Celso Templo (PM)			
	Delayed			
	Current Update			
<p>eDiscovery Solution</p> <p>Implement an eDiscovery solution that provides an intuitive and seamless way for the Legal Office and Information Security Teams to conduct eDiscovery, eDiscovery is the process of identifying, collecting, and producing electronically stored information (ESI) in response to a</p>	<p><i>The eDiscovery Solution Team will present the project to the Operations Oversight Committee (OOC) on August 7. They will request that the OOC recommend to the BOR that they authorize staff to move forward with the project using the recommended Vendor, Global Relay.</i></p>			



request for production in a lawsuit or investigation. An eDiscovery solution can help automate the collection of electronic data, such as email, MS Teams messages, SharePoint storages, Bloomberg, and SMS, and automate repetitive tasks, reducing the need for manual intervention.

Historical Perspectives

In December of 2023, the IT Coordination Council (ITCC) approved the request by the Legal Office and Information Security teams to search and select a vendor that can provide LAC-ERA an eDiscovery Solution.

The LACERA eDiscovery Team evaluated and selected a vendor by inviting Veritas, Smarsh and GlobalRelay to provide quotes, demo the products, and answer questions relating to eDiscovery needs. Additionally, the eDiscovery project bypassed the Request for Proposal (RFP) process because all invited vendors offered costs below the qualifying threshold set in the RFP guidelines. After performing the necessary due diligence and incorporating selection factors such as system functionalities, pricing, support availability, system integrations, User Experience (UX), and end-user training, the eDiscovery Project team selected GlobalRelay as the vendor that would partner and collaborate with LACERA to implement the eDiscovery solution.

The following milestones have been completed:

Contract Finalization and Procurement –The Administrative Services team finalized the contract agreement and procurement process.

Since the cost of the project was expected to exceed the CEO’s approval threshold. the Project Executive Sponsor met with Executive Management to discuss the timeline and process for obtaining Board of Retirement approval.



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Project / Issue Title Brief Description	Strategic Plan Initiative:		Compliance & Enterprise Risk Management	
	Type	Project Sponsor	Start Date	Target Date
	BSG	Administrative Services	03/01/2022	09/02/2024
	Project Lead(s): Ricki Contreras, Celso Templo & Michael Dozier (PM)			
	On Schedule			
Current Update				
<p>Enterprise Contract Lifecycle Management (ECLM) Solution</p> <p>Pursuant to a recommendation by Administrative Services staff, the Operations Oversight Committee (OOC) on March 2, 2022, authorized a Request for Proposal (RFP) for software and consulting services to procure, configure, customize, and implement an ECLM system, which was published on LACERA.com on March 4, 2022.</p>	<p><i>The ECLM project aims to deliver a basic working version Minimal Viable Product (MVP) by the end of July 2024, with beta testing planned for the first week of August, pending resolution of minor data issues. New policy and procedures have created new additions into the workflow per policy and need to be tested by all stakeholders. The Vendor Management Group will be hosting a real time user acceptance testing (UAT) where all staff are present and need to respond through all actions of the ECLM workflow for final proof of MVP. This exercise will be taking place within the next two weeks and will be a 4–6-hour effort. This initial launch will be for the Administrative Services Divisions, Systems, Legal Office, and Financial Accounting Services Division (FASD). The ECLM project team will evaluate the soft launch and continue to test for a month before deciding on a full launch date. Vendor Management Team has been training on the Product and have enlisted vendor for additional support to remediate any unforeseen issues</i></p> <p><i>In parallel, the Administrative Services Divisions Vendor Management Group is developing policies and procedures to support the application's implementation.</i></p>			
	<p>Historical Perspectives</p> <p>On April 4, 2022, LACERA received proposals from nine vendors. LACERA’s evaluation team reviewed all RFPs and selected five vendors as finalists. These finalists demonstrated their solutions to the team. A final vendor has been identified and a recommendation to the Board of Retirement was scheduled for consideration at the September 2022 Board Meeting. The Board of Retirement approved the recommended vendor, Cobblestone, at the September 2022 Board meeting for the Enterprise Contract Lifecycle Management system.</p> <p>The ECLM Solution’s Iteration 4 is underway to meet the newly structured Vendor Management the basic framework for the contract administration is still intact from the initial implementation. The new process has forced a pivot to restructure user groups and security roles</p>			



to align with the Vendor Management group and personnel. ECLM Vendor Management system is functional and available for testing as the workflows are updated. Systems, Admin Services, Legal, Investment Division, and FASD Subject Matter Experts (SME's) have completed rendering the final requirements imposing the process change and the final items of restructuring are in-flight. We are currently Projecting project to launch on time.

- Contract Repositories
- Vendor Portal
- Contract Approval Chain
- Consolidated Bid Responses and Evaluation – RFP Management
- AI Capabilities – Drafting, Reviewing & Executing of Contracts
- Reporting - Contract Requests, Solicitations, Contracts, and Vendors
- Systems Integration with Great Plains

To enhance the effectiveness of end-user training across all business divisions, we have restructured the approach. Instead of conducting large 2-hour training sessions, we will now break down the training into 1-hour modules for each of the 5 individual modules. This modification aims to facilitate easier retention for end users. Additionally, each training session will involve a Subject Matter Expert (SME) from each division. These sessions will be supported by customized training materials tailored to our internal processes, which will be distributed before the sessions commence.



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Project / Issue Title Brief Description	Strategic Plan Initiative:		Investing in People	
	Type	Project Sponsor	Start Date	Target Date
	Strategic	Laura Guglielmo (Exec - BSG)	03/19/2024	12/31/2024
Project Lead(s): Michael Dozier, Carly NToya, & Roberta Van Nortrick				
Pushed Back				
Current Update				
HR-NeoGov Expansion & Learning Management System: Expand LACERA’s use of NeoGov to include Talent Acquisition, the Performance Module for Non-represented staff, and the Learning Module, in line with Strategic Initiative #3.3 - Investing in People.	<p><i>The project is in the Execution Phase. We have recently reached several key milestones: the kickoff meeting with Primary Sponsors, Subject Matter Experts, PMO, and Vendor Implementation Team was completed for both the Attract and Learn modules and both the Attract and Learn modules were integrated with Single Sign On (SSO). Users in Human Resources are currently testing user configurations and security role access. We remain on schedule to deliver all planned features, as well as any additional enhancements that may be identified during testing.</i></p>			
	Historical Perspectives			
<p>On March 19, 2024, the IT Coordination Council (ITCC) approved the Human Resources team's proposal to expand LACERA's use of the NeoGov system. The approved enhancements include expanding the Talent Acquisition, Performance Modules for represented staff, and the Learning Module. This initiative directly supports LACERA's Strategic Initiative #3.3, which focuses on investing in the development and growth of our workforce. Funding for the additional NeoGov modules was included in LACERA’s Administrative Budget for FY 2024/25.</p>				



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Project / Issue Title Brief Description	Strategic Plan Initiative:		Compliance & Enterprise Risk Management	
	Type	Project Sponsor	Start Date	Target Date
	Exec	Executive	01/01/2023	August 30, 2024
	Project Lead(s): JJ Popowich, Chait Errande, and Michael Dozier (PM)			
Delayed				
Current Update				
LACERA Incident Response Team (LIRT) Management Solution LACERA seeks a solution that automates the tracking and workflow of LACERA incidents.	User Acceptance Testing Ongoing <i>User Acceptance Testing (UAT) is ongoing for Change Order #2, which includes enhancements to the Workplace Violence module. The Project Team demonstrated these enhancements to Executive Sponsor, product owners, and Subject Matter Experts on July 16th. The vendor successfully delivered all required work by the June 30th deadline. PMO and Human Resources are now focused on finalizing internal policies and procedures, and preparing for end-user training, scheduled for the end of July. The 'Go Live' date has been adjusted to August 30th to accommodate these crucial steps.</i>			
	<i>Meanwhile, the LIRT Implementation team is actively working on the LIRT Privacy Phase, the next development stage. PMO and Business Solutions are defining requirements, specifications, effort estimates, and milestones for integrating LIRT with Workspace. By the end of July, PMO will submit the final requirements to Business Solutions Group for them to create a specification for webservice creation and workflow automation.</i>			
	<i>Phase 1 Data Privacy User Acceptance Testing within the LIRT Incident Management Tracking for ServiceNow is complete, with training scheduled for mid-August.</i>			
Historical Perspectives				
In December 2022, the Information Technology Coordination Council approved a LIRT incident management solution project to automate the tracking of LACERA incidents. The LIRT project team decided to leverage a product that is already implemented at LACERA: ServiceNow Information Technology Service Management (ITSM). LACERA selected Winward as our business partner to leverage and customize the incident workflow of ServiceNow's ITSM to support LACERA's process regarding incident tracking, management, and reporting. Because LACERA owns this product and is only configuring one module to support our specific process, we				



	can absorb the project's cost in the FY 2023-24 budget. Although the project was initially scheduled for completion in June 2024, we have extended the timeline to incorporate additional compliance requirements related to Workplace Misconduct and Violence regulations. The adjusted target date is now August 30, 2024.
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Project / Issue Title Brief Description	Strategic Plan Initiative:		Superior Member Experience	
	Type	Project Sponsor	Start Date	Target Date
	Strategic	JJ Popowich (Exec - MOG)	10/18/2022	08/31/2025
	Project Lead(s): Cookie Jaranilla, Tatiana Bayer, & Cassandra Smith			
	On Schedule			
	Current Update			
Member Experience Communication Platform (MECP): LACERA is looking to improve the Member Experience through innovative use of modern technology to provide better support for our omnichannel service approach. This project is to select a cloud-based communication service that provides omni-channel contact center with native MS Teams' certificated integration along with other features designed to improve and make our services more efficient.	<i>This project is in the Planning Phase. LACERA staff have identified a leading vendor and will recommend this vendor to the Board of Retirement (BOR) for approval at the August 2024 BOR meeting.</i>			
	Historical Perspectives			
	LACERA seeks a Member Experience Communications Platform software as a service (SaaS) with a proven, state-of-the-art, commercial-off-the-shelf solution with minimal modifications. LACERA's goal is to gain efficiency and update existing processes through a best-of-breed enterprise communications system, focusing on improving the timeliness, accuracy, consistency of information, and internal operations.			
	The MECP project was approved by LACERA's Information Technology Coordination Council (ITCC) on October 18, 2022, to select a cloud communication service that provides omni-channel contact center with native MSTeams certificated integration. On October 5, 2023, the LACERA Operations Oversight Committee greenlit a Request for Proposal (RFP) to acquire a state-of-the-art Member Experience Communications Platform. The RFP was released on November 6, 2023, and all proposals were due to LACERA on January 12, 2024. Vendor evaluations and interviews were conducted from January through June 2024.			



	<p>A leading vendor was identified in June 2024. The funding for this project was included in LACERA’s Administrative Budget for FY 2024/25.</p> <p>In August 2024, LACERA will recommend a vendor to the Board of Retirement for approval.</p>
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Project / Issue Title Brief Description	Strategic Plan Initiative:		Innovation Through Technology	
	Type	Project Sponsor	Start Date	Target Date
	Strategic	Systems	02/21/2024	09/30/2024
Project Lead(s): Summy Voong, Jim Lyle				
Delayed				
Current Update				
Microsoft Copilot Search Implementation The introduction of Microsoft Copilot Search, Microsoft’s AI chat interface	<p><i>LACERA’s Artificial Intelligence (AI) Policy was approved by the Ethics and Compliance Committee (ECC) on Thursday, July 18, 2024. We will begin collecting electronic acknowledgements of the policy from all LACERA staff members.</i></p> <p><i>Once all staff members have acknowledged the AI policy, the Infrastructure Team will begin the roll out of Copilot Search. Copilot Search is Microsoft’s conversational chat interface that will allow staff members to search for specific information, generate text, and create images based on text prompts. We expect to complete the rollout by the end of September 2024.</i></p>			
	Historical Perspectives			
	<p>The ITCC and Artificial Intelligence (AI) Committee approved the initial phase of the Microsoft Copilot deployment at LACERA in February (2024). The initial phase will involve the launch and training of Microsoft’s generative AI chat and search features that work with Microsoft Edge. The new tool will be presented to the organization through MAC, SAC, and Brown Bag meetings as well as a series of training sessions customized for each division. We anticipate the launch to be finished by the end of September 2024.</p> <p>Project Steps:</p> <ol style="list-style-type: none"> 1. Road Show to Division Managers – Completed 2. AI policy approval – Completed 3. Staff to sign an acknowledgement new AI policy - In Progress 			



4. The Executive Board Assistants will be scheduling two meeting for Trustees - TBD
5. Presentation/Demo to MAC/SAC teams – TBD
6. Demonstration during Brown Bag Meeting – TBD
7. Enable feature for all staff and send out training documents – TBD

Staff created a draft policy and forwarded it to the Ethics and Compliance Committee (ECC) for review.



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Project / Issue Title Brief Description	Strategic Plan Initiative:		Superior Member Experience		
	Type	Project Sponsor	Start Date	Target Date	
	Strategic	Exec (MOG)	01/01/2013	12/31/2024	
	Project Lead(s): Cynthia Martinez				
Delayed					
Current Update					
<p>PEPRA Implementation: Annual Benefit Statement</p> <p>LACERA does not currently offer an Annual Benefit Statement (ABS) for PEPRA members.</p>	<p><i>We previously reported that we determined we would move forward with the PEPRA ABS project without providing a final average compensation (FAC) amount and an estimated benefit amount. Instead, the team is working on a design that shows the trend in growth of a member’s retirement benefit based on percentage of salary over time.</i></p> <p><i>With this in mind, Communications drafted two ABS “comps” based on the team review and input (draft examples of what the new ABS will look like) and worked with Systems and our design vendor to refine the concepts. The refinements have been made and these two ABS “comps” were presented to the team for final review and approval. The team approved (with some additional edits) and selected the preferred comp. Once the suggested edits have been incorporated the final comp will be provided to the Executive Team for final input and approval to move forward with the statements.</i></p> <p><i>With final approval from Executive, we enter the final stage. Beta testing of both distribution formats (digital & print) will take place. Meanwhile, Systems and Communications are working out the final logistics to digitally distribute and mail. Once all testing and logistics have been finalized, a launch date will be determined and a campaign to inform our members will be initiated one to two months prior to distribution.</i></p> <p><i>The project remains in a delayed status, but progress is being made. We have updated the target date to December 31, 2024.</i></p>				
	Historical Perspectives				
	<p>LACERA was unable to generate a PEPRA member ABS until we could accurately, automatically, calculate a member’s FAC. This project is moving forward now that the FAC issue is nearly resolved.</p>				



Progress continues on the **PEPRA Implementation: FAC Issue** project and that project's target date has been updated to October 30, 2023, to allow time to import historical files necessary to calculate a member's benefit estimates.

A kickoff meeting was held on August 22, 2023, to discuss project expectations, review the Project Charter, confirm the ABS Team participants, briefly review the Active redesigned comp, and discuss next steps. It was confirmed the team will meet weekly to begin the review process of the Active redesigned comp.

The team has decided to pursue a change in how we generate the ABS. To provide us with more flexibility in distribution of the new ABS, we will be looking at generating a digital version which will decouple LACERA's reliance on specialized programming with our print vendors. This should also shorten the time to complete and publish a new ABS. Communications has incorporated all feedback from the team and the ABS is currently in production for update of data fields and rebranding based on the team input.

As of May 2024, we reported that LACERA is still working with the Auditor Controller on its efforts to systematically calculate a PEPRA Final Average Compensation (FAC) amount which is critical to the ability to deliver automated retirement benefit estimates. This has been negatively impacting our ability to deliver the PEPRA Annual Benefits Statements to members.

Given this delay, the team revisited the ABS design and determined that rather than providing a specific estimated benefit amount at this time we will provide an estimated FAC with caveats regarding accuracy and then focus on providing an accurate representation of the member's current and future percentage of FAC to provide insight into how their benefit is growing over time.

As a result of the progress made, our May report reflected we changed the status from "Pushed Back" to "Delayed.", with a new expected target date of July 30, 2024.

In May 2024, we also reported significant work needs to be done with our print vendor and Systems on our delivery plan for the ABS. The team has opted to make delivery of the ABS electronic by default through My LACERA. This will significantly reduce costs associated



	with mailing and printing. Members without My LACERA access will receive mailed ABS, and members who do have My LACERA, but wish to receive a physical copy mailed to them will have the ability to request this option.
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Project / Issue Title Brief Description	Strategic Plan Initiative:		Compliance & Enterprise Risk Management	
	Type	Project Sponsor	Start Date	Target Date
	Strategic	Executive (MOG)	01/01/2013	12/31/2024
	Project Lead(s): JJ Popowich & Lynn Francisco			
	Pushed Back			
Current Update				
<p>PEPRA Implementation: FAC Issue</p> <p>The Final Average Compensation for PEPRA members is exclusive of most pay items except base pay. The County uses pay code 099 as their base pay code. This pay code has embedded pay items within the code that are not pensionable compensation under PEPRA. To accurately calculate a member's benefit, these non-pensionable compensation items need to be filtered out.</p>	<p><i>The Systems team is continuing to work through the remaining exceptional use cases for identifying and removing non-pensionable pay components from actual earnings. The team needs an additional two weeks to validate the results of their proposed solution. They plan to meet with the Executive Sponsor at the beginning of August to review the results of their testing and decide on the next steps.</i></p>			
	Historical Perspectives			
	<p>As of late April 2023, the LACERA team and Auditor Controller's Office continue to meet regularly and make progress towards the agreed upon deadline of June 30, 2023.</p> <p>In mid-January, the two teams met, along with LACERA CEO Santos Kreimann, and LA County Auditor-Controller Arlene Barrera, to discuss the urgent necessity of completing the project. Based on availability of AC resources, the two teams will begin working on the final stages of this project in February and have committed to working towards a July 2023 completion date. The team has been meeting bi-weekly to ensure we remain focused on completing this project on-time.</p> <p>On March 16, 2023, AC provided a test file on the PEPRA embedded earnings. Systems and QA division collaborated on testing and confirmed the file provided the appropriate data</p>			



necessary to calculate a more accurate Final Average Compensation (FAC). Systems is now working on updating our internal programs to use these files in a production environment.

Systems has completed and implemented the program in production. The program was first run to update the September 15, 2023, PEPRA actual earning salaries and are received with each new payroll period files prospectively.

Beginning in November the team started ingesting historical files beginning with the last three years first (August 31, 2023, down to September 15, 2020), and working back to 2013. The files are processed on an expedited basis so we can conclude this project as early as possible. The team completed ingesting the most current three years by December 31, 2023. As of 1/13/2024, the most current three years historical PEPRA embedded files have been processed and salary records in Workspace adjusted to remove PEPRA embedded earnings.

The Process Management Group (PMG) is working on updates to the PEPRA FAC Business rules. The team is working with the Legal Office to finalize the business rule. Once the rule has been finalized (expected to be finalized by end of February) the final parameters can be provided to Systems to program the FAC.

After the ingestion of actual payroll files was completed additional testing of the programming designed to remove non-pensionable actual earnings embedded in pay code 099 indicated additional work was needed to address retroactive payroll adjustments and mid-period payroll changes. The team is working to identify methods to account for the common payroll activities.

Once additional programming to address the issues identified above, and incorporate business rules, the team will be discussing scheduling the release of the PEPRA FAC for current active members to see and for staff to use in the calculation of estimates and retirements, followed by scheduling the release for use by deferred members. . We do not have an ETA at this time due to the newly discovered programming challenges.

A secondary effort to use Robotic Processing Automation (RPA) to help automate the manual process of accessing member payroll records and entering the required information into



the manual Excel sheets used to calculate the FAC is on-going. The AC and LACERA had held several discovery meetings to help AC programmers understand the manual process. The AC and ISD teams working on this application provided a demo to the LACERA team in May.

Given that the RPA was not scheduled to be completed prior to the AC completing the permanent solution, the team has been evaluated the need to continue development. Ultimately, the team determined that there is value to the RPA process when having to manually research accounts for problems and appeals. The team has provided feedback to the ISD team, and we are continuing to refine the tool. The tool will be used for supplemental research if questions are raised about the PEPRA FAC.

RPA User Acceptance Testing (UAT) was completed on 2/14/2024 by the LACERA team. This closes Phase 1 (automatic extraction of payroll records from eHR, QSAL, and TEHW into Excel. Phase 2 (calculation of embedded non-pensionable amount to be removed) will begin shortly. We are in the process of scheduling the start with a new team from ISD and the AC.

In April 2024, the team reported a significant setback in our ability to calculate the PEPRA FAC automatically. As we were implementing the programming developed to calculate the FAC based on the data provided by the Auditor-Controller, we determined that the data was insufficient to calculate the FAC in certain circumstances. Most notably in situations where members receive a mid-pay period adjustment. Unfortunately, mid-pay period adjustments can occur at any time in a member's career and may also be retroactive in nature which complicates the calculation further. While they are not frequent, given the 36-month rolling FAC period just one occurrence in three years can cause an inaccurate FAC. As a result, staff need to continue to manually verify FAC figures.

Additional exploration of the use of the Robotic Processing Automation tool provided by the County also occurred. The tool is successful for researching single pay periods at a time. The team continues working with the County on phase two and also discussing how this tool can be deployed in our process. Unfortunately, it is not suitable at this time to overcome the difficulties we have experienced with the more automated process.



	<p>In April, we reported that the project team was working on a report on their findings and an analysis of the available data we are aware of in the County’s payroll system that may assist us in resolving the outstanding issues. The Executive Office had reviewed the report and scheduled a meeting with the team to discuss their findings and seek some clarifications.</p> <p>As a result of this setback, the team pushed back the Target Date back to 12/31/2024.</p> <p><i>The Executive sponsor met with the Systems team to review their findings and analysis of the data files and known data available in the County’s payroll system. The purpose of this analysis was to determine what we needed to take back to the Auditor-Controller to resolve problems with mid-pay period adjustments that team had identified. Based on this discussion the team believes we understand what we need from the County. However, between the time the team published their report and the meeting the Systems team believed they had discovered a workaround and asked for an additional month to prove their hypothesis.</i></p> <p><i>The team is scheduled to report back in mid-July.</i></p>
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Project / Issue Title Brief Description	Strategic Plan Initiative:		Superior Member Experience	
	Type	Project Sponsor	Start Date	Target Date
	Strategic	Executive (MOG)	07/01/2022	09/30/2024
Project Lead(s): Louis Gittens / Shonita Peterson				
On Schedule				
Current Update				
Pre-2003 Pension Reserve Clean-up Prior to January 1, 2003, non-vested contributory individuals were required to withdraw their contributions upon termination as they were not entitled to future benefits. The law was changed as of that date and non-vested members are now	<i>PMG is working with the Benefit Protection Unit within Benefits to locate individuals who have relocated. This additional effort will ensure LACERA has done all it can to notify this population.</i>			
	Historical Perspectives			
	LACERA previously sent notification to the remaining 673 affected individuals. We determined which letters were returned to LACERA and sent notifications to secondary addresses			



permitted to leave funds on deposit and later retire. LACERA has attempted to contact the non-vested individuals who terminated prior to 2003 and still have funds on deposit so they can withdraw their funds.

The purpose of this project is to ensure that LACERA sends written notice through Certified mail to the most valid address we can find. Individuals in this group who still have funds on deposit after this initiative will have their funds placed into the Pension Reserve.

through Certified mail. In November, we began sending letters to next of kin for deceased members.

The Process Management Group (PMG) is reviewing all accounts to ensure notification has been sent to all affected individuals. PMG will then work with FASD and Systems to have funds placed in the Pension Reserve, the final stage of this project.



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Project / Issue Title Brief Description	Strategic Plan Initiative:		Superior Member Experience	
	Type	Project Sponsor	Start Date	Target Date
	Strategic	Executive (MOG)	06/15/2022	06/30/2025
	Project Lead(s): JJ Popowich & Shonita Peterson (PM)			
Delayed				
Current Update				
Prepaid Bank Card Project Introduction of a prepaid bank card option for monthly benefit payments	<p><i>LACERA received notification on July 15, 2024, that the Governor signed AB2474. As previously reported, LACERA was also waiting on the review by Conduent of an amended contract which addressed LACERA’s security concerns. Conduent has since then returned the amended contract to LACERA for review. Staff will now resume with the implementation process of the Prepaid Debit Card project.</i></p> <p><i>Since we have approved legislation and are now actively working on this project again, the status has been updated to Delayed from Pushed Back.</i></p>			
	Historical Perspectives			
	<p>In June 2022, the OOC approved the release of a Request for Proposal (RFP) for a Prepaid Debit Card Service. LACERA seeks an easily accessible alternative to paper checks for monthly participant retirement and survivor benefit payments. The goals are three-fold: to provide a lower cost alternative to issuing checks for those participants without a banking relationship who are likely to pay fees to access their benefit payment, to reduce the number of monthly benefit payment checks issued by LACERA, and to create a more reliable payment process in the event of a disaster that impacts the ability to mail monthly paper checks. A secondary goal is to reduce or eliminate paper checks that are mailed to one-time payees by offering prepaid bank cards and direct deposit for death benefits and withdrawals.</p> <p>On September 30, 2022, LACERA received two proposals for Prepaid Debit Card Services. A cross functional evaluation team reviewed the proposals, and the vendors presented their services to the team. The selection team identified Conduent as the vendor of choice and the recommendation was approved by the Board of Retirement at the April 2023 board meeting.</p>			



LACERA met with Conduent at our first kick-off meeting also known as the Joint Configuration Session on Tuesday November 14, 2023. Weekly “check in meetings” have been scheduled.

The prepaid debit card project remains on hold. The LACERA team decided that it would be best to draft a contract amendment that specifically addresses the data security concerns with third party vendors. In April and May the team worked with our selected vendor to draft contract amendments. The latest version of these amendments is under review with LACERA’s Legal Office as reported in the June briefing.

As previously reported to the Board of Retirement, AB 2474 is currently under consideration by the State legislator’s Public Employment and Retirement Committee. A hearing was held in May and minor changes were made to the proposed legislation.

The Public Employment and Retirement Committee passed AB 2474 out of Committee for consideration by the entire legislature sometime later this year. AB 2474 is a LACERA specific bill that authorizes LACERA to create a test program over three years for payment of retirement benefits via pre-paid debit cards. LACERA worked with the bill sponsor to draft language that met the Committee’s concerns and would work with LACERA’s intended program. We are now in a waiting period to see if the Legislature passes the bill and if the Governor signs the bill.



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Project / Issue Title Brief Description	Strategic Plan Initiative:		Superior Member Experience	
	Type	Project Sponsor	Start Date	Target Date
	RHC	Exec	03/01/2021	12/31/2024
	Project Lead(s): Santos H. Kreimann & Luis A. Lugo			
On Schedule				
Current Update				
Retiree Healthcare Administration: Lifetime Maximum Benefit Project	<p><i>July 2024 – LACERA CEO and Deputy CEO have completed our Lifetime Maximum Benefit (LMB) educational meetings with all five Board of Supervisor (BOS) offices as of July 2024. The BOS and County CEO office are expected to discuss LMB next month. We provided the BOS and County CEO office with projected premium impact should the County CEO and/or BOS eliminate or raise the \$1 million LMB on Anthem I, II, and Prudent Buyer plans. We also informed the BOS and County CEO that a decision is needed by September 2024 for a July 2025 effective date.</i></p>			
	<p>Historical Perspectives</p> <p>Since the beginning of 2023, LACERA and the County CEO’s Office have been in active communication by meeting biweekly to address the Lifetime Maximum Benefit issue. LACERA provided the Board of Retirement (BOR) with a formal report and update on our progress during the August 2023 meeting via closed session.</p> <p>In November 2023, LACERA received an information request from the County and provided the requested information to the County. The County requested additional RHC program related information from LACERA in December 2023 and January 2024, to which LACERA responded accordingly.</p> <p>Since March 2024, The County of Los Angeles, and Coalition of County Unions (CCU) have continued to work through negotiations. LACERA continues to engage the County and Union representatives to provide any relevant information as they progress through their negotiations.</p> <p>LACERA staff and LACERA’s actuary continue to consult with the County’s staff and actuary. These conversations and the County’s negotiation process have resulted in additional</p>			



	<p>actuarial-related information requests from the County. LACERA worked with Milliman and the County’s actuary to complete and deliver these items in February 2024:</p> <ol style="list-style-type: none"> 1) Actuarial Model – Retiree Healthcare benefits analysis and modeling to project future healthcare cost changes due to hypothetical benefit changes. 2) Cost Projections – GASB 75 report projections to analyze the impact of future healthcare cost changes. 3) Cost Savings – Retiree Healthcare benefit analysis of Tier 2 historical cost savings.
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Project / Issue Title Brief Description	Strategic Plan Initiative:		Superior Member Experience		
	Type	Project Sponsor	Start Date	Target Date	
	Project Lead(s): Leilani Ignacio & Kevin Hunter	Strategic	Cassandra Smith	9/1/2022	1/21/2023
	Delayed	Current Update			
<p>Medicare Part B Verification Enhancement</p> <p>This process improvement project is to have the OCR tool (Optical Character Recognition) scrap the data from the scanned/uploaded documents submitted as proof for Medicare Part B reimbursement. Another objective of this project is to use the scraped data from documents to systematically create work objects for resolution by the business users.</p>	<p><i>In June 2024, the software changes to support Medicare Part B Optical Character Recognition (OCR) were deployed to Workspace. The changes included new OCR web services, a new automated workflow for Medicare Part B documents, and a new user interface for Workspace.</i></p> <p><i>As Medicare Part B documents are received by mail and scanned into our Enterprise Content Management (ECM) system or uploaded by members on MyLACERA and automatically committed to our ECM, the following steps occur:</i></p> <ol style="list-style-type: none"> 1. <i>The documents are sent through the automated Optical Character Recognition (OCR) process</i> 2. <i>The documents are automatically routed to the correct queue based on the data picked up during the OCR process</i> 				



- 3. When a document is selected from a queue for processing, the data automatically picked up during the OCR process is presented to the user. The user does not need to complete any data entry, they only need to make a few decisions to confirm that data and complete the processing of the document.*

The project is currently in the monitoring and controlling phase as the Systems team works closely with the subject matter experts in Retiree Healthcare. We are looking for opportunities to expand the automation and increase the accuracy of the OCR process. For example, members tend to submit multiple copies of the same document – by mailing one in, uploading another on MyLACERA, and dropping a third copy off in LACERA’s drop box. The OCR capabilities allow the workflow to detect these duplicate documents, and they are sent to a specific “duplicate Medicare Part B” queue for review. If RHC finds that the duplicate detection is accurate, and they always terminate the duplicate request with an appropriate comment, we can automate this step for them. This is one of many possibilities for increased automation using OCR for Medicare Part B data.

We are also resolving an issue encountered extracting data from multi-page Medicare Part B documents as well as any other issues that are identified as the solution is used in production.

We expect to move this project from the monitoring and controlling phase to project closure by the end of November 2024, just as LACERA starts to receive the Medicare Part B Verifications for 2025.

Historical Perspectives

Historically, the documents submitted for the verification of Medicare Part B reimbursements were manually reviewed by users for key data points and entered the data manually using Workspace online transactions.

This project was created to automate the process to bypass the manual review and entry of data points into Workspace.



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Project / Issue Title Brief Description	Strategic Plan Initiative:		Superior Member Experience	
	Type	Project Sponsor	Start Date	Target Date
	Strategic	Exec (MOG)	01/01/2019	12/30/2024
	Project Lead(s): Maggie Luong, Shonita Peterson			
On Schedule				
Current Update				
Retirement Estimate Redesign With the recent launch of our new Retirement Planning Hub and the My LACERA online retirement election process, we are turning our attention to re-designing the Retirement Estimate.	<i>The estimate was approved. LACERA’s Systems staff has incorporated the new design in Workspace. The new form will be in conjunction with the First Payment Case Management Project in September 2024.</i>			
	Historical Perspectives			
	<p>In 2019, an effort was undertaken to beta test a new Retirement Prospectus Estimate and Election form. The project was placed on hold due to the COVID-19 Pandemic. Coming out of the immediate impacts of the pandemic the results of the beta teste were reviewed and it was determined the redesigned estimate was more complicated than would be useful.</p> <p>Subsequently LACERA pivoted to the new Retirement Planning Hub, the new Omnichannel Retirement Counseling process, and the My LACERA on-line retirement election.</p> <p>In April, the workgroup made great progress on the new estimate template finalizing their design and text recommendations. The final recommended estimate was distributed for re-view and approval.</p> <p><i>In April we reported the team had finalized the design of the new Retirement Estimate. This month the design was finalized and approved for programming and development. The Systems team is currently working on finalizing the programming for Workspace and printing. The team estimates the updates to Workspace will be completed in July 2024. The changes will first be available for printing of the official estimates in July or August, with a final sprint to update the view staff see in Workspace to follow.</i></p>			



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Project / Issue Title Brief Description	Strategic Plan Initiative:		Compliance & Enterprise Risk Management	
	Type	Project Sponsor	Start Date	Target Date
	MOG	Exec	06/01/2021	TBD
Project Lead(s): JJ Popowich				
Pushed Back				
Current Update				
Retroactive Payroll Adjustments: Prospective Correction The Auditor-Controller is responsible for collecting contributions on all compensation earnable and pensionable earnings compensation at the time of payment. For many years, the AC has not been collecting contributions on retroactive payroll adjustments. In 2021, the AC made changes to their programming to take deductions at the time of payment. However, there are still some situations where these contributions are not being collected.	<i>No update at this time.</i>			
	Historical Perspectives			
	Following the AC’s programming change, LACERA implemented a testing regimen to ensure that the contributions were being deducted as expected. In August, the AC notified LACERA that they were adjusting the time frame that they would be withholding contributions for retroactive adjustments to 60 months (from the current 99 months). All retroactive earnings paid for pay periods more than 60 months in arrears would no longer have contributions deducted from them. This change was made by the County due to excessive degradation in their payroll system’s performance. In 2022, LACERA met with the AC’s team to discuss collection of contributions for adjustments more than 60-months old. A few ideas were generated, and we continue to work with them to develop a procedure that both the County and LACERA can support.			



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Project / Issue Title Brief Description	Strategic Plan Initiative:		Innovation Through Technology	
	Type	Project Sponsor	Start Date	Target Date
	Strategic	Laura Guglielmo (Exec - BSG)	07/01/2024	02/28/2025
Project Lead(s): Ahmad Chisty, Ricki Contreras, & Esmeralda Delgado				
On Schedule				
Current Update				
Virtual Mailroom: Establish a virtual mail room to provide a business continuity plan in the event that the LACERA building in Pasadena is inaccessible	<i>This project is in the Planning Phase. The Project Management Office (PMO) and Document Processing Center (DPC) staff are collaborating to map and document DPC's mailroom processes. This initiative includes weekly meetings with DPC leadership and staff, culminating in a hands-on workflow demonstration by DPC staff on July 18th. This demonstration showcased how LACERA member documents are managed, whether received via email, fax, or traditional mail. The team is now scheduling vendor demonstrations for the project team, with Iron Mountain Business Development, VitalECM, MetaSource, and SOURCECORP/Excela Technologies as potential candidates.</i>			
	Historical Perspectives On March 19, 2024, the IT Coordination Council (ITCC) approved Administrative Service's DPC team to seek a vendor for a Virtual Mailroom Pilot Program. This initiative establishes a business continuity plan in the event that the LACERA building and mail room are inaccessible. The core objective is to outsource the digitization of member documents and incoming mail to a vendor that will act as a virtual mail room for LACERA. LACERA would then receive mail digitally, eliminating or supplementing the current process of digitizing incoming paper mail in LACERA Document Processing Center (DPC). Funding for this project was included in LACERA's Administrative Budget for FY 2024/25.			



COMPLETED PROJECT DETAILS

This portion of the Operations Briefing will detail projects and initiatives that have been completed during the Fiscal Year 2024 - 2025.

DATE RECEIVED	REQUESTER	DOCS REQUESTED
05-10-24	M. Castañón, clglawyers.com	<p>Request: Copy of all disclosable settlement agreements between LACERA and former or current employees of LACERA involving any disputes.</p> <p><i>Legal, on May 10, 2024, requested the required documents from Investments.</i></p> <p><i>Legal, on May 20, 2024, via email, notified Requester that Staff is retrieving and reviewing records for exemptions and redactions. LACERA will produce nonexempt records on June 4, 2024.</i></p> <p><i>Legal, on June 4, 2024, via email, notified Requester that documents would be produced on or before June 14, 2024.</i></p> <p><i>Legal, on June 13, 2024, via email, notified Requester that LACERA Staff has located settlement agreements, but must provide notice to counterparties due to exempt information within agreements per Government Code §7927.700. Monetary information can be provided without delay. If responsive records are required, an additional response can be sent on or before June 21, 2024.</i></p> <p><i>Legal, on June 14, 2024, via email and USPS First Class Mail, sent letters to relevant parties that a request was sent to LACERA regarding a disclosable document relating to them.</i></p> <p><i>Legal, on June 26, 2024, via email, sent letter to Requester with the 2 responsive documents listed below.</i></p> <p><i>Doe v. The Regents of UC and Noah Damsky Objection.</i></p>
05-15-24	T. McCormick, Mintz and Gold, LLP	<p>Request: Copies of all emails and documents from January 1, 2019, through May 15, 2024, that have certain names including references to a partner.</p> <p><i>Legal, on May 23, 2024, sent via email, an inquiry to isolate the search to be include only the Legal and Investments Divisions.</i></p> <p><i>Requester, on June 12, 2024, sent responsive email to Legal approving limited research.</i></p> <p><i>Legal, on July 19, 2024, via email, informed Requester that Systems has run a search, but the volume of records is still high to review. Legal will continue to work with systems to further narrow the search and will report back to Requester search made efforts that will fulfill the submitted request.</i></p>
06-04-24	K. Thorpe, Individual	<p>Request: List of all personnel in the Investment Team and function including all personal and compensation information. Also requested organization chart for the Investment Team.</p> <p><i>Legal, on June 14, 2024, via email, informed Requester that LACERA expects to produce responsive records by June 20, 2024, if not sooner.</i></p> <p><i>Legal, on June 24, 2020, informed Requester that LACERA expects to produce responsive records by July 5, 2024.</i></p> <p><i>Legal, on July 3, 2024, via email, sent the 3 responsive documents listed below.</i></p>

DATE RECEIVED	REQUESTER	DOCS REQUESTED
		<p><i>Investment Office Org Chart FY 2024-2025 (FINAL).pdf, Investments_Info)Request_2023.pdf and Investment Team 6_5_24.pdf.</i></p>
06-17-24	R. Ellis, LA Times	<p>Request: List of 25 names who are receiving monthly benefit amounts with highest monthly benefit.</p> <p><i>Transmitted 1 document.</i></p> <p><i>Legal, sent on June 20, 2024, via email, the document listed below.</i></p> <p><i>LAT_PRA_06182024</i></p>
06-20-24	R. Kerber, Thomson Reuters	<p>Request: Correspondence LACERA has received from executives at BlackRock Inc since Jan 1, 2022. Please include all email containing "@blackrock.com" as well as all letters, memos, and other correspondence.</p> <p>Correspondence LACERA has sent to BlackRock in the aforementioned formats, including all email sent to executives with "@blackrock.com" in their addresses.</p> <p><i>Legal, on June 27, 2024, sent an email to Requester stating the PRA responsible attorney is out of the office. Upon the attorney's return, a response would be provided by July 5, 2024.</i></p> <p><i>Legal, on July 2, 2024, via email, requested assistance from Systems in obtaining the requested responsive information.</i></p> <p><i>Legal, on July 3, 2024, via email, sent response to Requester stating IT was sent a request to run a search for required responsive information.</i></p> <p><i>Systems, on July 18, 2024, provided Counsel SharePoint site for review of responsive records.</i></p>
06-24-24 Media Request	D. Crowley, Individual	<p>Request: Inquiry about LACERA's latest private market commitments to Partners Group and the \$1.36 billion sale of private equity stakes.</p> <p><i>Legal, on July 3, 2024, sent via email, summary of activity with 3 buyers to sell 17 private equity fund interests, and related funds managed by European managers.</i></p>
07-01-24	D. Lichtenstein-Boris, EHD, LA County Dept. of Public Health	<p>Request: Information for LACERA active general plan members. Requester provided list of column headers regarding type of information requested.</p> <p><i>Legal, on July 3, 2024, via email, informed Requester that LACERA's Systems Division has been requested to extract the requested records.</i></p> <p><i>Requester, on July 4, 2024, confirms receipt the July 3, 2024 email from Legal.</i></p> <p><i>Transmitted 1 document.</i></p>

DATE RECEIVED	REQUESTER	DOCS REQUESTED
		<p><i>Legal, on July 9, 2024, via email, transmitted the responsive document listed below.</i></p> <p><i>Active Listing as of 7-3-2024 Final.csv.</i></p>
07-02-24	J. Lau, Secondary Link	<p>Request: Requesting Private Markets Data 2023, Qtrs Q1, Q2 and Q3.</p> <p><i>Legal, on July 9, 2024, requested extension to produce responsive documents.</i></p>
07-03-24	H. Ahaiwe, HR, LA County and 1 other Recipient	<p>Per monthly request:</p> <p><i>Transmitted 1 document.</i></p> <p><i>Executive Office, on July 9, 2024, via email, transmitted the responsive document listed below.</i></p> <p><i>MonthlyAgenda.csv for July 1, 2024.</i></p>
07-03-24	Sheriffs Dept, LA County and 4 other Recipients	<p>Per monthly request:</p> <p><i>Transmitted 2 documents.</i></p> <p><i>Executive Office, on July 3, 2024, via email, transmitted the responsive documents listed below.</i></p> <p><i>Monthly Agenda Reports for Sheriff Department Listing and Fire Department listing, each dated July 3, 2024.</i></p>
07-03-24	C. Siverson, Fire, LA County, and 5 other Recipients	<p>Per monthly request:</p> <p><i>Transmitted 1 document.</i></p> <p><i>Executive Office, on July 3, 2024, via email, transmitted the responsive document listed below.</i></p> <p><i>Board of Retirement Meeting on July 3, 2024, Benefit Approval List.pdf</i></p>
07-06-24	S. Marsh, Calipublic-records-request	<p>Request: Most recent salary data for all LACERA employees, including monthly salary, bonus, and other compensation or benefits from Jan. 1, 2024 to present.</p> <p><i>Legal, on July 18, 2024, via email, informed Requester that LACERA is not custodian of payroll records. LA County, as Custodian of records should be provided a response to the request.</i></p> <p><i>Special Assistant to Director, HR, LA County, on July 18, 2024, confirmed receipt of above responsive email.</i></p>

DATE RECEIVED	REQUESTER	DOCS REQUESTED
07-11-24	B. Campbell, with. Intelligence	<p>Request: Monthly performance data from investment pools for all absolute return/hedge funds in which LACERA is currently invested for the time period May 2024.</p> <p><i>Legal, on July 15, 2024, requested responsive reports from Investments.</i></p>
07-13-24	A. Langton, Contender, LACERA BOI, BOR	<p>Request: List of names of all BOI and BOR trustees who have served since the inception of LACERA. Requesting County job titles for elected member. If such a list does not exist, then requesting names of any County Counsel attorneys who have served as trustees on either LACERA board; and the dates they served. Requesting names of Trustees for either board, elected or appointed, who were of Armenian descent or full names with last names ending in "ian" or "yan."</p> <p><i>Legal, on July 19, 2024, via email, provided LACERA's link to its website where the records are available.</i></p>

REPORT OF FELONY FORFEITURE CASES

August 2, 2024

#	MEMBER'S LAST NAME	MEMBER'S FIRST NAME	DEPT.	CONVICTION DATE	LACERA NOTIFIED	INITIAL IMPACT NOTICE SENT	FINAL IMPACT NOTICE SENT	STATUS*	DISABILITY STATUS	SERV. LEVEL
68	ESSEX	SEAN	SHERIFF	6/7/2024	7/22/2024			PEND		
67	LYONS	ANDREW	SHERIFF	1/12/2024	2/14/2024			PEND		
66	VEGA	MIGUEL	SHERIFF	9/5/2023	10/27/2023			PEND		
65	HERNANDEZ	CHRISTOPHER	SHERIFF	7/24/2023	10/11/2023	4/10/2024		PEND		
64	RIDLEY-THOMAS	MARK	BOS	3/31/2023	3/31/2023	10/23/2023		APPEAL		

STATUS LEGEND:

- **APPEAL:** Pending an appeal filed with LACERA
- **GLOSED: RET:** Retired member, case is complete
- **GLOSED: DEF:** Deferred member, case complete.
- **GLOSED: INA:** Inactive member – not eligible until age 70, case closed
- **DELAY-MI:** Member input needed (i.e. pending a legal split decision)
- **DELAY-CD:** Pending a court decision (reduction in charges pending conditions being met)
- **PEND:** Case is currently in evaluation and notification stages
- **WITHDRAWN:** Member withdrew prior to conviction – no impact.

Board of Retirement (BOR) Strategic Plan Quarterly Update (2024-2028)

Operations Oversight Committee Meeting

August 2024



01 Progress Dashboard

Strategic Planning Dashboard – August 2024



Total BOR Strategic Priorities

5

Total Strategic Objectives

13

Objectives: Current Focus

9

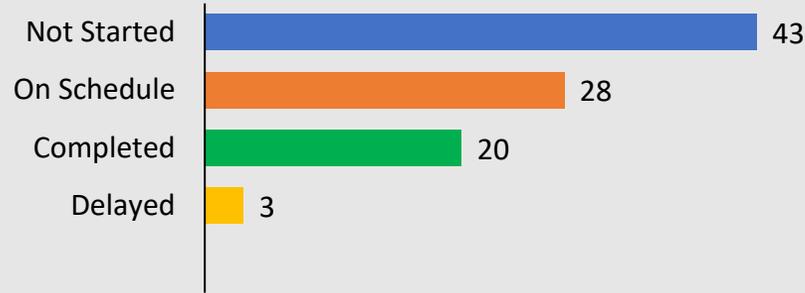
Total Tasks

91

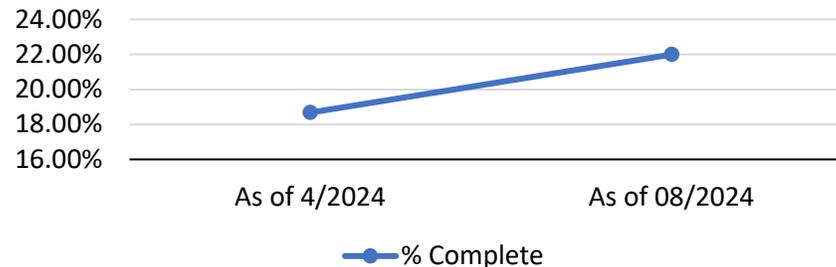
% of Tasks Completed
As of August 2024

22%

Task Status as of August 2024



% of Tasks Completed by Quarter



Strategic Priority Goals

Objectives



1 Superior Member Experience
Innovate and continuously improve the member experience

- 1.1 Ensure a consistent omnichannel member experience at every stage of the member's journey
- 1.2 Enhance member educational content at every stage in their journey and launch LACERA Communication Plan
- 1.3 Develop, implement, and deploy a digital strategy to better serve our members
- 1.4 Improve and enhance the retiree healthcare experience



2 Innovation through Technology
Leverage technological solutions to advance capabilities, increase productivity, and elevate operational maturity

- 2.1 Promote an enterprise approach to information gathering, integration, analysis, and sharing that fosters decision-making through the adoption of a business intelligence platform
- 2.2 Implement an enterprise-wide knowledge management system to digitally capture, document, organize, and access critical business knowledge and information



3 Investing in People
Attract, motivate, hire, and retain a highly engaged and skilled workforce

- 3.1 Develop and implement a DEI framework aimed at promoting and embracing diversity, equity, and inclusion
- 3.2 Develop enterprise-wide Training and Development Programs designed to support and encourage employee growth and development
- 3.3 Improve and simplify the hiring process, aimed at building a solid foundation for succession planning



4 Compliance and Enterprise Risk Management
Adopt and implement compliance and enterprise risk frameworks aimed at facilitating strengthened governance around risk management and compliance

- 4.1 Develop an enterprise compliance plan and program to ensure adherence to established processes, procedures, policies, and governing rules and regulations
- 4.2 Implement a comprehensive enterprise risk management framework and structure to facilitate stronger organizational risk management



5 Fiscal Durability
Exercise care and prudence in managing our resources and fund assets

- 5.1 Develop organizational tools to support enterprise-wide fiscal responsibility
- 5.2 Support the LACERA Investment Office in implementing and achieving the BOI's Strategic Plan goals.

LACERA



02 Workplan Dashboards

WORKPLAN - Strategic Objective 1.1



Strategic Goal: **Superior Member Experience**
 Strategic Objective: **1.1 – Ensure an omni-channel experience at every stage of a member journey.**
 Executive Sponsor and Leads: **JJ Popowich; Tatiana Bayer (Lead)**

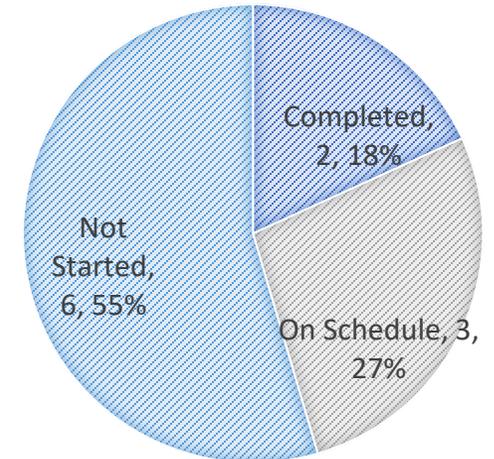
Legend

- On Schedule ●
- Delayed/Stopped ▲
- Not Started ◆
- Complete ★

#	Objective Milestones	Status	Start	Expected Completion
1	Create team to define objective goals and initiatives	★	10/2023	01/01/2024
2	Determine the member’s journey methodology	★	10/2023	01/12/2024
3	Member Experience Council Charter	●	10/2023	06/30/2024
4	Internal Communication Plan (BOR, OOC, Executive Team, and Staff)	●	10/2023	06/01/2024
5	Identify and define Member Journeys	●	1/1/2024	07/01/2024
6	Create tools to review and track progress on objective/initiatives	◆	TBD	06/30/2026
7	Identify the channels of service required for each member journey	◆	TBD	06/30/2026
8	Establish goals and KPI’s for each member journey	◆	TBD	10/31/2026
9	Assess the consistency and service quality across each channel	◆	TBD	12/31/2026
10	Identify member interaction pain points and opportunities for improvement	◆	TBD	12/31/2026
11	Identify Budget Needs	◆	TBD	12/31/2026

Milestone Tracker

■ Completed ■ On Schedule
■ Not Started ■



WORKPLAN - Strategic Objective 1.4



Strategic Goal: **Superior Member Experience**
 Strategic Objective: **1.4 – Improving the Retiree Healthcare (RHC) experience.**
 Executive Sponsor and Lead: **JJ Popowich; Tionna Fredericks (Lead)**

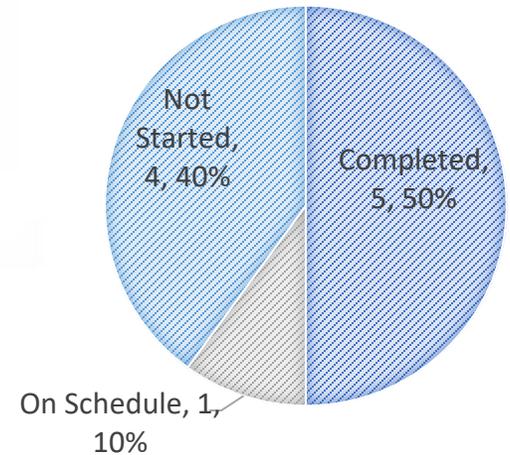
Legend

- On Schedule ● Complete ★
- Delayed/Stopped ▲
- Not Started ◆

#	Objective Milestones	Status	Start	Expected Completion
1	Build core team and schedule meeting cadence	★	10/2023	01/04/2024
2	Set-up team's collaboration timeline	★	10/2023	01/12/2024
3	Discuss ideas and opportunities for improving the Retiree RHC experience	★	10/2023	06/30/2024
4	Approval of Strategic Outline objective	★	10/2023	06/01/2024
5	Identify, Define, and Document Retiree Healthcare Roadmap	●	01/2024	12/31//2024
6	Establish County – LACERA working group	★	07/2024	07/18/2024
7	Collaborate with Union sponsored healthcare plans	◆	TBD	12/31/2024
8	Coordinate communication plan with internal and stakeholders	◆	TBD	12/31/2024
9	Identify and implement automation opportunities i.e. SSA Data Exchange	◆	TBD	12/31/2024
10	Develop actionable KPI's to measure retiree and member satisfaction	◆	TBD	12/31/2024
11				

Milestone Tracker

■ Completed ■ On Schedule
■ Not Started ■



WORKPLAN - Strategic Objective 2.1



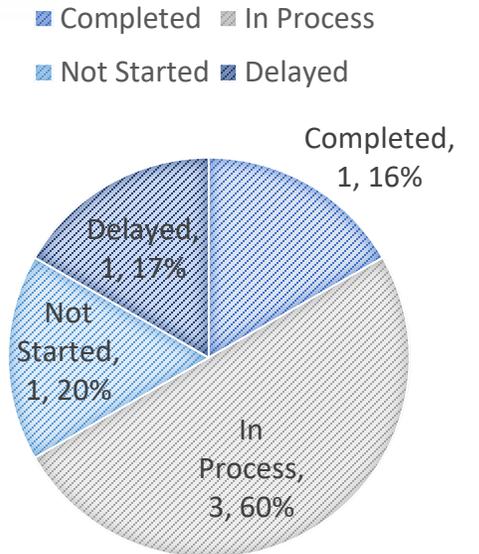
Strategic Goal: **Innovation Through Technology**
 Strategic Objective: **2.1 – Implement Enterprise Business Intelligence Solution**
 Executive Sponsor: **Luis Lugo; Kathy Delino (Lead)**

Legend

- On Schedule ● Complete ★
- Delayed/Stopped ▲
- Not Started ◆

#	Objective Milestones	Status	Start	Expected Completion
1	Develop objective scope and goals	★	10/2023	01/01/2024
2	Communication Plan, Communicate objective goals to various stakeholders	▲	01/2024	06/30/2024
3	Centralize Data Governance- Establish Data Management Team	●	7/1/2024	12/31/2024
4	Publish Dashboards for Enterprise/Member Data (Explore Enterprise Solution)	●	7/1/2024	12/31/2026
5	Replace reporting requests with on-demand dashboards	◆	TBD	12/31/2025
6				
7				
8				
9				
10				
11				

Milestone Tracker



WORKPLAN - Strategic Objective 2.2



Strategic Goal: **Innovation Through Technology**
 Strategic Objective: **2.2 – Implement Enterprise Knowledge Management System**
 Executive Sponsor: **JJ Popowich; Eugenia Der (Lead)**

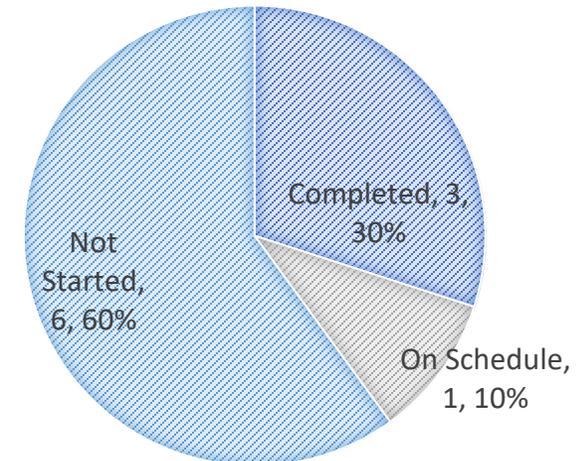
Legend

- On Schedule ● Complete ★
- Delayed/Stopped ▲
- Not Started ◆

#	Objective Milestones	Status	Start	Expected Completion
1	Create team to define objective goals and initiatives	★	10/2023	01/01/2024
2	Project Approval by the IT Coordination Council	★	10/2023	03/31/2024
3	Communication Plan- Educate and Engage stakeholders on Knowledge Mgmt.	★	10/2023	07/01/2024
4	RFP for taxonomy consultant and selection of consultant	●	03/2024	12/31/2024
5	Complete assessment of organizational needs and specifications	◆	TBD	03/31/2025
6	Update and reconcile data and knowledge	◆	TBD	06/30/2025
7	Select vendor and product	◆	TBD	06/30/2026
8	Project Launch	◆	TBD	07/31/2026
9	Create and adopt knowledge playbook/policy/guidelines	◆	TBD	12/31/2028
10	Project Completion	◆	TBD	12/31/2028
11				

Milestone Tracker

■ Completed ■ On Schedule ■ Not Started ■



WORKPLAN - Strategic Objective 3.1



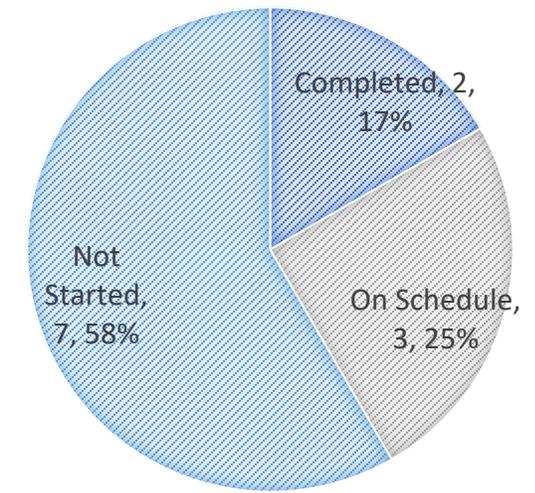
Strategic Goal: **Investing in People**
 Strategic Objective: **3.1 – Develop and implement framework aimed at promoting D.E.I.**
 Executive Sponsor: **Laura Guglielmo; Jasmine Bath (Lead)**

Legend

- On Schedule ● Complete ★
- Delayed/Stopped ▲
- Not Started ◆

Milestone Tracker

■ Completed ■ On Schedule ■ Not Started ■



#	Objective Milestones	Status	Start	Expected Completion
1	Create team to define objective goals and initiatives	★	10/2023	01/01/2024
2	Communication Plan – IDEA (Inclusion, Diversity, Equity, and Accessibility)	●	10/2023	09/26/2025
3	Assemble a staff driven IDEA Council	★	3/2024	07/26/2024
4	Prepare Charter for IDEA Council	●	TBD	09/26/2024
5	Identify scope of work for Diversity, Equity, Inclusion, Belonging, and Accessibility (DEIBA) Advisor	◆	TBD	10/25/2025
6	Interview and hire DEIBA advisor	◆	TBD	10/25/2025
7	Collect data from staff, members, vendors, and business partners re: DEIBA	●	06/2024	10/25/2025
8	Develop topical library for internal and external users	◆	TBD	09/25/2025
9	Post IDEA initiative and educational content within LACERA Connect	◆	TBD	09/25/2025
10	Identify external business partners/vendors	◆	TBD	02/25/2025
11	Develop Organizational Training Plan re: DEIBA	◆	TBD	02/25/2025
12	Review KPI's and assess LACERA policy and procedures through DEIBA lens	◆	TBD	02/25/2025

WORKPLAN - Strategic Objective 3.3



Strategic Goal: **Investing in People**
 Strategic Objective: **3.3 – Improve and simplify hiring process**
 Executive Sponsor: **Laura Guglielmo; Carly Ntoya (Lead)**

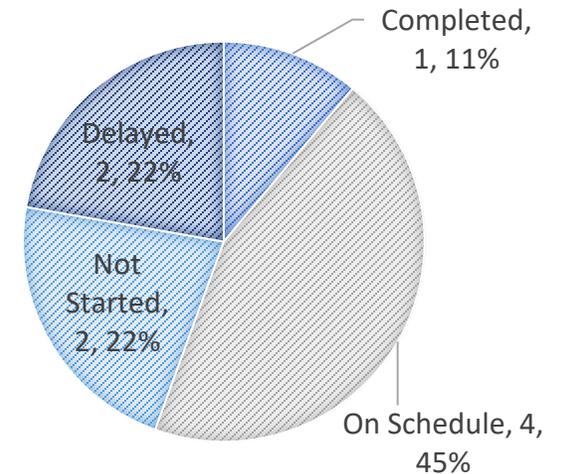
Legend

On Schedule ● Complete ★
 Delayed/Stopped ▲
 Not Started ◆

#	Objective Milestones	Status	Start	Expected Completion
1	Create team to define objective goals and initiatives	★	10/2023	01/01/2024
2	Labor Agreement for performance management changes	▲	5/2024	06/30/2024
3	Explore opportunities to simplify LACERA Hiring Playbook	●	TBD	09/30/2024
4	Revise and publish employee handbook and orientation	▲	10/2023	06/30/2024
5	Revise rater training	◆	TBD	12/31/2024
6	Expand use of NEOGOV for performance management	●	2/2024	06/30/2026
7	Achieve an organizational vacancy rate of 15% (determine internal KPI)	●	7/2024	12/31/2024
8	Enhance recruitment and applicant communication in NeoGov	●	1/2024	12/31/2024
9	Implement use of a job analysis tool to use and create competency-based assessment	◆	TBD	03/31/2025
10				
11				

Milestone Tracker

■ Completed ■ On Schedule
 ■ Not Started ■ Delayed



WORKPLAN - Strategic Objective 4.1



Strategic Goal: **Compliance and Enterprise Risk**
 Strategic Objective: **4.1 – Develop and implement an Enterprise Ethics and Compliance Program.**
 Executive Sponsor: **Luis Lugo; Steven Rice and Allison Barrett (Leads)**

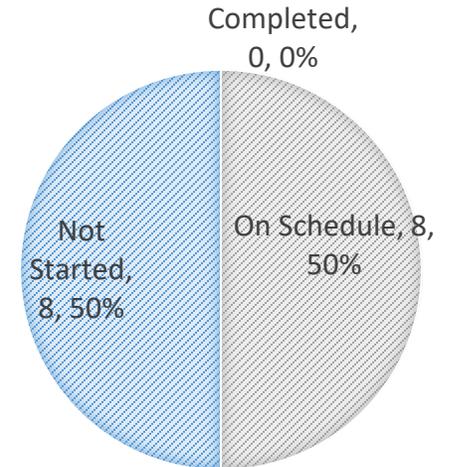
Legend

- On Schedule ● Complete ★
- Delayed/Stopped ▲
- Not Started ◆

#	Objective Milestones	Status	Start	Expected Completion
1	Ethics Compliance Program (ECP) Communication campaign	●	10/2023	Ongoing
2	Approval of Ethics and Compliance program Charter	●	10/2023	10/09/2024
3	Update and obtain approval of ACRE (fka Audit) Charter	●	10/2023	10/09/2024
4	Chief Ethics and Compliance Officer (CECO) job description and class spec.	●	10/2023	1/08/2025
5	Ethics and Compliance Program Foundational Work Plan	●	7/2023	10/09/2024
6	Complete inventory of all Policies, Procedures, and Charters	●	2/2022	12/01/2024
7	Ethics and Compliance Orientation (MAC, SAC, and Staff)	◆	TBD	12/01/2024
8	Update LACERA Code of Ethical Conduct	●	7/2023	3/01/2025
9	Ethics and Compliance Training Program Plan	◆	TBD	12/01/2024
10	Determine critical risk areas and Scope of Program Oversight	◆	TBD	1/08/2025
11	PPC Management Software Solution/Compliance GRC solution (GRC 360)	●	3/2023	12/01/2024
12	County Approval of CECO Position	◆	TBD	4/01/2025

Milestone Tracker

- Completed
- On Schedule
- Not Started



WORKPLAN - Strategic Objective 4.1



Strategic Goal: **Compliance and Enterprise Risk**
 Strategic Objective: **4.1 – Develop and implement an Enterprise Ethics and Compliance Program.**
 Executive Sponsor: **Luis Lugo; Steven Rice and Allison Barrett (Leads)**

Legend

- On Schedule ● Complete ★
- Delayed/Stopped ▲
- Not Started ◆

#	Objective Milestones	Status	Start	Expected Completion
13	Initial/Baseline Divisional EC Risk Assessments and Ethical Culture Measurement	◆	TBD	1/08/2025
14	Development of recruitment process for ECO staff	◆	TBD	04/01/2025
15	Recruit/Hire CECO staff	◆	TBD	09/01/2025
16	Recruit/Hire ECO staff	◆	TBD	12/01/2025

WORKPLAN - Strategic Objective 5.1



Strategic Goal: **Fiscal Durability**
 Strategic Objective: **5.1 – Develop organizational tools and mindset to support fiscal responsibility**
 Executive Sponsor: **Laura Guglielmo; Ricki Contreras (Lead)**

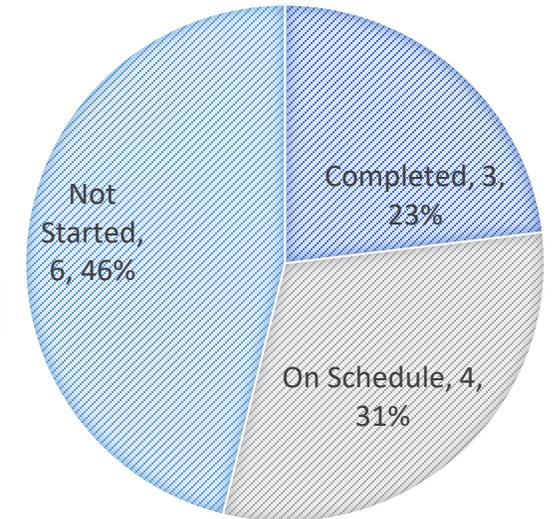
Legend

- On Schedule ●
- Delayed/Stopped ▲
- Not Started ◆
- Complete ★

#	Objective Milestones	Status	Start	Expected Completion
1	Create team to define objective goals and initiatives	★	10/2023	01/01/2024
2	Finalize Certify AP Implementation	★	10/2023	02/28/2024
3	Finalize Budget software (Questica) Implementation/Complete full budget cycle	★	10/2023	06/30/2024
4	Finalize Contract/Vendor solution (Cobblestone) implementation/Train Users	●	10/2023	09/30/2024
5	Design and Implement Centralized Vendor Mgmt. Program	●	10/2023	09/30/2024
6	Update Procurement Policy	●	10/2023	09/30/2024
7	Create Non-Administrative Budget in Questica	●	07/2024	12/31/2024
8	Design and Assess Scope of ERP & Timing of Acquisition – Consultant Only	◆	TBD	06/30/2025
9	Design and Deliver a Comprehensive Financial Training for Managers	◆	TBD	06/30/2025
10	Design and Deliver Basic Financial Training for Staff	◆	TBD	06/30/2025
11	Implement Travel Module for Certify AP or equivalent	◆	TBD	06/30/2025
12	Automate the budget book publishing	◆	TBD	06/30/2025
13	Design and Deliver a Comprehensive Financial Training for Supervisors (1-30/2026)	◆	TBD	1/30/2026

Milestone Tracker

■ Completed
 ■ On Schedule
 ■ Not Started
 ■



WORKPLAN - Strategic Objective 5.2



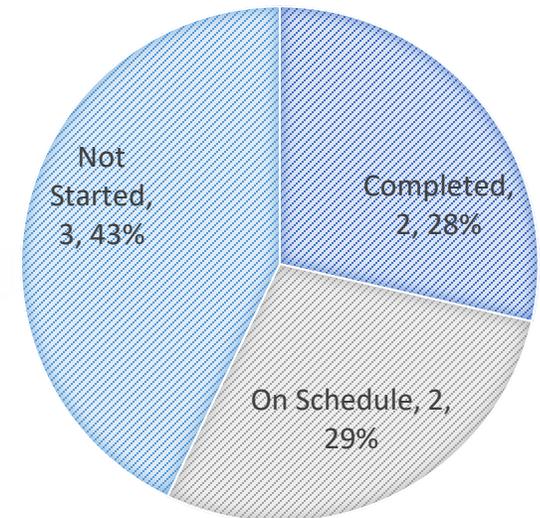
Strategic Goal: **Fiscal Durability**
 Strategic Objective: **5.2 – Update and revise LACERA Actuarial Funding Policy**
 Executive Sponsor: **Luis Lugo; Vache Mahseredjian (Lead)**

Legend

- On Schedule ● Complete ★
- Delayed/Stopped ▲
- Not Started ◆

Milestone Tracker

- Completed ■ On Schedule
- Not Started ■



#	Objective Milestones	Status	Start	Expected Completion
1	Create team to define objective goals and initiatives. Investment team in collaboration with FASD and Legal led jumpstart during 2023 BOI offsite	★	09/2023	01/01/2024
2	Review of existing policy and discussion of desirable elements	★	10/2023	12/01/2023
3	Schedule meetings among workgroup to develop drafts of new policies	●	10/2023	07/2024
4	FASD and LACERA Actuary (Milliman) to draft separate interest crediting policy	●	01/2024	07/2024
5	Seek approval of funding policy and interest crediting policy by LACERA ECC	◆	TBD	08/2024
6	Prepare cover memo and presentation for BOI meeting	◆	TBD	08/2024
7	Recommend adoption of new policies at BOI Meeting	◆	TBD	09/11/2024



LACERA Strategic Priorities and Objectives



BOR approved the Strategic Plan on July 6, 2023.

Board of Retirement

Strategic Priority Goals

Objectives



1 Superior Member Experience
Innovate and continuously improve the member experience

- 1.1 Ensure a consistent omnichannel member experience at every stage of the member's journey
- 1.2 Enhance member educational content at every stage in their journey and launch LACERA Communication Plan
- 1.3 Develop, implement, and deploy a digital strategy to better serve our members
- 1.4 Improve and enhance the retiree healthcare experience



2 Innovation through Technology
Leverage technological solutions to advance capabilities, increase productivity, and elevate operational maturity

- 2.1 Promote an enterprise approach to information gathering, integration, analysis, and sharing that fosters decision-making through the adoption of a business intelligence platform
- 2.2 Implement an enterprise-wide knowledge management system to digitally capture, document, organize, and access critical business knowledge and information



3 Investing in People
Attract, motivate, hire, and retain a highly engaged and skilled workforce

- 3.1 Develop and implement a DEI framework aimed at promoting and embracing diversity, equity, and inclusion
- 3.2 Develop enterprise-wide Training and Development Programs designed to support and encourage employee growth and development
- 3.3 Improve and simplify the hiring process, aimed at building a solid foundation for succession planning



4 Compliance and Enterprise Risk Management
Adopt and implement compliance and enterprise risk frameworks aimed at facilitating strengthened governance around risk management and compliance

- 4.1 Develop an enterprise compliance plan and program to ensure adherence to established processes, procedures, policies, and governing rules and regulations
- 4.2 Implement a comprehensive enterprise risk management framework and structure to facilitate stronger organizational risk management



5 Fiscal Durability
Exercise care and prudence in managing our resources and fund assets

- 5.1 Develop organizational tools to support enterprise-wide fiscal responsibility
- 5.2 Support the LACERA Investment Office in implementing and achieving the BOI's Strategic Plan goals.



FOR INFORMATION ONLY

July 15, 2024

TO: Operations Oversight Committee
JP Harris, Chair
Antonio Sanchez, Vice Chair
Wayne Moore
Jason Green
David Ryu, Alternate

FROM: Jean J. Kim 
Senior Staff Counsel

FOR: August 7, 2024 Operations Oversight Committee Meeting

SUBJECT: **New Calendar for Pensionability Determinations**

I. Introduction

The Legal Office, in close collaboration with Quality Assurance, has established a new calendar to be used in conjunction with the currently existing process for determining the pensionability of new and revised pay items. This calendar has also been reviewed and approved by the County CEO's office and the Superior Court, as well as the Executive Office of LACERA.

II. Legal Authority

The Board of Retirement is charged with determining which items of compensation qualify as pensionable earnings includable in a member's retirement allowance. For a legacy member (any individual who became a member of LACERA, or a reciprocal system, prior to January 1, 2013), if a pay item falls within the definition of "compensation earnable," as defined under California Government Code §31461, then such pay item constitutes pensionable earnings, includable in a member's retirement allowance. For a "new member" or "PEPRA member" (anyone who first becomes a member of LACERA on or after January 1, 2013 and was not previously a member of another public retirement system prior to that date), if a pay item meets the definition of "pensionable compensation," as defined under California Government Code §7522.34, then such pay item would constitute pensionable earnings, includable in a member's retirement allowance.

III. Improvement to Existing Process for Determining Pensionability: Calendar

The process for determining that a new pay item (or an existing pay item that has been revised) is pensionable as "compensation earnable" or "pensionable

compensation” involves the following key stakeholders, each of whom is responsible for an important role in each sequential step of the overall process:

Existing Process for Determining Pensionability

Stakeholder	Responsibility
LA County or Superior Court	1. Provide the new pay item (or change to the existing pay item) and information relevant to the analysis.
Quality Assurance	2. Collect and review and analyze information provided for each new (or existing) pay item that is needed for the analysis.
Benefits Legal	3. Review information and analysis provided by Quality Assurance and draft legal memo analyzing whether the new (or existing) pay item qualifies as “compensation earnable” under CERL or “pensionable compensation” under PEPRA
Executive Team	4. Review legal memo, provide feedback as needed.
Board of Retirement	5. Review legal memo and act on recommendation provided therein.
Benefits Legal	6. Send pensionability determinations for each new pay item (or change to existing pay item) to LA County or Superior Court

In order to provide full transparency regarding the multi-step process to all the parties involved, and to provide a degree of predictability regarding when a new (or revised) pay item would be presented and acted upon by the Board of Retirement, the Legal Office worked with Quality Assurance to develop the attached calendar, based off of the Board of Retirement meeting dates. This calendar, in draft form, was circulated to both the County CEO’s office and the LA Superior Court, each of whom approved the proposed schedule. While there may be exceptions (certain pay items may take a longer or shorter time to review), the calendar provides a new degree of certainty and predictability to the process, which should be helpful to all involved. A new calendar based on the same pacing will be provided to all parties and the Board of Retirement each October showing the workflow for the following year’s Board meetings.

Pensionability Schedule

August 7, 2024

Presented to the
Operations Oversight Committee
by:
Jean J. Kim, Senior Staff Counsel
Ching Fong, Quality Assurance

Board Authority to Determine Pensionability for Items of Compensation

The Board of Retirement is charged with determining which items of compensation qualify as pensionable earnings includable in the member's retirement allowance.

Compensation Earnable for Legacy Members

“Compensation earnable” defined in California Government Code
California Government Code §31461 :

“Compensation earnable” by a member means the average compensation as determined by the board, for the period under consideration upon the basis of the average number of days ordinarily worked by persons in the same grade or class of positions during the period, and at the same rate of pay.

§31461(b): 4 general categories of excluded items – including OT pay, termination pay

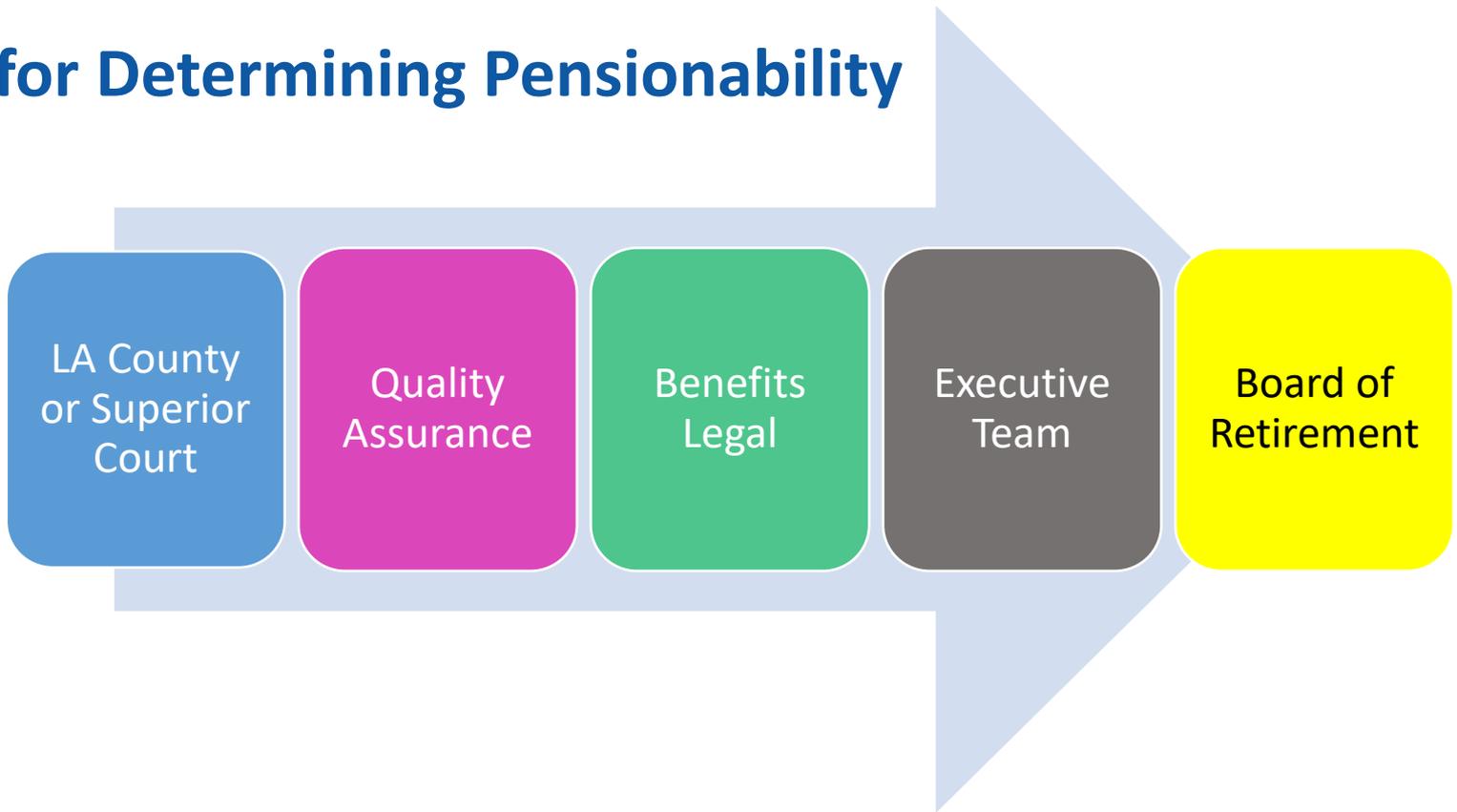
Pensionable Compensation for PEPRA Members

“Pensionable Compensation” defined in California Government Code §7522.34(a):

“Pensionable compensation” of a new member of any public retirement system means the normal monthly rate of pay or base pay of a member paid in cash to similarly situated members of the same group or class of employment for services rendered on a full-time basis during normal working hours, pursuant to publicly available pay schedules.

§7522.34 (c): 11 specific exclusions (e.g., one time or ad hoc payments, bonuses, OT pay) and 1 catch all “any other form of compensation a public retirement board determines should not be pensionable compensation.”

Process for Determining Pensionability





Chief Executive Office.



Request Sent to LACERA

Two-way communication



Review Information

Process for Determining Pensionability

Provide Pensionability Determinations



Memo Appears in BOR Agenda



May 17, 2024

TO: Trustees – Board of Retirement

FROM: Jean J. Kim
Senior Staff Counsel

DATE: Board of Retirement Meeting of June 5, 2024

SUBJECT: PENSIONABILITY ANALYSIS UNDER CERL AND PEPR FOR NEW PAY ITEM

Legal Prepares BOR Memo

Attachment: Newly Created Pay Codes
reviewed under Sections 31461 (CERL/Legacy) and 7522.34 (PEPRA)

Pay Event	Description	Earnings Code Description	31461 (CERL/Legacy) Reference	7522.34 (PEPRA) Reference	Analysis
Newly Created and EXCLUDED under Sections 31461 and 7522.34					
ON CALL COURT OPERATIONS MANAGER	This pay event is being created to provide additional compensation to any Court Operations Manager (Item 9832) who is assigned to be on call to supervise the Pretrial Services Team, which performs round-the-clock pretrial services work. The rate of pay is \$60 for each 24-hour shift the Court Operations Manager is on call.		(b)(3)	(c)(6) (c)(11)	This form of compensation constitutes payment for additional services rendered outside of normal working hours under Section 31461(b)(3). The recommendation is to EXCLUDE this payment from compensation payable for LEGACY members. This form of compensation constitutes payment for additional services rendered outside of normal working hours under Section 7522.34(c)(6). It is inconsistent with the requirements of subdivision (a) under (c)(11). The recommendation is to EXCLUDE this payment from pensionable compensation for PEPRA members.

Draft Analysis under \$31461 & \$7522.34

2024 DEADLINES FOR PENSIONABILITY MEMOS

County/Superior Court deadline to LACERA QA (by Noon)	QA deadline to Legal (by Noon)	Deadline to Place on Tentative Agenda (by Noon)	Legal deadline to Support Staff (by Noon)	Deadline to Upload to One Meeting for Executive/Legal Review (by Noon)	Final PDF due to Bonnie/One Meeting (by Noon)	Board of Retirement Meeting Date
	Fri, December 8	Thurs, December 14	Thurs, December 14	Tues, December 19	Tues, December 26	Wed, January 3
	Mon, January 15	Thurs, January 18	Fri, January 19	Wed, January 24	Tues, January 30	Wed, February 7
	Mon, February 12	Thurs, February 15	Fri, February 16	Wed, February 21	Mon, February 26	Wed, March 6
	Fri, March 8	Thurs, March 14	Fri, March 15	Wed, March 20	Tues, March 26	Wed, April 3
	Fri, April 5	Thurs, April 11	Fri, April 12	Wed, April 17	Tues, April 23	Wed, May 1
	Fri, May 10	Thurs, May 16	Fri, May 17	Wed, May 22	Tues, May 28	Wed, June 5
	Thurs, June 6	Thurs, June 13	Thurs, June 13	Tues, June 18	Tues, June 25	Wed, July 3
Fri, June 14	Fri, July 12	Thurs, July 18	Fri, July 19	Wed, July 24	Tues, July 30	Wed, August 7
Thurs, July 25	Fri, August 9	Thurs, August 15	Fri, August 16	Wed, August 21	Tues, August 27	Wed, September 4
Thurs, August 22	Fri, September 6	Thurs, September 12	Fri, September 13	Wed, September 18	Tues, September 24	Wed, October 2
Thurs, September 26	Fri, October 11	Thurs, October 17	Fri, October 18	Wed, October 23	Tues, October 29	Wed, November 6
Wed, October 23	Thurs, November 7	Thurs, November 14	Thurs, November 14	Tues, November 19	Mon, November 2	Wed, December 4

2024 DEADLINES FOR PENSIONABILITY MEMOS

County/Superior Court deadline to LACERA QA (by Noon)	QA deadline to Legal (by Noon)	Deadline to Place on Tentative Agenda (by Noon)	Legal deadline to Support Staff (by Noon)	Deadline to Upload to One Meeting for Executive/Legal Review (by Noon)	Final PDF due to Bonnie/One Meeting (by Noon)	Board of Retirement Meeting Date
	Friday December 8	Thursday December 14	Thursday December 14	Tuesday December 19	Tuesday December 26	Wednesday January 3
	Monday January 15	Thursday January 18	Friday January 19	Wednesday January 24	Tuesday January 30	Wednesday February 7
	Monday February 12	Thursday February 15	Friday February 16	Wednesday February 21	Monday February 26	Wednesday March 6
	Friday March 8	Thursday March 14	Friday March 15	Wednesday March 20	Tuesday March 26	Wednesday April 3
	Friday April 5	Thursday April 11	Friday April 12	Wednesday April 17	Tuesday April 23	Wednesday May 1
Thursday April 25	Friday May 10	Thursday May 16	Friday May 17	Wednesday May 22	Tuesday May 28	Wednesday June 5
Wednesday May 22	Thursday June 6	Thursday June 13	Thursday June 13	Tuesday June 18	Tuesday June 25	Wednesday July 3
Friday June 14	Friday July 12	Thursday July 18	Friday July 19	Wednesday July 24	Tuesday July 30	Wednesday August 7
Thursday July 25	Friday August 9	Thursday August 15	Friday August 16	Wednesday August 21	Tuesday August 27	Wednesday September 4
Thursday August 22	Friday September 6	Thursday September 12	Friday September 13	Wednesday September 18	Tuesday September 24	Wednesday October 2
Thursday September 26	Friday October 11	Thursday October 17	Friday October 18	Wednesday October 23	Tuesday October 29	Wednesday November 6
Wednesday October 23	Thursday November 7	Thursday November 14	Thursday November 14	Tuesday November 19	Monday November 2	Wednesday December 4



Documents not attached are exempt from disclosure under the California Public Records Act and other legal authority.

**For further information, contact:
LACERA
Attention: Public Records Act Requests
300 N. Lake Ave., Suite 620
Pasadena, CA 91101**