

# 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 Board orally and in writing. To provide Public Comment, please visit the above link and complete the request form.

**Attention:** If you have any questions, you may email [PublicComment@lacera.gov](mailto:PublicComment@lacera.gov).

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, APRIL 1, 2026\*\*

*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 54953.8.3.*

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

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

#### COMMITTEE TRUSTEES:

Nancy M. Durazo, Chair  
Wayne Moore, Vice Chair  
Bobbie Fesler, Trustee  
Aleen Langton, Trustee  
David Ryu, Alternate Trustee

- I. CALL TO ORDER
- II. PROCEDURE FOR TELECONFERENCE MEETING ATTENDANCE UNDER SB 707
  - A. Just Cause (Section 54953.8.3)
  - B. Statement of Persons Present at SB 707 Teleconference Locations

### III. APPROVAL OF MINUTES

- A. Approval of the Minutes of the Regular Meeting of March 4, 2026

### IV. PUBLIC COMMENT

(Members of the public may address the Committee orally and in writing. To provide Public Comment, you should visit <https://LACERA.gov/leadership/board-meetings> and complete the request [form](#).

If you select oral comment, we will contact you via email with information and instructions as to how to access the meeting as a speaker. You will have up to 3 minutes to address the Committee. Oral comment requests 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 within the form 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.gov](mailto:PublicComment@lacera.gov).)

### V. NON-CONSENT ITEMS

- A. **Proposed Termination of Disability Retirement Services Approval of Service Provider Invoice Policy**

Recommendation as submitted by Tamara Caldwell, Division Manager Disability Retirement Services Division: That the Operations Oversight Committee: 1. Recommend that the Board of Retirement rescind the current Disability Retirement Services Approval of Service Provider Invoice Policy, which requires Board preapproval for invoices exceeding \$15,000, per member/case, per vendor; and 2. Replace individual invoice approvals with quarterly reporting to the Board of Retirement of all invoices that exceed \$30,000 or another amount as determined by the Board. (Memo dated March 2, 2026)

### VI. REPORTS

- A. **Operations Briefing**

JJ Popowich, Assistant Executive Officer  
Kathy Delino, Chief, Information Technology  
Joe Shiuan, Information Technology Manager II  
(Presentation)

VI. REPORTS (Continued)

B. **2023-2028 Quarterly Strategic Plan Update**

Luis A. Lugo, Chief Executive Officer  
JJ Popowich, Assistant Executive Officer  
Cookie Jaranilla, IT Specialist II  
Ervin Wu, Accounting Officer I  
(Presentation)

C. **Incorporating LACERA's Disability Litigation Office into the Legal Office**

Luis A. Lugo, Chief Executive Officer  
Francis Boyd, Sr. Staff Counsel  
(For Information Only) (Memo dated March 23, 2026 - Attachment to Memo is Non-Public and Exempt from Disclosure as Privileged Attorney-Client Communication and is Exempt from Disclosure under California Government Code Sections 7927.705, 54957.5(a))

D. **Policy for the Procurement of Goods and Services (Discussion)**

Ricki Contreras, Administrative Services Division Manager  
Elsy Gutierrez, Supervising Administrative Assistant II  
(For Discussion Only) (Memo dated March 19, 2026)

E. **Privacy Incidents: Personally Identifiable Information (Monthly)**

Chaitanya Errande, Information Security Officer  
(For Information Only) (Memo dated March 13, 2026)

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 Section 54957)

Consultation with: LACERA Chief Executive Officer Luis A. Lugo, Assistant Executive Officers JJ Popowich, Chief, Information Technology Kathy Delino, Information Security Officer Chaitanya Errande, and Other LACERA Staff.

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](http://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.gov](mailto:PublicComment@lacera.gov), 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

11:22 A.M. – 11:57 A.M., WEDNESDAY, MARCH 4, 2026

This meeting was conducted by the Operations Oversight  
Committee both in person and by teleconference under California  
Government Code Section 54953.8.3.

COMMITTEE TRUSTEES

PRESENT: Nancy M. Durazo, Chair  
Wayne Moore, Vice Chair  
Aleen Langton, Trustee  
David Ryu, Alternate Trustee

ABSENT: Bobbie Fesler, Trustee

OTHER BOARD OF RETIREMENT TRUSTEES

Elizabeth Ginsberg, Trustee

STAFF, ADVISORS AND PARTICIPANTS

Luis A. Lugo, Chief Executive Officer

JJ Popowich, Assistant Executive Officer

Laura Guglielmo, Assistant Executive Officer

Steven P. Rice, Chief Counsel

STAFF, ADVISORS AND PARTICIPANTS (Continued)

Kathy Delino, Chief, Information Technology

Chaitanya Errande, Information Security Officer

Joe Shiuan, Information Technology Manager II

Carly Ntoya, Director, Human Resources,

Summy Voong, Information Technology Manager II

Alonso Favela, Information Technology Specialist I

I. CALL TO ORDER

This meeting was called to order by Chair Durazo at 11:22 a.m.

II. PROCEDURE FOR TELECONFERENCE MEETING ATTENDANCE UNDER SB 707

A. Just Cause (Section 54953.8.3)

B. Statement of Persons Present at SB 707 Teleconference Locations

There were no requests received.

III. APPROVAL OF MINUTES

A. Approval of the Minutes of the Regular Meeting of February 4, 2026

Trustee Moore made a motion, Trustee Langton seconded, to approve the minutes of the regular meeting of February 4, 2026. The motion passed by the following roll call vote:

Yes: Moore, Langton, Ryu, Durazo

No: None

IV. PUBLIC COMMENT

There were no requests from the public to speak.

V. REPORTS

A. **Operations Briefing**

Laura Guglielmo, Assistant Executive Officer

JJ Popowich, Assistant Executive Officer

Kathy Delino, Chief, Information Technology

Presentations by:

Joe Shiuan, Information Technology Manager II

Carly Ntoya, Director, Human Resources,

Summy Voong, Information Technology Manager II

Alonso Favela, Information Technology Specialist I

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

B. **Privacy Incidents: Personally Identifiable Information (Monthly)**

Chaitanya Errande, Information Security Officer

(For Information Only) (Memo dated January 15, 2026)

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.

March 4, 2026

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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 11:57 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.**



March 2, 2026

TO: Operations Oversight Committee  
Nancy M. Durazo, Chair  
Wayne Moore, Vice Chair  
Bobbie Fesler, Trustee  
Aleen Langton, Trustee  
David Ryu, Alternate Trustee

FROM: Tamara Caldwell, Division Manager  
Disability Retirement Services Division

FOR: April 1, 2026, Operations Oversight Committee Meeting

**SUBJECT: PROPOSED TERMINATION OF DISABILITY RETIREMENT SERVICES  
APPROVAL OF SERVICE PROVIDER INVOICE POLICY**

### **RECOMMENDATION**

It is recommended that the Operations Oversight Committee:

1. Recommend that the Board of Retirement rescind the current Disability Retirement Services Approval of Service Provider Invoice Policy, which requires Board preapproval for invoices exceeding \$15,000, per member/case, per vendor; and
2. Replace individual invoice approvals with quarterly reporting to the Board of Retirement of all invoices that exceed \$30,000 or another amount as determined by the Board.

### **EXECUTIVE SUMMARY**

At the Board of Retirement meeting on January 7, 2026, Trustee Fesler requested that staff review the appropriateness of the Disability Retirement Services Approval of Service Provider Invoice Policy ("policy") and the \$15,000 threshold itself. The policy was established by the Board of Retirement ("Board") on January 1, 2015, during a period when invoice oversight and approval practices at LACERA differed significantly from those in place today. At that time, the Board preapproved all invoices prior to payment. As part of an effort to streamline routine operations while preserving heightened oversight of higher cost expenditures, the Board eliminated preapproval for most invoices and adopted a policy requiring Board approval only for DRS' invoices exceeding a defined threshold set at \$15,000, per member/case and per vendor. The policy was intended to

ensure continued Board visibility over high-cost invoices under the oversight framework that existed at that time.

The invoices subject to this policy involve services that are routinely incurred by Disability Retirement Services in the ordinary course of processing disability retirement applications and related proceedings. Covered expenses include panel physicians, hearing officers, copy services, job analysts, court reporters, investigative and database services, and outside legal counsel. These services are authorized through existing contracts and are budgeted annually as part of LACERA's formal budget approval process. They are necessary to support the statutory and fiduciary responsibilities associated with evaluating, adjudicating, and administering disability retirement applications, and therefore represent operational, non-discretionary expenses incurred as cases progress.

In connection with this request, DRS also reviewed historical invoice activity to assess whether the existing \$15,000 threshold continues to reflect current operational realities. This review included an analysis of invoice frequency, dollar ranges, and escalation trends over the past decade, as well as consideration of inflation and changes in the cost and complexity of professional services supporting disability retirement cases processing.

### **ETHICS AND COMPLIANCE COMMITTEE (ECC) REVIEW**

As part of LACERA's established governance framework and the development of the Ethics and Compliance Program, all new policies and substantive revisions to existing policies are reviewed by the ECC prior to internal adoption or submission to the Board, depending on the nature and scope of the policy. This review ensures that policies remain necessary, appropriate, and aligned with current organizational controls, compliance standards, and governance practices.

The ECC alongside DRS reviewed the existing policy to determine whether it continues to serve a meaningful compliance or oversight function under today's operating environment. The ECC considered how DRS' invoices are incurred, reviewed, approved, and paid under current practices. The ECC observed that invoices (even those previously above the Board approval limit) are considered covered and preapproved expenses, as they are defined by LACERA's annual formal budget planning and approval processes. These particular DRS invoices are tied to services that have already been authorized and contracted, and in practice, such invoices are consistently approved and are not subject to discretionary denial.

In conducting its review, the ECC specifically recognized that these invoices relate to services that are incurred in the ordinary course of Disability Retirement Services' work

and are necessary to process member applications, rather than discretionary or exceptional expenditures.

As part of its review, the ECC also considered historical invoice trends, including the frequency and dollar amounts of invoices exceeding the current \$15,000 threshold. This analysis showed that the real purchasing power of the threshold has eroded over time and that higher dollar invoices have become more common in recent years, largely due to increased case complexity and rising professional service costs. The review further demonstrated that invoices exceeding approximately \$30,000 represent a clear inflection point, where costs are no longer routine and are typically associated with unusually complex or resource-intensive cases. In other words, the ~\$30,000 figure reflects the trend analysis reviewed by the ECC (where invoice amounts become less frequent and more atypical) and is being used as a proposed quarterly reporting threshold, separate from the existing \$15,000 preapproval threshold.

Based on this review, it was determined that the existing policy no longer serves its original compliance purpose and that continued reliance on individual Board approvals for these invoices is unnecessary given current governance, controls, and budgetary safeguards.

### **CURRENT CONTROLS AND OVERSIGHT**

Today, DRS' invoices are subject to reinforced checks and balances designed to ensure fiscal integrity and compliance, including:

- Verification by staff and (where applicable) legal counsel, that services were received as billed and are consistent with contract terms.
- Quality assurance review to identify and resolve discrepancies or irregularities.
- Management approval confirming that expenses are reasonable, necessary, and within the approved budget.
- Independent review by LACERA's Budget Unit and Financial and Accounting Services Divisions prior to payment.

These controls collectively provide a higher level of oversight than existed when the policy was first adopted, making a separate invoice-approval policy redundant and inefficient. These controls apply consistently to all invoices, regardless of amount, and provide assurance that high-cost-expenditures are subject to meaningful review before payment.

## **RECOMMENDED GOVERNANCE APPROACH**

While the ECC determined that the policy itself is no longer necessary, it emphasized the importance of maintaining transparency and Board visibility into high-cost expenditures. To that end, based on ECC's guidance, DRS recommends replacing individual invoice approvals with quarterly reporting to the Board of Retirement.

Under this approach, the Board would receive regular summaries of high-cost DRS invoices, allowing Trustees to monitor spending trends, ask questions, and request additional information as needed without delaying payment of properly reviewed and approved expenses. This approach preserves strong governance and accountability while aligning oversight with current operational realities and best practices.

For reporting purposes, it remains necessary to establish a defined threshold for identifying high-cost invoices. Based on the historical trend analysis reviewed by the ECC, DRS recommends establishing a reporting threshold of \$30,000 per member/case, per vendor, which represents a clear point at which invoice amounts become atypical and warrant enhanced Board visibility. Under this governance approach, the existing preapproval requirement would be terminated and replaced with quarterly reporting of invoices exceeding the Board established threshold, preserving transparency and oversight while avoiding transaction-level delays for invoices that have already undergone rigorous internal review and budgetary approval.

The recommended approach reflects a deliberate shift from transaction-level preapproval to trend-based oversight, supported by strengthened internal controls and regular reporting to the Board. The DRS Approval of Service Provider Invoice Policy was appropriate and necessary when adopted in 2015. However, the governance environment, internal controls, and oversight mechanisms at LACERA have evolved substantially since that time.

Based on the Ethics and Compliance Committee's review, the policy is no longer required to ensure fiscal responsibility or accountability. Rescinding the policy, while maintaining quarterly reporting to the Board, reflects a modernized approach to governance that balances efficiency, transparency, and oversight.

Reviewed and Approved:



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JJ Popowich, Assistant Executive Officer

Re: Proposed Termination of – DRS Approval of Service Provider Invoice Policy

March 2, 2026

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c: Frank Boyd, Senior Staff Counsel  
Allison E. Barrett, Senior Staff Counsel  
Ted Granger, Chief Financial Officer  
Ricki Contreras, Division Manager

TLC:mc

Attachment

**LACERA POLICY STATEMENT****DISABILITY RETIREMENT SERVICES APPROVAL OF SERVICE  
PROVIDER INVOICE POLICY STATEMENT**

(Effective January 1, 2015)

**Purpose**

Disability Retirement Services (DRS) routinely receives service provider invoices from various vendors in conjunction with the processing of applications for disability retirement. Service providers include panel physicians, hearing officers, copy services, job analysts, court reporters, investigative and database services, and outside legal counsel.

DRS has a robust checks and balances system to ensure any invoices received adhere to established contracts, procedures, and the costs charged for goods or services is reasonable based on the type and amount of work performed. DRS Investigative Staff, DRS Legal Counsel, and Disability Litigation Staff review the invoices to ensure services were provided in the prescribed manner and in compliance with the contract guidelines within the appropriate fee schedules and timelines. DRS Quality Assurance resolves any disputes related to invoices prior to submission to DRS Management for final review and payment authorization. DRS Administrative Staff processes the request and sends the payment request to Accounting for review and final payment.

This policy will authorize and direct LACERA staff to pay service provider invoices directly after they have been processed through the above described quality control process and approved by the DRS Division Manager. The DRS Division Manager, or their designated staff, will provide a quarterly report to the Board of Retirement for review and comment.

**I. Statement of Policy**

Staff is authorized to pay DRS Service Provider Invoices up to \$15,000 upon receipt and after concurrence of DRS Investigative Staff or Disability Litigation Staff, DRS Quality Assurance Staff, DRS Administrative Staff, DRS Management, DRS Legal Counsel, and Financial and Accounting Services Division review and approval. Invoices over \$15,000 will be submitted to the Board of Retirement for approval prior to payment. DRS will provide a quarterly report to the Board of Retirement for review and comment.

**II. Implementation**

This policy is established pursuant to the Board of Retirement's fiduciary responsibility to prudently administer the retirement plan in accordance with the

County Employees Retirement Law of 1937. This policy may be modified in the future by Board of Retirement action.

Adopted: December 3, 2014



# Operations Briefing

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Operations Oversight Committee  
April 2026



# Operational Initiatives

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## Organization-Wide Projects

# OPERATIONAL INITIATIVES



Objective	Progress	Current FY Budget	Executive Sponsor, Lead, Project Manager	Key Update	Expected Completion
<p><b>Boardroom Relocation and Expansion</b> Relocation of the Boardroom from the 8<sup>th</sup> Floor to the ground floor of Gateway Plaza</p>	<p>● On Track (Planning Phase)</p>	<p>\$700,000</p>	<p>Laura Guglielmo, Ricki Contreras</p>	<p>The Facilities Management and Audio Visual teams are coordinating with the Office of the Building to refine the audio visual requirements and space plans. Pending building permits.</p>	<p>March 2027</p>
<p><b>COLA Bank Retroactive Changes</b> 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</p>	<p>● On Track (Execution Phase)</p>	<p>\$0</p>	<p>JJ Popowich, Louis Gittens, Theodore King</p>	<p>We have assembled a team that have reviewed all cases. We will continue to make steady progress towards our goal. We will begin issuing retroactive benefits during the week of March 30, 2026.</p>	<p>June 2026</p>
<p><b>CoPilot Champions</b> Expanding the adoption of Co-Pilot by empowering selected staff to lead adoption efforts, recommend training opportunities, and serve as peer mentors across the organization</p>	<p>● On Track (Execution Phase)</p>	<p>\$0</p>	<p>Laura Guglielmo, Joe Shiuan, Penelope Rodriguez (PM)</p>	<p>A second round of Co-Pilot training is being scheduled, with this series focusing on division-specific use cases. Waiting to issue Amendment PO.</p>	<p>September 2028</p>
<p><b>Deductions for Dues from Retiree Benefit Payments</b> Policy implementation addressing existing and future members who elect to have dues, fees or premium payments for various third-party agencies deducted from their retirement benefit on a monthly basis to ensure LACERA is compliant with CERL Section 31452.5</p>	<p>● Pending (Planning Phase)</p>	<p>\$0</p>	<p>JJ Popowich, Louis Gittens, Fabio Ramirez</p>	<p>The Agency contract has been finalized to reflect the recent policy changes. Comprehensive communications have been completed to ensure all agencies are fully informed about the updated business processes and data exchange requirements. Additionally, discussions regarding deduction automation have been introduced and incorporated into the project plan.</p>	<p>To Be Determined</p>

# OPERATIONAL INITIATIVES



Objective	Progress	Current FY Budget	Executive Sponsor, Lead, Project Manager	Key Update	Expected Completion
<b>Digital Communication Governance &amp; Compliance</b> Solution for the Legal Office and Information Security Teams to conduct eDiscovery which is the process of identifying, collecting, and producing electronically stored information (ESI) in response to a request for production in a lawsuit or investigation, to respond to a Public Records Act, or to facilitate collection of information for other business purposes	Pending (Planning Phase)	\$120,000	Steven Rice, Chait Errande, Alonso Favela (PM)	A Proof of Concept (POC) was completed successfully. However, the estimated cost to fully meet LACERA’s requirements is higher than the amount previously approved by the Board of Retirement. To ensure the revised pricing is both competitive and appropriate, the project team is obtaining additional quotes from qualified vendors.	To Be Determined
<b>Disability Retirement Artificial Intelligence Solution</b> Transform the document and record indexing process of the disability retirement application workflow to enhance the speed, accuracy, and efficiency of handling member applications	Pending (Planning Phase)	\$110,000	JJ Popowich, Tamara Caldwell, Alonso Favela (PM)	Initiation meetings occurred in early February, currently working on detailed Requirements (Statement of Work) and determining procurement path.	December 2026
<b>LACERA Event Response Team (LERT) Management Solutions</b> Automate the tracking of LACERA incidents and integrating the ServiceNow workflow with LACERA’s Pension Administration System (Workspace) and LACERA’s Emergency Notification System (On-Solve)	On Track (Execution Phase)	\$0	JJ Popowich, Chait Errande, David Choe (PM)	The integration of the LERT process in ServiceNow with LACERA’s Pension Administration System (PAS) has been completed. The LACERA project team is finalizing the member correspondence templates.	June 2026
<b>Legal Matter Management (LMM) Solution</b> Solution for the Legal Office Division to Track and Manage Legal Matter Management and integrate with Enterprise Contract Lifecycle Management	On Track (Execution Phase)	\$150,000	Steven Rice, Christine Roseland, David Choe (PM)	Currently in use by in-house legal staff for logging Public Records Requests, inputting Legal investments transactions, and assisting in logging commercial contracts for review and documenting completion of review. Expanding scope to implement the Contract Management module, with revised completion date.	August 2026

# OPERATIONAL INITIATIVES



Objective	Progress	Current FY Budget	Executive Sponsor, Lead, Project Manager	Key Update	Expected Completion
<b>Mainframe System Migration</b> Migration of existing pension administration mainframe functionality to modern infrastructure and architecture to enhance scalability, agility, and integration capabilities	On Track (Execution Phase)	\$920,000	JJ Popowich , Kathy Delino, Alonso Favela (PM)	Recently added temporary development and analysis staff; optimizing the migration process using AI and automated testing; successfully deployed Direct Deposit Prenote processes and Plan E LTD.	June 2028
<b>Microfiche Digitization</b> Conversion of LACERA's 46 million pages of microfiche to searchable PDF files and store them in an Enterprise Content Management System (ECM). A subset of the PDF files will be shared with the L.A. County Auditor-Controller	On Track (Execution Phase)	\$0	JJ Popowich, Kathy Delino, Tom DeLuca (PM)	The mass conversion process of microfiche digital files to searchable PDF files was completed in January. Waiting for MOU to be signed with LA County, then coordinate delivery to LA County.	June 2026
<b>PEPRA: Annual Benefit Statement</b> Provide an Annual Benefit Statement (ABS) for PEPRA members	On Track (Execution Phase)	\$0	JJ Popowich, Cynthia Martinez	Design requirements have been submitted to Systems. Systems is working with Communications to resolve key business decisions before finalized coding proceeds. Once resolved, Systems will begin working on additional coding/programming .	December 2026
<b>PEPRA Final Average Compensation: Scheduled Earnings</b> The Board of Retirement approved a change to the methodology for calculating a PEPRA member's Final Average Compensation (FAC) due to a revised interpretation of PEPRA and CERL. Effective with this decision, LACERA will now use Scheduled Earnings to calculate the FAC, instead of Actual Earnings. This project covers all efforts to implement this change and pay any retroactive benefits	On Track (Execution Phase)	\$0	JJ Popowich, Louis Gittens, Kevin Hawkins	The team has updated retirement benefits for routine cases and now has 3 remaining complex cases.	May 2026

# OPERATIONAL INITIATIVES



Objective	Progress	Current FY Budget	Executive Sponsor, Lead, Project Manager	Key Update	Expected Completion
<b>Project Portfolio Management Solution</b> Streamlining project selection, prioritization, and resource allocation, ensuring alignment with business goals in support of improving efficiency, decision-making, and overall project success rates.	On Track (Planning Phase)	\$50,000	Luis Lugo, Kathy Delino, Sai Nichal Dasari (PM)	Released Requirements for vendor quotes, waiting for pricing.	December 2026
<b>Retroactive Payroll Adjustments: Prospective Correction</b> Collaboration with the Auditor-Controller (AC) to ensure timely and accurate collection of member payroll contributions on retroactive payroll adjustments.	Pending (Initiation Phase)	\$0	JJ Popowich	LACERA has communicated our concerns with the County. The Auditor-Controller plans to work with Systems to resolve this.	To Be Determined
<b>SASE (Phase II)</b> Implement the core features of a cloud-based networking and security architecture to ensure confidentiality availability and Integrity as we conduct our activities when we are logged in. Features such as SDWAN (Software defined wide area network). Secure Enterprise Browser rollout and Data Loss Prevention strategies will be deployed in this phase.	On Track (Execution Phase)	\$0	Chait Errande	Available advanced features are now being implemented. Boardroom Testing of the Prisma Access Browser has begun. We are now testing out the Prisma Access Browser for contractors. We are now testing this browser for use in the event of a disaster where every employee will be able to use this browser on BYOD	May 2026
<b>Virtual Mailroom</b> Moving the document imaging services in LACERA's Document Processing Center to a third party, creating a virtual mail room solution to be used permanently or as a business continuity solution.	Pending (Initiation Phase)	\$150,000	Laura Guglielmo, Ricki Contreras, David Choe (PM)	Initiation meetings occurred in early February, currently working on detailed Requirements.	To Be Determined

# STRATEGIC PLAN INITIATIVES



Objective	Progress	Current FY Budget	Executive Sponsor, Lead, Project Manager	Key Update	Expected Completion
<p><b>Business Intelligence Initiative</b>  <b>Strategic Priority Goal 2: Innovation Through Technology – 2.1 Business Intelligence</b>                      Implement a centralized, scalable, and secure Business Intelligence (BI) platform for LACERA, leveraging Microsoft Fabric, Purview, Power BI, and Copilot to unify data sources, enable advanced analytics, and empower self-service reporting for all divisions. The solution will replace legacy reporting systems, centralize data governance, and support strategic decision-making across the organization.</p>	<p>● On Track                      (Planning Phase)</p>	<p>\$960,000</p>	<p>Luis Lugo,                      Kathy Delino,                      Alonso Favela (PM)</p>	<p>A Project Kick-Off meeting to present scope and high-level timelines was held in January 2026. Currently working with 3 business divisions to identify operational dashboards to be built and published. (Retiree Healthcare has first prototype released and under review).</p>	<p>December 2027</p>
<p><b>Case Management (Sol) Phase 2</b>  <b>Strategic Priority Goal 1: Superior Member Experience – 1.3 Digital Strategy</b>                      Extension of LACERA’s Sol Case Management System to include Death Processing</p>	<p>● On Track                      (Planning Phase)</p>	<p>\$260,000</p>	<p>JJ Popowich,                      Iveta Brecko (PM)</p>	<p>Statement of Work (SOW) was issued early March and the development of Active Death Case Management module has begun.</p>	<p>November 2026</p>
<p><b>Employer Portal</b>  <b>Strategic Priority Goal 1: Superior Member Experience – 1.3 Digital Strategy</b>                      A secure online portal for employer to assist HR departments to on-board LACERA members by creating a more consistent introduction to LACERA and electronically completing the Member Sworn Statement (MSS), streamlining the current process and granting earlier access for members to My LACERA self-service options.</p>	<p>● Pending                      (On-Hold)</p>	<p>\$0</p>	<p>JJ Popowich,                      Tatiana Bayer,                      Alonso Favela (PM)</p>	<p>On-Hold.</p>	<p>To Be Determined</p>

# STRATEGIC PLAN INITIATIVES



Objective	Progress	Current FY Budget	Executive Sponsor, Lead, Project Manager	Key Update	Expected Completion
<p><b>Enterprise Knowledge Management Solution – Taxonomy and RFP</b>  <b>Strategic Priority Goal 2: Innovation Through Technology – 2.2 Knowledge Management</b>                      This project is to hire a Taxonomy consultant that would assist LACERA and the Strategic Initiative 2.2 Team with the requirements definition and RFP for a Knowledge Management System.</p>	<p>● On Track                      (Planning Phase)</p>	<p>\$135,000</p>	<p>JJ Popowich,                      Eugenia Der,                      David Choe (PM)</p>	<p>The team has completed first round scoring, with vendor demos occurring now through early April.</p>	<p>December 2029</p>
<p><b>Member Experience Communication Project (MECP)</b>  <b>Strategic Priority Goal 1: Superior Member Experience – 1.3 Digital Strategy</b>                      Replace the existing AWS Connect with a cloud communications service that provides Omni-Channel Contact Center with native MS Teams certified integration.</p>	<p>● On Track                      (Execution Phase)</p>	<p>\$300,000</p>	<p>JJ Popowich,                      Tatiana Bayer,                      Cookie Jaranilla (PM)</p>	<p>The MECP project is in development and LACERA’s Pension Administration System is being integrated with the Call Center Solution. Currently the team is going through Design and Build phase of various functional modules.</p>	<p>June 2026</p>



# IT Trends & Transformation

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## Artificial Intelligence (AI) Update

**Presented by:**

**Kathy Delino - Chief, Information Technology**

**Joe Shiuan - IT Manager II**

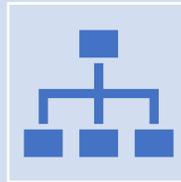
# Recent AI Developments



AI capabilities advancing rapidly



Enterprise AI being embedded directly into core platforms



Governance, safety, and control have become first-order priorities



# Implications for LACERA

- Opportunities are becoming more practical and immediate
- Risk exposure is increasing alongside capability
- Governance maturity matters more than technology maturity



# Examples of Leading Generative AI Platforms and Models

- Microsoft CoPilot
- Open AI ChatGPT
- Google Gemini
- Anthropic Claude
- xAI Grok
- Deepseek
- Meta LLaMA



# Where Microsoft Copilot Fits in the Generative AI Landscape

## Top Layer – AI Applications/User Experiences

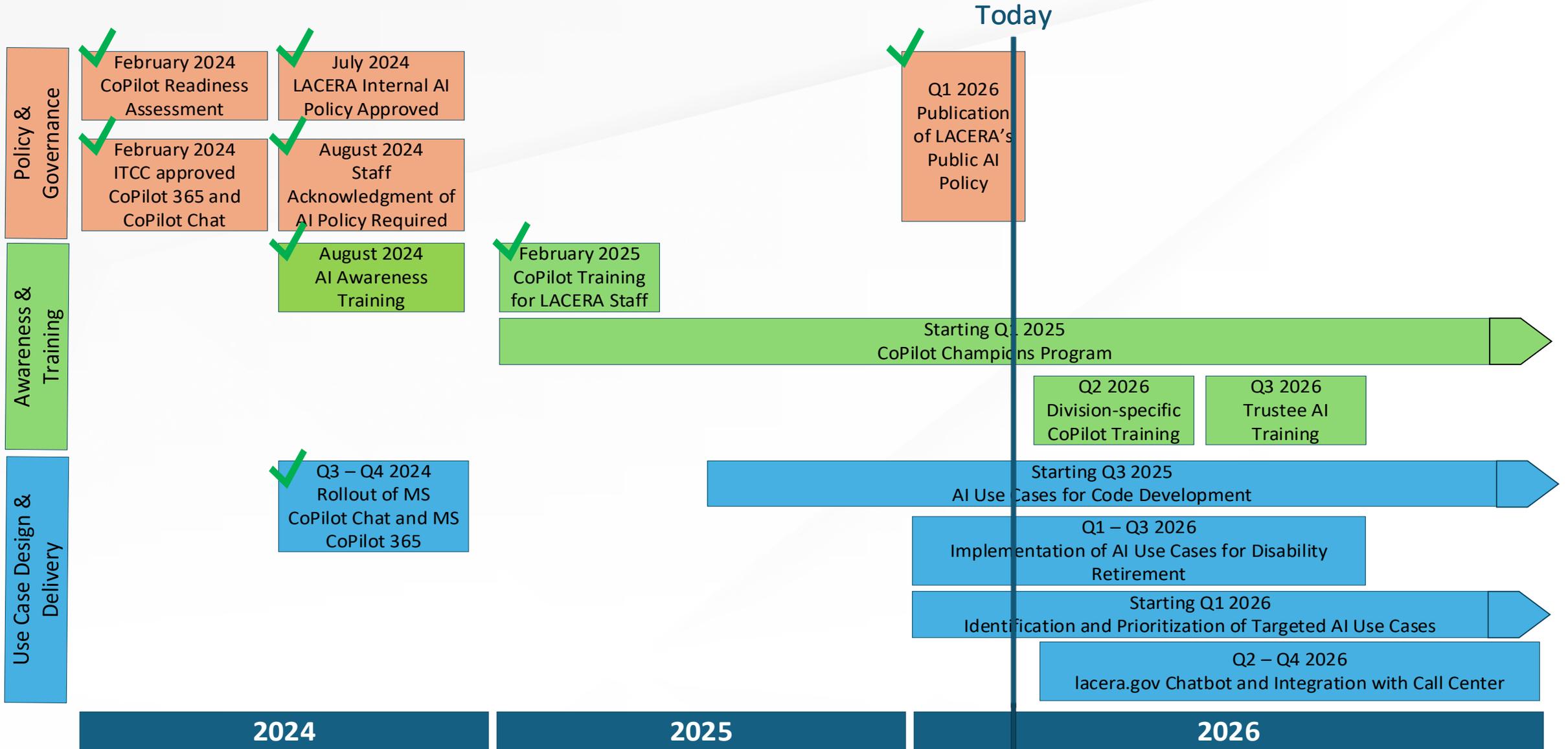
- Microsoft Copilot
  - AI embedded in Microsoft 365 and enterprise workflows
- ChatGPT, Gemini, Claude, Grok
  - Standalone AI chat applications

## Bottom Layer – AI Foundation Models

- GPT, Gemini, Claude, Grok
  - Models used by their respective applications
- DeepSeek, LLaMA
  - Foundation models used by developers and vendors



# LACERA's Generative and Agentic AI Progress



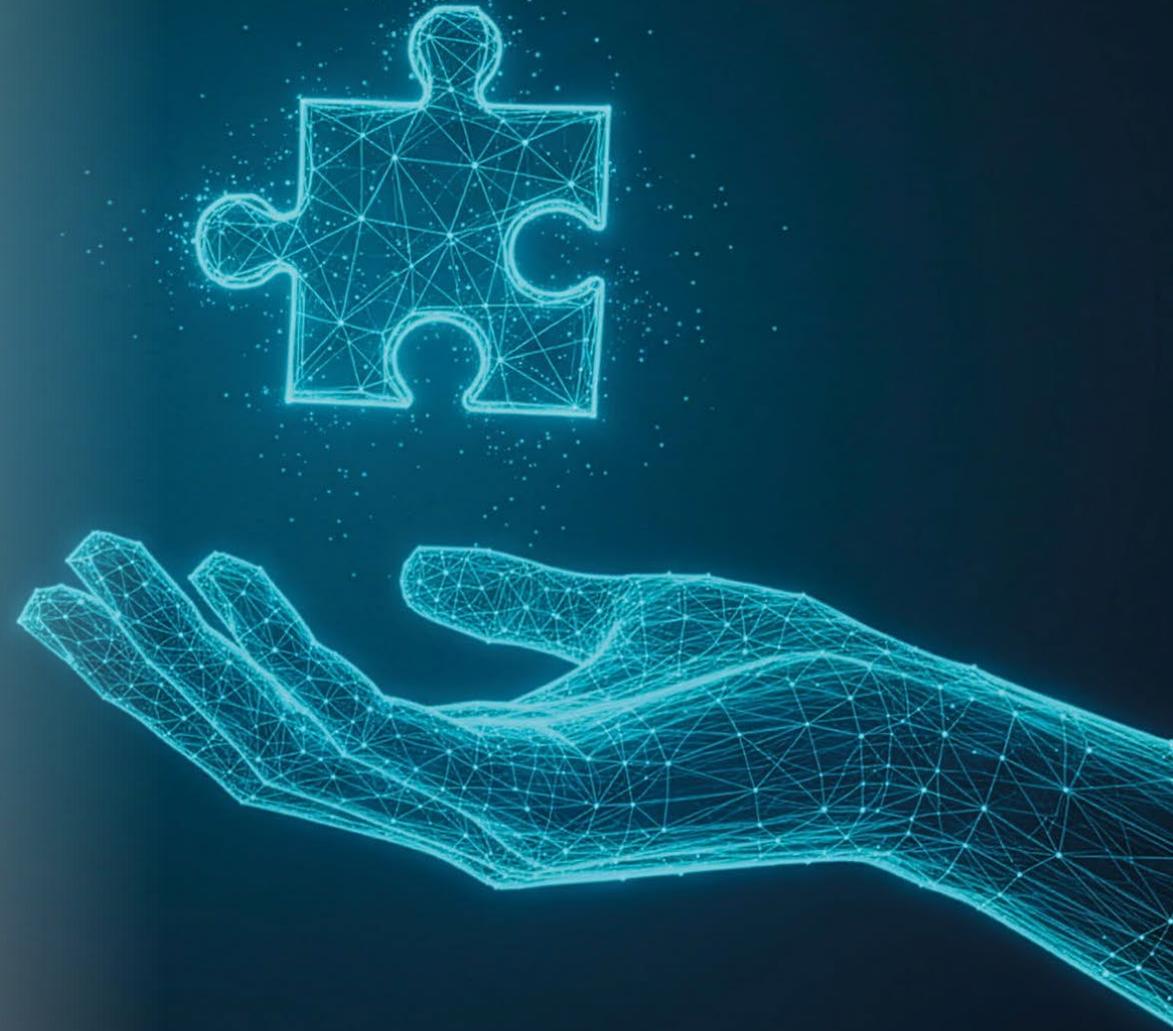
# AI Applications in Use

- Microsoft CoPilot Chat
- Microsoft 365 CoPilot
- AI-Powered Transcription for Public Videos
- Business Intelligence and Data Visualization Tools
- AI-Assisted Program Specification and Code Generation
- AI-Assisted Test Case and User Story Generation



# AI Projects in Development

- Lacera.gov Conversational Chatbot with Integration into the Member Call Center Solution
- AI-Enabled Organization of Disability Retirement Medical Reports
- AI-Enhanced Excel Productivity (investment analysis)



# Future AI Projects

- AI Assistance for Board Meetings
- AI-Assisted Contract Review
- AI-Assisted Legal Research
- Intelligent Document Processing (IDP) for Incoming Documents



# Thank You!



## Questions?



# 2023-2028 Board of Retirement Strategic Plan Quarterly Update

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Operations Oversight Committee  
April 2026



# Dashboard

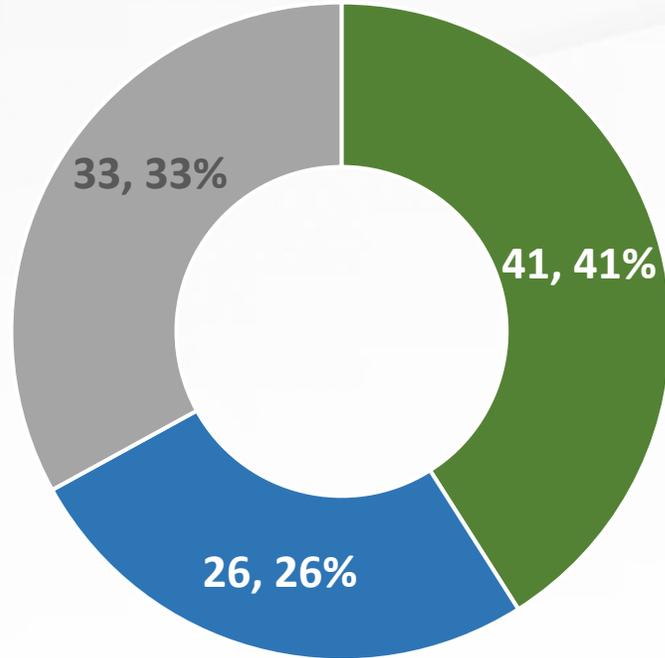
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January – March 2026

# 2023-2028 Strategic Plan Progress Summary



## Overall Milestone Progress



■ Completed ■ In Progress ■ Pending Completion

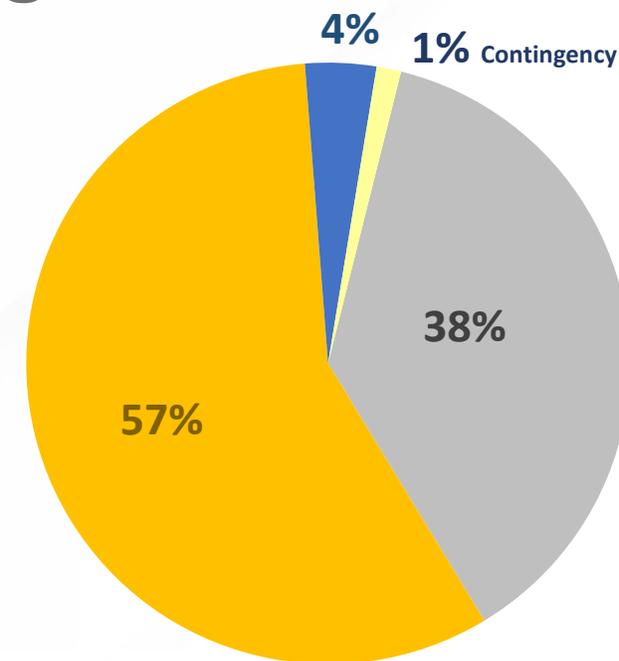
## Overall Goal Completion





## FY 25-26 Estimated Budget for Strategic Plan Goals

Goal 1   Superior Member Experience	\$714,000
Goal 2   Innovation Through Technology	\$1,095,000
Goal 3   Investing in People	\$0
Goal 4   Ethics & Compliance and Enterprise Risk Management	\$72,500
Goal 5   Fiscal Durability	\$0



**Estimated Budget Total\* | \$1,906,500**

(Includes Contingency Fund of \$25,000)  
(Subject to Change)

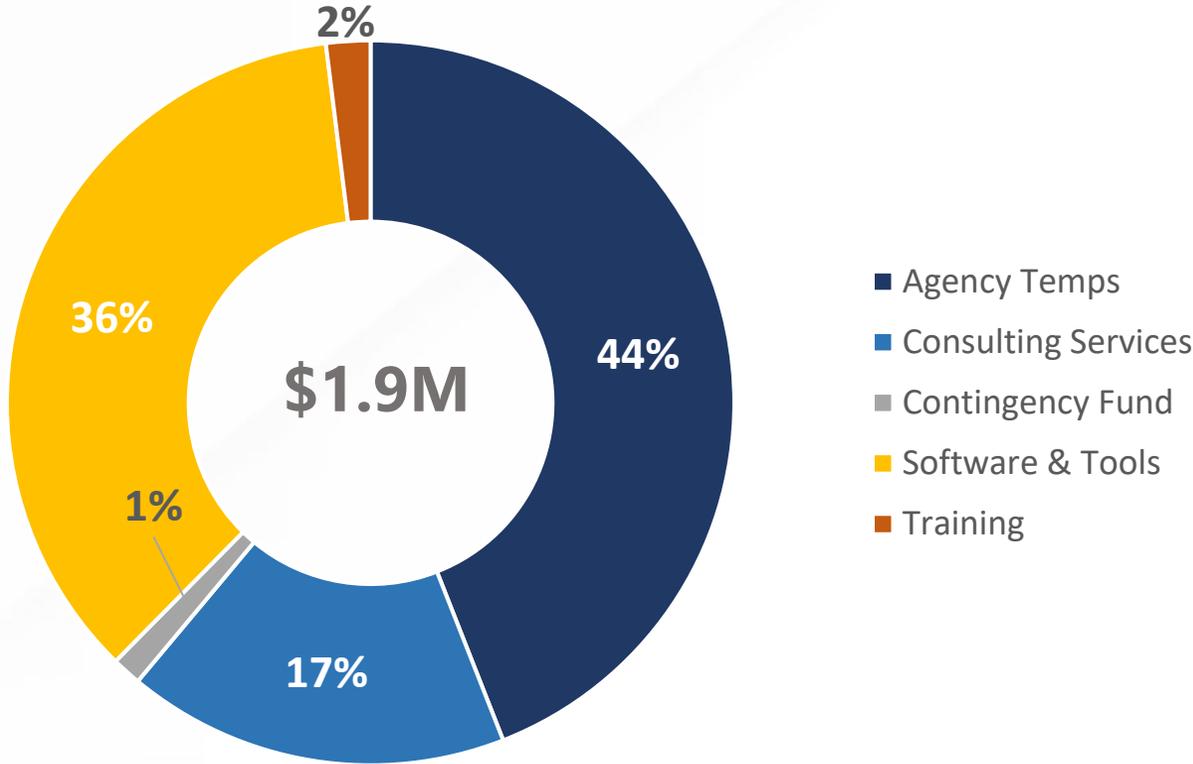
# Estimated Budget & Resources



### FY 25-26 Estimated Budget Summary



### FY 25-26 Estimated Budget Resource Summary



Reporting as of March 24, 2026



## January through March 2026

### Goal 1 | Superior Member Experience

The Member Experience Communication Platform (Genesys) has been selected, and implementation planning is underway. The New Hire Safety Member survey has been sent to safety members to gain insight on their onboarding experience.

### Goal 2 | Innovation Through Technology

Dashboards for the Business Intelligence Platform are currently being developed. Vendor demonstrations are currently underway for the Enterprise-Wide Knowledge Management Solution.

### Goal 3 | Investing in People

The Inclusion, Diversity, Equity and Accessibility (IDEA) internal site has been launched. Manager and Supervisor learning and development plan have been developed to include training on supervisions, compliance, and risk mitigation.

### Goal 4 | Ethics & Compliance and Enterprise Risk Management

A Request for Proposal (RFP) has been issued for a recruiting firm for the hiring of the Chief Ethics and Compliance Officer (CECO) and a projected hiring timeline has been set. An ERM working group has been established, which has begun interviewing consultants to assist with ERM Program development.

### Goal 5 | Fiscal Durability

Efforts are underway to contract a Lead Analyst to assess, stabilize, enhance, integrate, and support our highly customized CobbleStone Insight environment, enabling procurement, vendor management, workflow automation, approvals, amendments, and compliance functions.



# Strategic Initiative Update

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**Emburse | Streamlining Expense and Reimbursement Management**  
**Goal 5, Fiscal Disability | Objective 5.1**

**Presented by:**  
**Cookie Jaranilla, IT Specialist II**  
**Ervin Wu, Accounting Officer I**

# Implemented Solution



## Legacy Expense Reimbursement



- Manual preparation of payment requests and expense vouchers
- On-site check printing that delayed payments and increased operational risk
- Limited visibility into approval and payment status
- Inconsistent controls that increased compliance and audit risk



## Emburse Professional Expense Reimbursement



- Full digital expense submission and approval workflows
- Direct deposit reimbursements
- Policy driven controls embedded in the approval process
- Integration with financial systems for reconciliation

# Key Process Improvements



## Expense Capture



- Employees submit expenses via mobile app, email, or web
- Digital receipts attached at submission
- OCR technology automatically extracts receipt data

## Automated Reporting



- Automatic expense report creation
- Scheduled reports and system generated expense suggestions

## Policy Enforcement



- Configurable rules for:
  - Spending limits
  - Required receipts
  - Vendor restrictions
- Non-compliant transactions are flagged before submission

## Approval & Reimbursement



- Multi-tier approval workflows
- Real-time status visibility for employees and managers
- 96%+ conversion rate from checks to ACH
- Exported data for GL reconciliation

# Emburse Professional Home Screen



- Home
- Add Receipts
- Wallet
- Approval Requests
- New Expense Report
- Drafts
- Pending
- Reporting

## My Spend Requests

New Spend Request

Drafts	0
Requested	0
Approved	1
Archived	1

## My Expense Reports

New Expense Report

Drafts	0
Pending Approval	0
Pending Payment	0
Archived	3

Approval Requests 0

Reimbursements 34

## Travel & Expense Policy

[View my company's Travel and Expense policies](#)

## What's New

[Read our Blog](#)  
[Browse the Release Notes](#)

## My Wallet 3

6/12/25	9189 - Travel - Mileage	\$350.00
1/14/25	9189 - Travel - Mileage	\$21.00
9/6/24	Arco	\$27.79

3 ITEMS

## Add Receipts



MOBILE



EMAIL



UPLOAD

MORE METHODS

# Spend Request Screen



## Spend Request (Itemized)

**Status** Completed  
**Current Approver** Theodore Granger  
**Department** Financial and Accounting Services  
**Submitter** Ervin Wu  
**Name** Edu - GFOA Annual Conference - 06/29/2025 - 07/02/2025 - Washington, DC  
**Description** Attending GFOA to learn about current issues, challenges, and opportunities relating to government finance.  
**Dates** 06/28/2025 - 07/02/2025

[Delete Request](#)

**Spend Request History** [Full Approval History](#)

06/09/2025 Requested Giselle Jaimes on behalf of: Ervin Wu  
06/09/2025 Approved Theodore Granger

### Request Details

Status	Expense Type	Department	Category	Details	Reason	Attachment	Amount
✓	Lodging	Financial and Accounting Services	9183 - Travel - Lodging				\$1,247.62
✓	Travel	Financial and Accounting Services	9184 - Travel - Airfare				\$617.00
✓	Miscellaneous	Financial and Accounting Services	Meals and Incidentals Per-Diem (Spend Request)				\$414.00
✓	Miscellaneous	Financial and Accounting Services	9962 - REGISTRATION FEES				\$575.00
✓	Miscellaneous	Financial and Accounting Services	9186 - Travel - Ground Transportation				\$250.00

**Total Applied to Emburse Card** \$0.00  
**Total Disapproved** \$0.00  
**Total Approved** \$3,103.62  
**Total Requested** \$3,103.62

# Expense Report Screen



## My Expense Report

**Status** Completed

**Department** Financial and Accounting Services (59302)

**Summary** Ervin Wu

WUERV18272 8272 - Edu - GFOA Annual Conference - 06/29/2025 - 07/02/2025 - Washington, DC  
6/28/2025 - 7/2/2025

Attending GFOA to learn about current issues, challenges, and opportunities relating to government finance.

[Edu - GFOA Annual Conference - 06/29/2025 - 07/02/2025 - Washington, DC](#)

[Print Report](#)

[Delete Report](#)

**Approval History** [Full Approval History](#)

7/7/2025 Submitted [Ervin Wu](#)

7/9/2025 Disapproved [Theodore Granger](#)

7/10/2025 Resubmitted [Ervin Wu](#)

**Receipt Image**

1 of 1 - + >>

Government Finance Officers Association  
303 N. LaSalle St., Ste. 3700  
Chicago, IL 60610-1216  
(312) 697-6700 / Fax: (312) 697-6796

**Expenses**

Actions	Status	Date	Category	Details	Amount	Reim.	Reim. Amt	Billable	Receipt	Reason
		6/16/2025	9962 - REGISTRATION FEES	Meets policy. <b>Vendor:</b> GFOA <b>Location:</b> Chicago, IL	575.00	No	0.00	No		
		6/28/2025	z(ACCRUAL) 9186 - Travel - Ground Transportation	Meets policy. <b>Vendor:</b> Uber Technologies <b>Location:</b> San Francisco, CA	141.49	Yes	141.49	No		Fwd: Your Saturday morning trip with Uber Home to Airport
		6/28/2025	z(ACCRUAL) 9186 - Travel - Ground Transportation	Meets policy. <b>Vendor:</b> Uber Technologies <b>Location:</b> San Francisco IX, CA IX	27.91	Yes	27.91	No		Fwd: Your Saturday afternoon trip with Uber Airport to Hotel WITH Edward and Ana.
		6/28/2025	z(ACCRUAL) 9191 - Travel - Per Diem DAILY MEALS & INCIDENTAL S	Meets policy. <b>Destination:</b> DC - District of Columbia - Washington DC (also the cities of ...	69.00	Yes	69.00	No		

### Linked Spend Request

**Total:** 9 Expenses

**\$2,897.88 spent** of **\$3,103.62 approved**





## Strategic and Financial Value



- Modernized expenses and reimbursements with measurable efficiency gains
- Eliminated manual processes and accelerated approvals
- Improved transparency, compliance, and audit readiness
- Reduced operational risk and strengthened governance



# Strategic Plan Overview

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January – March 2026

# GOAL 1: Superior Member Experience

Innovate and continuously improve the member experience

Objective	Progress	Current FY Budget	Executive Sponsor, Lead, Project Manager	Key Update	Highlights	Expected Completion
<b>1.1</b> Ensure a consistent omnichannel member experience at every stage of the member's journey	 On Track (Execution Phase)	\$77,000	JJ Popowich, Tatiana Bayer	New hire safety member experience survey released.	New hire general member experience survey will be sent out in April.	September 2028
<b>1.2</b> Enhance member educational content at every stage in their journey and launch LACERA Communication Plan	 On Track (Execution Phase)	\$77,000	JJ Popowich, Cynthia Martinez	Social Media Plan launched to support expanded member education and outreach.	Retirement University educational video series in pre-production, with twelve videos planned.	December 2028
<b>1.3</b> Develop, implement, and deploy a digital strategy to better serve our members	 On Track (Execution Phase)	\$560,000	JJ Popowich, Cookie Jaranilla (PM), Iveta Brecko (PM)	Design and build phase of various functional modules within the Member Experience Communication Platform (Genesys) are underway.	Continued efforts to Workspace and other applications continue to be enhanced.	December 2028
<b>1.4</b> Improve and enhance the retiree healthcare experience	 On Track (Execution Phase)	\$0	JJ Popowich, Tionna Fredericks	Efforts are underway to finalize the online Retiree Healthcare enrolment.	-	June 2028

# Strategic Objective 1.1 | Omni-Channel Experience



Ensure an omni-channel experience at every stage of a member journey

Overall Status  
EXECUTION PHASE



Overall Objective Progress



■ Completed ■ In Progress ■ Pending Completion

## Key Accomplishments

- Implemented a standardized omnichannel retirement counseling
- Implemented Retiree Healthcare new retiree topics into the Member Services retirement counseling throughout the Call Center to offer a true omnichannel standardized counseling (in alignment with the current Outreach counseling)
- Cross trained Outreach and Call Center staff on all different channels used to provide member counseling

## Key Activities Underway

- New hire member surveys for general and safety initiated
- Identify points of communication in each member journey
- Develop a framework and plan for each omni-channel
- Identify and implement new omni-channel sources
- Communicate omni-channel sources and educational content

# Strategic Objective 1.2 – Member Educational Content

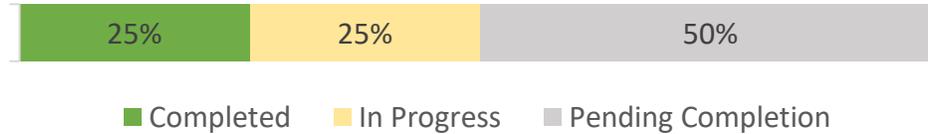


Enhance member educational content at every stage in their journey and launch LACERA Communication Plan

Overall Status  
EXECUTION PHASE



Overall Objective Progress



## Key Accomplishments

- Launched Social Media Plan

## Key Activities Underway

- Finalize LACERA's Communication Plan
- Complete member education needs assessment
- Launch and expand the Resource Library on LACERA.gov
- Execute targeted outreach campaigns
- Implement accessibility enhancements
- Retirement University educational video series

# Strategic Objective 1.3 – Digital Strategy



Develop, implement, and deploy a digital strategy to better serve our members

Overall Status  
EXECUTION PHASE



Overall Objective Progress



■ Completed ■ In Progress ■ Pending Completion

## Key Accomplishments

- Selection of the Member Experience Communication Platform (Genesys)
- Completed first retirement payment within LACERA's Case Management System (SOL) and the workflow is being monitored
- Executive the Disability Retirement and Disability Litigation Case Management (SOL Phase I)

## Key Activities Underway

- Streamline foundational processes within SOL, My LACERA, and Workspace (pension administration platform)
- Launch the Member Experience Communication Platform (Genesys) designed to improve member and retiree interactions across multiple channels
- Implement and launch SOL Phase II – Active Death and Retired Death Case Management
- Integrate Empower (401/457 Defined Contribution Plan) and My LACERA portal
- Launch Employer Portal to support LA County Department of Human Resources and new hires
- Launch LACERA mobile application

# Strategic Objective 1.4 – RHC Experience

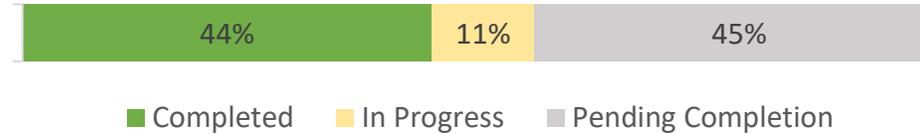


Improve and enhance the retiree healthcare experience

Overall Status  
EXECUTION PHASE



Overall Objective Progress



## Key Accomplishments

- Survey results received from the Retiree Healthcare staff regarding member journey and process input

## Key Activities Underway

- Creation of a Retiree Healthcare summary chart of the non-medicare plans for members to easily reference
- Launch a member online medical and dental plan comparison for member reference
- Integrate the Social Security Administration (SSA) date exchange for member online plan comparison
- Automate Retiree Healthcare foundational processes
- Distribute a Retiree Healthcare survey to all members
- Implement a Retiree Healthcare online enrollment
- Communicate Retiree Healthcare online enrollment and training to members

# Goal 2: Innovation Through Technology

Leverage technological solutions to advance capabilities, increase productivity, and elevate operational maturity

Objective	Progress	Current FY Budget	Executive Sponsor, Lead, Project Manager	Key Update	Highlights	Expected Completion
<p><b>2.1</b></p> <p>Promote an enterprise approach to information gathering, integration, analysis, and sharing that fosters decision-making through the adoption of a business intelligence platform</p>	<p>● On Track (Execution Phase)</p>	\$960,000	Luis Lugo, Kathy Delino, Ahmad Chishty (PM)	The Business Intelligence project team will be meeting with each division to assess reporting and dashboard requirements	MS Fabric Proof of Concept has been completed	December 2027
<p><b>2.2</b></p> <p>Implement an enterprise-wide knowledge management system to digitally capture, document, organize, and access critical business knowledge and information</p>	<p>● On Track (Execution Phase)</p>	\$135,000	JJ Popowich, Eugenia Der, David Choe (PM)	Vendor demonstrations for a knowledge management solution are underway.	-	December 2028

# Strategic Objective 2.1 – Business Intelligence Platform



Promote an enterprise approach to information gathering, integration, analysis, and sharing that fosters decision-making through the adoption of a business intelligence platform

Overall Status  
EXECUTION PHASE



Overall Objective Progress



■ Completed ■ In Progress ■ Pending Completion

## Key Accomplishments

- Selected and implemented a business intelligence platform
- Established a centralized repository for organization-wide information for easy reference

## Key Activities Underway

- Establish Business Intelligence governance and role-based access
- Roll out of dashboards to each to include top metrics and visualization requirements, building interactive dashboards with drill-down capabilities, and rolling out dashboards to leadership teams

# Strategic Objective 2.2 – Enterprise-Wide Knowledge Management

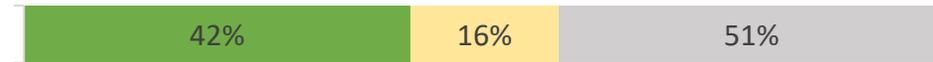


Implement an enterprise-wide knowledge management system to digitally capture, document, organize, and access critical business knowledge and information

Overall Status  
EXECUTION PHASE



Overall Objective Progress



■ Completed ■ In Progress ■ Pending Completion

## Key Accomplishments

- Taxonomy consultant selected
- Organizational assessment and content tagging of approximately 3,500 knowledge assets from the Member Operations Group and Compass Library completed
- First iteration of LACERA taxonomy glossary completed
- Request for Proposal issued for a Knowledge Management Solution

## Key Activities Underway

- Selection of a Knowledge Management Solution Vendor
- Implement and launch Knowledge Management Solution

# Goal 3: Investing in People

Attract, motivate, hire, and retain a highly engaged and skilled workforce

Objective	Progress	Current FY Budget	Executive Sponsor, Lead, Project Manager	Key Update	Highlights	Expected Completion
<p><b>3.1</b> Develop and implement a frameworks aimed at promoting and embracing diversity, equity, and inclusion (DEI)</p>	<p>● On Track (Execution Phase)</p>	\$0	Laura Guglielmo	IDEA site launched on LACERA Connect for Staff to access resources and information.	-	December 2027
<p><b>3.2</b> Develop enterprise-wide training and development programs designed to support and encourage employee growth and development</p>	<p>● On Track (Execution Phase)</p>	\$0	Laura Guglielmo, Carly Ntoya	The Executive Office approved the strategic objective milestones.	Developed and configured Manager and Supervisor Learning Plans in NeoGov Learn.	June 2028
<p><b>3.3</b> Improve and simplify the hiring process, aimed at building a solid foundation for succession planning</p>	<p>● On Track (Execution Phase)</p>	\$0	Laura Guglielmo, Carly Ntoya, Alonso Favela (PM)	Implemented enhancements in NeoGov to allow for improved communication about performance.	Actively working on reducing vacancy rate with a goal of 13% by FYE.	June 2028

# Strategic Objective 3.1 – Diversity, Equity, Inclusion



Develop and implement a framework aimed at promoting and embracing diversity, equity, and inclusion (DEI)

Overall Status  
EXECUTION PHASE



Overall Objective Progress



■ Completed ■ In Progress ■ Pending Completion

## Key Accomplishments

- Established the Inclusion, Diversity, Equity, and Accessibility (IDEA) Council
- Communicated Statement of Commitment to LACERA team members, members via LACERA.gov and to the public via social media
- Created the IDEA platform on LACERA Connect (Intranet) for LACERA team members to go for resources and information
- Launch the IDEA platform internally providing resources and information

## Key Activities Underway

- Conduct a needs assessment gap analysis
- Centralize training programs and opportunities to educate LACERA team members via LEARN Management System

# Strategic Objective 3.2 – Employee Training and Development



Develop enterprise-wide training and development programs designed to support and encourage employee growth and development

Overall Status  
EXECUTION PHASE



Overall Objective Progress



■ Completed ■ In Progress ■ Pending Completion

## Key Activities Underway

- Implement an All-Staff Development Plan focused on a standard baseline set of knowledge, skills, and abilities (KSA)
- Implement a Supervisor Learning and Development Plan aiming to equip and enhance each supervisors' skills and knowledge essential for excelling in this role
- Revise and enhance the Career Development Program (CDP)
- Implement a Manager Learning and Development Plan specifically tailored for Division Managers at LACERA aiming to enhance technical and soft skills essential for excelling in this role
- Revise the Temporary Opportunity Program (TOP) providing permanent LACERA employees with a chance to gain hands-on work experience in various parts of our organization through temporary assignments
- Revise the Leadership Development Program (LDP) to align with the Leadership Pipeline including leadership courses and invaluable experience by working as part of a team while developing and utilizing skills that are learned

# Strategic Objective 3.3 – Improve & Simplify Hiring Process



Improve and simplify the hiring process, aimed at building a solid foundation for succession planning

Overall Status  
EXECUTION PHASE



Overall Objective Progress



■ Completed ■ In Progress ■ Pending Completion

## Key Accomplishments

- Developed and implemented a Hiring Manager Playbook to ensure transparency, consistency, flexibility and compliance with civil service rules and standards
- Implemented and regularly reported Key Performance Indicators (KPIs), publically and internally
- Implemented enhancements in NeoGov to allow for expanded candidate communication during the recruitment and assessment phases

## Key Activities Underway

- Update the Employee Handbook
- Automate reports for represented and non-represented performance evaluations
- Revise and implement a standardized new hire onboarding process
- Develop a Workforce Plan to mitigate attrition
- Pilot low-tech tracking tool for hiring process

# Goal 4: Ethics & Compliance and Enterprise Risk Management

Adopt and implement compliance and enterprise risk frameworks aimed at facilitating strengthened governance around risk management and compliance

Objective	Progress	Current FY Budget	Executive Sponsor, Lead, Project Manager	Key Update	Highlights	Expected Completion
<p><b>4.1</b> Develop an enterprise compliance plan and program to ensure adherence to established processes, procedures, policies, and governing rules and regulations</p>	<p>● On Track (Execution Phase)</p>	\$72,500	Luis Lugo, Steven Rice, Allison Barrett	Ongoing development of policies, training, and governance structures to strengthen ethical standard, accountability and compliance across the organization continue to be a focus.	The Chief Ethics and Compliance Officer hiring timeline has been set.	December 2028
<p><b>4.2</b> Implement a comprehensive enterprise risk management framework and structure to facilitate stronger organizational risk management</p>	<p>● On Track (Execution Phase)</p>	\$0	Luis Lugo, Richard Bendall	Enterprise Risk Management (ERM) Group has been established.	Internal Audit and the Ethics and Compliance team are taking a collaborative approach to the development of the ERM program as part of an Aligned Assurance model, with Internal Audit acting as project manager.	December 2028

# Strategic Objective 4.1 – Ethics & Compliance Plan and Program



Develop an ethics and compliance plan and program to ensure adherence to ethical standards and established processes, procedures, policies, and governing rules and regulations

Overall Status  
EXECUTION PHASE



Overall Objective Progress



■ Completed ■ In Progress ■ Pending Completion

## Key Accomplishments

- Ethics and Compliance Committee Established
- Policy Management Central Library Created
- Conducted Staff Culture Survey and Focus Groups
- Substantial Progress on All Elements of Board- and ACRE-Approved Foundational Work Plan
- Six Certified Ethics and Compliance Professionals (CCEP)

## Key Activities

- Code of Ethical Conduct Revision and Code Roll-Out, Orientation, and Training
- Create Staff Culture Action Plan Based on Survey Results
- Partnered with Internal Audit on Initial Ethics and Compliance Risk Assessment ("Aligned Assurance")
- Draft Hiring Plan and Hire the Chief Ethics Compliance Officer
- Conduct In-House Ethics and Compliance Training, through Several Vehicles, including the Ethics and Compliance Committee, the Management Offsite, and Direct Staff Interactions
- Draft Stand-alone Nonretaliation Policy, Investigation Policy, Risk Identification and Assessment Policies and Procedures

# Strategic Plan 4.2 – Enterprise Risk Management

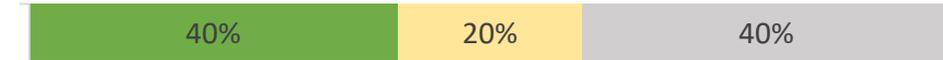


Implement a comprehensive enterprise risk management framework and structure to facilitate stronger organizational risk management

Overall Status  
EXECUTION PHASE



Overall Objective Progress



■ Completed ■ In Progress ■ Pending Completion

## Key Accomplishments

- Established an Enterprise Risk Management (ERM) Group
- Interviewed consulting firms to advise on ERM implementation

## Key Activities

- Create and develop an ERM program foundation and framework
- Hire an ERM consultant to advise and assist in the ERM implementation
- Conduct ERM Readiness and Risk Culture Assessment
- Develop and define an ERM governance structure
- Develop and provide risk awareness training program
- Restructure framework for and implement a risk assessment and response process
- Implement risk reporting and monitoring

# Goal 5: Fiscal Durability

Exercise care and prudence in managing our resources and fund assets

Objective	Progress	Current FY Budget	Executive Sponsor, Lead, Project Manager	Key Update	Highlights	Expected Completion
<p><b>5.1</b> Develop organizational tools to support enterprise-wide fiscal responsibility</p>	<p>● On Track (Execution Phase)</p>	\$0	Laura Guglielmo, Ricki Contreras, Cookie Jaranilla (PM), Penelope Rodriguez (PM)	Implemented a Travel and Expense Software and training completed.	CobbleStone process review and assessment efforts underway.	June 2028
<p><b>5.2</b> Support the LACERA Investment Office in implementing and achieving the BOI's Strategic Plan goals</p>	<p>● On Track (Execution Phase)</p>	\$0	Luis Lugo, Jon Grabel, Jude Perez	Key efforts are focused on completing the classification and analysis of the LACERA Building.	-	June 2027

# Strategic Objective 5.1 – Fiscal Responsibility

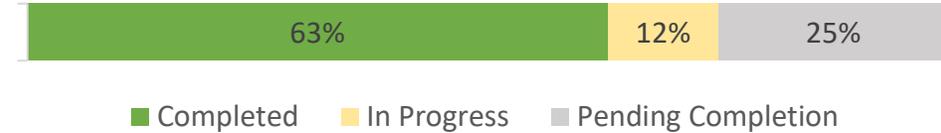


Develop organizational tools to support enterprise-wide fiscal responsibility

Overall Status  
EXECUTION PHASE



Overall Objective Progress



## Key Accomplishments

- Implemented Accounts Payable (Certify) System
- Implemented a Budget Software (Questica) Solution
- Centralized a vendor management program
- Implemented a Travel and Expense Software (Certify/Emburse)

## Key Activities Underway

- Implement an Enterprise Contract Lifecycle Management (ECLM) Solution (Cobblestone)
- Provide staff with financial training
- Conduct an Enterprise Resource Planning (ERP) tool assessment

# Strategic Objective 5.2 – Support the BOI’s Strategic Plan Goals



Support the LACERA Investment Office in implementing and achieving the BOI’s Strategic Plan Goals

Overall Status  
EXECUTION PHASE



Overall Objective Progress



■ Completed ■ In Progress ■ Pending Completion

## Key Accomplishments

- Approval of the Actuarial Funding Policy and Interest Crediting Policy for Reserves

## Key Activities Underway

- Approval of the OPEB Prefunding Policy
- Conduct the classification and analysis of the LACERA Building
- Implement a plan to reclassify the LACERA Building
- Select a Media and Public Relations firm
- Implement an Investment Office Incentive Plan

# Thank You!



## Questions

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**FOR INFORMATION ONLY**

March 23, 2026

TO: Each Trustee  
Operations Oversight Committee

FROM: Luis Lugo   
Chief Executive Officer

Francis Boyd   
Sr. Staff Counsel

FOR: April 1, 2026, Operations Oversight Committee Meeting

**SUBJECT: INCORPORATING LACERA'S DISABILITY LITIGATION OFFICE INTO  
THE LEGAL OFFICE**

**I. Introduction**

Currently, LACERA's Disability Litigation Office (DLO) represents LACERA as the Respondent when an Applicant appeals the Board of Retirement's decision on a disability-retirement application, and the Board of Retirement sits as the judge in the appeal. DLO has historically operated as a separate legal office within LACERA, led by a Chief Counsel responsible for supervising attorneys representing LACERA as Respondent, along with their support staff. With the upcoming retirement of DLO Chief Counsel Vincent Lim on March 31, 2026, the Chief Executive Officer (CEO) conducted a broader assessment of the long-term organizational structure needed to support this function. Considering sustained declines in case volume and the opportunity to provide a more resilient and integrated support model, the CEO determined that replacing the Chief Counsel position was not necessary. Instead, the DLO staff will transition into the Legal Office, where they will continue to operate as a distinct practice team under the supervision of the Legal Office's Chief Counsel. This structure provides enhanced continuity, flexibility, and capacity for the DLO practice to expand or adapt as future workload demands evolve. Fiduciary Counsel, Ashley Dunning, has provided an opinion approving this plan, a copy of which is attached.

As will be explained below, incorporating the DLO into LACERA's Legal Office is prudent and doing so will not violate members' due process rights. This merger will also provide an opportunity to broaden DLO staff's knowledge base and legal expertise, expanding possibilities for future career development and the areas in which they contribute to the system. It will also support the Legal Office and its increasing workload, as well as strategic initiatives in need of Legal support.

## II. Background

### A. History of LACERA's Disability Litigation Office

Prior to the mid-1990s, attorneys from the Los Angeles County Counsel's Workers' Compensation Division represented LACERA as the Respondent in disability-retirement administrative appeals, and LACERA's Legal Benefits counsel advised the Board and Disability Retirement Services (DRS) on both benefits and disability-retirement issues.

In approximately 1997, the Board created the DLO which budgeted a Chief Counsel, three Sr. Staff Counsel, and three Sr. Legal Secretary positions. During most of the 2000's, the three attorneys in the office each carried a caseload of approximately 60 to 70 cases, depending on the volume of appeals, and the DLO Chief Counsel also carried a small caseload. Prior to 2003, the DLO Chief Counsel advised DRS and reviewed disability-retirement applications before they were brought to the Board for a decision, and the DLO attorneys represented the Board in writ of mandamus appeals.<sup>1</sup>

- ***Quintero v. City of Santa Ana* (2003) 114 Cal.App.4<sup>th</sup> 810**

In 2003, the Fourth District Court of Appeal issued the *Quintero* decision wherein the petitioner appealed his termination of employment to the board. The assistant city attorney prosecuting the appeal concurrently represented the board in a different civil action and appeared as the legal representative for the board. The assistant city attorney did not provide advice to the board in petitioner's case *but there was evidence that the internal separation of the advisory and prosecutorial functions was not maintained by the city attorney in another pending matter*. The Court of Appeal held that one person may not simultaneously perform the function of *advisor* in one case and *advocate* in another. The court relied on an "appearance of fairness" and reasoned that given the frequent contact between the Board and the assistant city attorney while petitioner's appeal was pending and stated, "it is only natural for them to develop a relationship. That is precisely the reason defendants must exercise vigilance and caution, to ensure not only fairness, but the appearance of fairness." (*Id.* at 816-817.)

- **LACERA Legal Office Adds Legal Disability Position**

Shortly after the *Quintero* decision, LACERA's Legal Office added the position of Legal Disability Counsel (currently Frank Boyd and Allison Barrett) to advise the Board and DRS on disability-retirement issues and to represent the Board when a member files a writ of mandamus in superior court. This left the DLO attorneys to solely advocate on behalf of LACERA during the disability-retirement administrative appeal process. This presented

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<sup>1</sup> These functions are currently performed by Legal Disability Attorneys (Mr. Boyd and Ms. Barrett).

a clear separation between the DLO in its *advocacy* role and Legal Disability in its *advisory* role considering the *Quintero* decision.<sup>2</sup>

## **B. Current Caseload for LACERA's Disability Litigation Office**

### **1) Disability Retirement Appeals**

A case inventory conducted in early January 2026 revealed that the DLO had a total office caseload of forty-four (44) appeals across all attorneys. Eleven (11) of these appeals were considered active in that either the Applicant's Prehearing Statement (PHS) had been filed, a hearing had occurred or had been scheduled, the appeal was at the briefing stage, or the appeal was coming before the Board for consideration.

- **Attorney-Represented Appeals**

Sixteen (16) appeals were represented by an attorney and eleven (11) of these appeals were active. Four (4) of these represented appeals were inactive because the Applicant's PHS has not yet been filed, and one (1) appeal was suspended and sent back to DRS to consider a new alleged injury or body part (i.e., an amended application under LACERA's Procedures for Disability Retirement Hearings, Rule 5(b)).

- **Unrepresented Appeals**

Of the forty-four (44) total appeals, twenty-seven (27) are not represented by an attorney. Twenty-two (22) of the unrepresented appeals are inactive, and four (4) have been suspended and sent back to DRS under Rule 5 to consider a new injury or body part. History shows that some unrepresented appeals will move forward with a hearing, but the majority are dismissed for lack of prosecution. For example, for the years 2024 and 2025, a total of eighteen (18) appeals were dismissed under Rule 32 of LACERA's disability-retirement procedural rules and only three (3) of those appeals were represented by an attorney.

### **2) Felony Forfeiture Appeals**

The DLO also represents LACERA in Felony Forfeiture appeals. Currently, there is one such appeal pending. However, this appeal is inactive while the member appeals his conviction in the Court of Appeal.

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<sup>2</sup> As will be discussed below, in 2009, the California Supreme Court overturned the rule in *Quintero* that one person may not simultaneously perform the function of *advisor* in one case and *advocate* in another.

### 3) DLO Budget

The DLO has an operating budget of \$2,516,477.00 for 2025/2026 fiscal year based on the current staffing model, with a separate Chief Counsel.

### III. Incorporation of LACERA's Disability Litigation Office into The Legal Office

Bringing DLO staff into LACERA's Legal Office is prudent based on its limited active caseload, and doing so will not violate members' due process rights.

#### A. Due Process

- ***Morongo Board of Mission Indians v. State Water Resources Control Bd., Decided under the Administrative Procedures Act***

In 2009, the California Supreme Court ruled in *Morongo Board of Mission Indians v. State Water Resources Control Bd.*<sup>3</sup> that applicants' due process rights are not violated during an administrative proceeding when the agency attorney *prosecuting* a matter in front of a deciding board (DLO attorneys) simultaneously serves as an *advisor* to the same board *on an unrelated matter*. The agency in *Morongo* was governed by the California Administrative Procedure Act (APA), a state regulation that does not apply to LACERA.<sup>4</sup> The court noted that the APA prohibits *ex parte* communications and requires internal separation of functions *on a case-by-case basis only (not altogether)*. The court noted that the Act only prohibited the prosecutor (DLO) from communicating directly with the decision maker (Board) or the decisionmaker's advisor (Legal Disability) about the substance of a particular case.<sup>5</sup> It is important to note that the APA only prohibits *ex parte* communications between advocates (DLO) and decision makers (Board), not communications between advocates (DLO) and advisors (Legal Disability).<sup>6</sup>

- **General Due Process**

In *Walker v. City of Berkeley*,<sup>7</sup> the court addressed general due process issues outside of the APA and concluded that due process prohibited the consolidation of advocacy and

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<sup>3</sup> *Morongo Band of Mission Indians v. State Water Resources Control Bd.*, (2009) 45 Cal.4th 731.

<sup>4</sup> *Allen v. Humboldt County Bd. of Supervisors* (1963) 220 Cal.App.2d 877, 883; see also *Garner v. City of Riverside* (1985) 170 Cal.App.3d 510, 516.

<sup>5</sup> *Morongo Band of Mission Indians v. State Water Resources Control Bd.*, *supra*, 45 Cal.4th 731, 738, 738.

<sup>6</sup> See Government Code sections 11430.10-80.

<sup>7</sup> *Walker v. City of Berkeley* (9th Cir. 1991) 951 F.2d 182

adjudicatory functions within a *single person in the same matter*.<sup>8</sup> This rule bars both formal and informal consolidation. In other words, someone who advocates for one side in a dispute (DLO) cannot also act as the decisionmaker—either directly or by advising the official decisionmaker to rule in that person’s favor.<sup>9</sup>

- **LACERA’s Chief Counsel may supervise DLO staff and attorneys and Legal Disability attorneys without violating members’ due-process rights as long as LACERA attorneys maintain a separation of function on a case-by-case basis.**

The above-described due process principles do not prevent LACERA’s Chief Counsel from supervising both DLO staff and also the advisory staff in Legal Disability as long as the LACERA attorneys all maintain a separation of function on a case-by-case basis. In other words, one attorney cannot wear both hats on a specific case—doing so would create a conflict. Chief Counsel may discuss the substance of an individual case with the DLO attorneys as long as he or she has not or does not discuss the merits of that same case with Legal Disability attorneys. Separation will be maintained between the Disability section of the Office and the Disability Litigation section on individual disability and felony forfeiture applications and appeals.

It is not likely that a court would conclude that incorporating the DLO into the Legal Office (1) violates the *Walker* principle by finding that DLO staff supplants the Board and/or Chief Executive Officer (“CEO”) as the de facto decisionmaker by virtue of communications with the Chief Counsel; or (2) violates the *Morongo Band* principle, by finding that the Chief Counsel becomes a de facto advocate by virtue of being allowed to communicate with DLO staff.<sup>10</sup>

Incorporating the DLO into the Legal Office will also allow the two DLO attorneys and staff to broaden their knowledge base beyond one limited area of law (disability retirement), opening the potential for further career development. Additionally, their knowledge and skills can be leveraged to support LACERA in other Legal or strategic areas in need. The change will also provide opportunities for enhanced cohesion among those involved in providing LACERA’s legal services. In addition, the consolidation will result in

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<sup>8</sup> *Id.* at 184. Although *Walker* is a federal case, California courts “have looked to the United States Supreme Court’s precedents for guidance in interpreting the contours of our own due process clause and have treated the state clause’s prescriptions as substantially overlapping those of the federal Constitution.” (*Today’s Fresh Start*, 57 Cal.4<sup>th</sup> at 212.)

<sup>10</sup> Again, it is important to note that the relevant provisions of the APA do not prohibit intra-agency communications between advocates and advisers. Rather, those provisions prohibit ex parte communications between advocates and *decisionmakers* on any issue in the proceeding. (Gov. Code §§ 11430.10–80.)

Board of Retirement  
Re: Incorporating the DLO into the Legal Office  
March 23, 2026  
Page 6

budgetary savings and efficiencies by eliminating the position of Chief Counsel for Disability Litigation and consolidating many of the goods and service needed to support Disability Litigation operations and those of Legal Office.

#### **IV. Conclusion**

For the reasons stated above, the CEO (with the consent of general and fiduciary counsel) has concluded that incorporating the DLO into LACERA's Legal Office is prudent, due to DLO's declining caseload, and will not violate members' due process rights. This merger will also provide an opportunity to broaden DLO staff's knowledge base and expand possibilities for career development. It will also serve to fill workload gaps in the Legal Office and other areas of the organization requiring Legal support and result in operational efficiencies and budgetary savings.

Attachment

**ATTACHMENT**



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**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**

**FOR DISCUSSION ONLY**

March 19, 2026

**TO:** Operations Oversight Committee  
Nancy M. Durazo, Chair  
Wayne Moore, Vice Chair  
Bobbie Fesler, Trustee  
Aleen Langton, Trustee  
David Ryu, Alternative Trustee

**FROM:** Ricki Contreras   
Administrative Services Division Manager  
  
Elsy Gutierrez   
Supervising Administrative Assistant II

**FOR:** April 1, 2026, Operations Oversight Committee Meeting

**SUBJECT: Policy for the Procurement of Goods and Services (Discussion)**

**EXECUTIVE SUMMARY**

This item is submitted to the Operations Oversight Committee for discussion and to provide feedback as appropriate. The Policy for the Procurement of Goods and Services is a living document that will be updated as organizational objectives and operational needs evolve. The policy establishes a governance framework to support the phased implementation and ongoing oversight of LACERA's Vendor Management Program.

In September 2024, the Board of Retirement (Board) adopted a revised Policy for the Procurement of Goods and Services to strengthen fiscal stewardship, transparency, and procurement governance. As part of these revisions, the informal bidding threshold was reduced from \$150,000 to \$25,000 to promote due diligence and competition.

While this change improved oversight, generated cost savings, and strengthened contract terms, inflation significantly reduced the purchasing power of the threshold and increased reliance on formal solicitations for lower-risk procurements. In November 2025, the Board raised the informal bidding threshold to \$100,000 and instructed staff to prepare a report on recent procurement activities, as well as to assess the potential impact of increasing the threshold further to \$250,000.

In February 2026 the Board increased the informal bidding threshold to \$250,000 and directed staff to return the Policy to the Operations Oversight Committee for further discussion. This item provides the Committee with an opportunity to review the policy updates and offer feedback, as appropriate.

## **DISCUSSION**

During its February 2026 meeting, the Board noted issues with the Policy's structure, use of terminology, and overall clarity. The latest draft incorporates changes prompted by Board feedback, with a focus on enhancing clarity, consistency, and overall organization within the Policy. The revisions are designed to address these concerns while maintaining the substantive policy direction previously endorsed by the Board.

To support the Board's review, two redline versions of the revised Policy are attached:

### **1. *Policy for the Procurement of Goods and Services (PGS) 0426 (r1) SUBSTANTIVE EDITS ONLY***

This file provides a clean, reader friendly version of the updated Policy.

- It incorporates all structural and formatting improvements, such as a table of contents, standardized headings, and a clearer outline.
- It does not show the broad structural changes as tracked edits, ensuring a more streamlined reading experience.

Additionally, the table of contents has been calibrated so that the page numbers align correctly once all tracked changes are accepted, supporting accuracy and ease of navigation.

### **2. *Policy for the Procurement of Goods and Services (PGS) 0426 (r1) FULL REDLINE***

This file includes all tracked changes, capturing both:

- Substantive and terminology related edits, and
- Major structural and formatting changes, such as reorganized sections, layout modifications, and other structural updates.

Because the structural edits were extensive, this version contains a high volume of redlines and is provided for full transparency and comparison.

Together, these two documents offer both a complete record of all revisions and a clean, accessible version to facilitate Board review.

### **NEXT STEPS**

Staff will consider the Operations Oversight Committee's feedback and, as appropriate, return the Policy to the Board of Retirement with recommended refinements, consistent with established governance processes.

Noted and Reviewed:



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Laura Guglielmo  
Assistant Executive Officer

### Attachments

EG: eg

- C: Luis Lugo, Chief Executive Officer
- JJ Popowich, Assistant Executive Officer
- Jon Grabel, Chief Investments Officer
- Steven P. Rice, Chief Counsel
- Leisha Collis, Chief Internal Audit
- Carly Ntoya, Director of Human Resources



# L.A. CERA

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

**Board of Retirement Pending Approval**

## **Policy for the Procurement of Goods and Services (PGS)**

**Authorizing Manager:** Ricki Contreras, Administrative Services Division

**Original Issue Date:** December 15, 2005

**Effective Date (Last Updated):** TBD

**Mandatory Review:** Every Three Years or as Needed

**Approval Level:** Board of Retirement

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## I. Purpose

To establish a standardized, transparent, and efficient process for Procurement, Contracts, and Vendor Management that ensures the selection of qualified Vendors. This process is designed to align with LACERA's Strategic Priorities of fiscal durability, legal compliance, risk management, and responsible stewardship of public resources.

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: fraud, waste, abuse, Conflicts of Interest, and operational disruptions.
- Ensure Contract compliance, measure Vendor performance, and mitigate risks associated with Vendors' potential noncompliance with Contract terms.
- Promote good governance and uphold LACERA's fiduciary duty to administer the system in a manner that ensures 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 Board Trustees who participate in the procurement or contracting of any Goods and Services.

## III. Legal Authority

The Board of Retirement has the discretion to adopt policies as it deems prudent as part of its plenary authority and fiduciary responsibility for administering 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

The terms in this Policy or in any documents related to the Procurement process, have the following meaning:

**Amendment:** A formal written change to a Contract that modifies, adds, or removes specific terms agreed upon by all authorized parties. An Amendment may include a Renewal or Extension of an existing Contract.

**Bid:** A Vendor's price Quotation and description of Goods and/or Services received in reply to a Solicitation from LACERA.

**Bidder:** A Vendor who responds to a Solicitation.

**Business Owner:** The individual within a LACERA division that receives the purchased Goods, contracted Services, or is responsible for monitoring and managing Vendor performance.

**Conflict of Interest:** As explained in LACERA's [Code of Ethical Conduct](#) and in compliance with the disclosure requirements of the [Conflict of Interest Code](#).

**Consultant:** An individual or firm that provides consulting services to LACERA and does not involve an employer–employee relationship.

**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 Analyst:** LACERA staff member responsible for managing the contracting process for Goods and Services, including Solicitation, sourcing, development, execution, and Vendor lifecycle in accordance with this Policy.

**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, designees, or other individuals associated with the Contractor, subcontractor, or Vendor who participated in, knew of, or had reason to know of the Contract.

**Electronic Sealed Bid:**

A Bid submitted through an authorized procurement system until the Bid closing deadline, ensuring confidentiality, fairness, and integrity of the formal bidding process through system-enforced access controls, date-and-time restrictions, and a documented audit trail.

**Extension:**

The process of lengthening the duration of an existing agreement beyond its original end date. All other Contract terms remain the same, enabling both parties to operate in accordance with the established agreement.

**Goods:**

Supplies, products, materials, or equipment. "Goods" does not include Services.

**Invoice:**

A document showing the details of the transaction, including the quantity, price, terms, nature of delivery, and other particulars pertaining to the Goods sold or Services rendered.

**IT-Related Procurements:**

Refers to the purchase of information technology Goods and/or Services. These can include computers, servers, storage devices, printers, scanners, operating systems, productivity software, enterprise applications, security software, software licenses, and cloud-based subscriptions.

**Procurement (Procure):**

The strategic process of acquiring Goods and/or Services through planning, sourcing, negotiation, and contracting.

**Procurement Buyer:**

A Procurement Unit staff member responsible for executing purchases that require a Purchase Order (PO). Procurement Buyers verify that Requisitions have the required approvals before initiating procurement, determine the appropriate purchasing method, manage competitive bidding processes, negotiate pricing, and issue and administer Purchase Orders for Goods and Services in accordance with established policies and procedures.

**Proposal:**

A submission from a Vendor in response to a Request for Proposal (RFP) that includes technical, management, and cost information and is evaluated using multiple criteria.

**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, and prices, and it identifies a specific Vendor.

**Quotation (Quote):** A statement of price, terms of sale, and description of the Goods and/or Services offered by a Vendor to LACERA. This is normally in reply to an inquiry and often considered an offer to sell.

**Renewal:** The process of continuing a business relationship by executing a new Contract. Both parties may renegotiate terms to match current market conditions, performance history, and evolving needs.

**Request for Information (RFI):** A general invitation requesting information for potential future 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 potential 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 in which a document is issued to one or more prospective Vendors to request Quotations for Goods and/or Services. An RFQ typically seeks an itemized price list for clearly defined and quantifiable items, such as hardware. This method is used when requirements are precise and complete and cost is the primary factor in the award decision.

**Request for Supplier Qualifications (RFSQ):** A Solicitation method allowing Vendors who meet the minimum qualifications and accept LACERA's terms and conditions to become authorized Vendors in their respective categories. When Services are required, pre-qualified Vendors submit proposals in their categories. Purchase Orders are awarded to the lowest-priced qualified Bidder unless other evaluation criteria apply.

**Requisition:** A formal request for the purchase of Goods or contracting of Services.

**Response:** A submission from a potential Vendor in reply to a Solicitation.

**Service(s):** The performance of labor and the application of expertise 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.

**Solicitation:** A document or process used to communicate LACERA's requirements to potential Bidders requesting a Response in the form of a Quote or proposal of Goods and/or Services.

**Specification(s):** A clear, complete, and specific description of the technical requirements for a product, system, or Service.

**Statement of Work:** A comprehensive, clear, and detailed written statement outlining all the work to be performed under the Contract, including deliverables, timeline, and acceptance criteria as mutually agreed upon by the Vendor and LACERA.

**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.

**Vendor Management:** The LACERA business unit within the Administrative Services Division responsible for overseeing the Vendor lifecycle, including monitoring Vendor performance for compliance with all the terms and conditions contained within this Policy, the Contract, and other Procurement documents.

## V. Purchasing and Contracting Policy

Employees who participate in the Procurement process must conduct their duties in accordance with LACERA's Values, [Code of Ethical Conduct](#), [Conflict of Interest Code](#), and other applicable laws, regulations, and LACERA policies and procedures. Employees must prevent actual or perceived Conflicts of Interest.

### A. Purchasing and Contracting Authority

The Board of Retirement (Board) has the authority to purchase and delegate the authority to purchase Goods and Services necessary to administer the system in a manner that ensures 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 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 Administrative Services Officers, Procurement Buyers, and Contract Analysts.

### B. Technology, Data, and Information Security Review (IT Assessment)

All IT-Related Procurements must be approved by the Systems Division and the Information Security Office (InfoSec). The Systems Division Manager will identify the IT-Related Procurements that require the written approval of the [IT Coordination Council \(ITCC\)](#). The CEO has the final approval authority over all IT purchases.

## **C. Request for Procurement of Goods and/or Contracting of Services (Requisitions)**

All Requisitions managed by Vendor Management must be submitted through LACERA's Enterprise Contract Lifecycle Management System (ECLM) and will require approvals at the appropriate authority levels as indicated in Exhibit A. Division Managers are responsible for ensuring that approved Requisitions do not exceed their division's budget expenditures for the fiscal year.

Requisitions that require Board approval must be authorized through direct Board action. Once approved by the Board, the Business Owner is permitted to publish the Solicitation unless there are significant changes to the Statement of Work or the cost exceeds the budgeted amount approved by the Board.

### **1. Requisitions for Purchase Orders (POs)**

The Procurement Unit within the Administrative Services Division is responsible for purchasing Goods and/or Services that require a PO. Procurement Buyers determine the purchasing method, manage competitive Bids, negotiate prices, and manage POs in accordance with this Policy.

### **2. Requisitions for Contracts**

The Contracts Unit within the Administrative Services Division is responsible for processing Contract Requisitions for Goods and/or Services. The Contract Analysts prepare Solicitation packets, manage the Solicitation process, assist with Bid evaluations, conduct market research on prices, perform Vendor due diligence, negotiate prices, and oversee the final execution of the Contracts in accordance with this Policy.

## **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. 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 Non-Competitive Procurement; they are existing agreement-based 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.

### **3. 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 orders (POs) for 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.

## **E. Types of Purchasing Transactions**

### **1. Purchase Orders (POs)**

POs must include the following information:

- PO Number: Buyers will assign a unique PO Number
- PO Date: Date the PO was created
- Order details
- Detailed description of Goods and/or equipment
- Technical Specifications or requirements if applicable
- Quantity and unit price
- Delivery date
- Shipping methods
- Payment terms
- Special or other conditions or requirements

### **2. Contracts**

Contracts are used for 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. All Contracts must be approved by LACERA’s Legal Office. Whenever possible, the use of Contracts is preferred.

### **3. Corporate Credit Card Purchases**

Authorized employees can use a Corporate Credit Card to purchase Goods and/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 Procurements. IT-Related Procurements must be approved by the Information Security Office and the Legal Office prior to the renewal date.

### **4. Prohibited Purchases**

LACERA staff shall exercise prudence, transparency, 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). However, corporate cardholders, subject to the Executive Office's prior written approval, may purchase food and beverages for Board meetings, conferences, employee recognition ceremonies, or other official events conducted to improve the quality of service provided to LACERA members. Purchases must not violate LACERA's [Code of Ethical Conduct](#) or [Corporate Credit Card Policy](#).

### **5. 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. The Chief Executive Officer must ratify purchases that were not pre-approved by the appropriate authority as indicated in Exhibit A. The requesting division manager must also submit a statement of good cause explaining why they did not follow 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 or otherwise not in accordance with the processes outlined in this Policy.

### **6. Fragmenting (Split Purchasing)**

To 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 and/or Services to avoid the competitive bidding process or circumvent the appropriate approval and/or signing authority levels. To avoid fragmenting, Business Owners must consider the aggregate value of the Goods and Services.

### **7. Invoice Processing**

POs and Contracts must include instructions on how to submit Invoices for payment. Business Owners are responsible for updating the billing address

and email. All Invoices must be validated against the original PO and delivery documents before payment is made.

## **F. Competitive Bidding Process**

*For purposes of this Policy, the term “Response” may be used generically to refer to Bids, Proposals, or Quotations submitted in reply to a Solicitation.*

Competitive bidding is the process of obtaining Responses for the same Goods and/or Services from multiple Vendors. LACERA utilizes competitive bidding to survey the marketplace and obtain Goods and Services from qualified Vendors at competitive prices. The award is given to the most “responsible Bidder.” 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 on the Vendor Client Gateway and submit required documentation.

### **1. Informal Bidding**

Informal bidding involves soliciting at least three Bids or quotations by email, catalogues, or other methods that do not require public posting or formal procedures. Informal bidding may include issuing a Request for Quotation (RFQ).

### **2. Formal Bidding**

Formal bidding requires a public posting of the Solicitation, Electronic Sealed Bids, and public disclosure of competition, Contract awards, or rejections. Formal bidding may include the following Solicitation types: Request for Proposal (RFP), Request for Information (RFI), and Request for Supplier Qualifications (RFSQ). See Section IV for definitions of these solicitation types.

## **G. Bidders’ Conference**

A Bidders’ Conference is held to provide potential Bidders with detailed information about the Solicitation, clarify requirements, and answer questions before Bids are submitted. The questions and answers must be prepared as an Amendment to the Solicitation and sent to all potential Bidders during the Bidders’ Conference, via email, or at any other time prior to the Bid closing date.

## **H. Evaluation Process and Due Diligence**

All Responses must be evaluated against the uniform criteria and process outlined in the Solicitation document. The Solicitation document must provide enough information for the Bidders 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 evaluation document and the Solicitation, the two documents should be developed simultaneously. 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 and criteria:

- 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 plans.
  - Pricing/cost: The proposal is within the allocated budget, competitively priced, and is best value for LACERA.
  - Optional oral interviews and/or site visits as requested by LACERA on a case-by-case basis.

LACERA reserves the right to award the Contract to the submission that offers the best value, which includes accepting LACERA's Contract terms. Excessive mark-ups or deletion of LACERA's Contract 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 Services and/or Goods 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.

- a) The evaluation committee should be composed of at least one representative from:
  - Contracts Unit

- Subject-matter expert(s)
  - PMO (if applicable)
  - Information Security Office (must participate in IT-related proposals)
- b)** The Contracts Unit facilitates and ensures the integrity of the evaluation process. They are responsible for the following:
- Conducting Vendor risk assessments
  - Conducting Vendor reference checks
  - Setting up Bidders' 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 replies to Vendor questions
    - Summarizing scores, rankings, and evaluation results
    - Obtaining additional information from Vendors
    - Developing approval materials for management or Boards
    - Gathering and archiving evaluation documents submitted by each Committee Member
    - Sending Bid award and non-award letters to Vendors
    - Responding to any Vendor appeal
- c)** The Evaluation Committee's responsibilities include:
- Evaluation: Committee members must separately evaluate the Responses 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 proposals, 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.
  - Accounting staff 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 Response. The score sheet must include written documentation of reference checks and financial statement analysis to support the rating in those categories.

### **3. 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 Vendors that do not meet all 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 requirement before the Contract can be executed.

### **4. 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 the Business Owner and LACERA.

The Legal Office must review and approve all Contracts prior to execution.

## **I. 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 in a timely manner to the Board.

## J. Policy Exemptions

### 1. Board and Committee Approved Vendors

The Purchasing Agent is responsible for the Solicitation process for all Procurement of 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 Healthcare 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, Internal Audit, and the Ethics and Compliance Office to investigate any matter within their scope of responsibility, including outside counsel and Consultants.
- Procurement by the Legal Division to investigate employment claims and other matters within the scope of their responsibility, including outside counsel and Consultants.
- Services governed by the [Investment Related Services Procurement Policy](#), including investment managers, Consultants, legal Services, appraisers, auditors, custodians, securities lending providers, and independent fiduciaries.

### 2. Procurement Risk Mitigation for Critical Infrastructure

Non-Competitive Procurements for critical infrastructure may be warranted when significant cybersecurity, operational, or strategic risks are identified. The Information Security Committee (ISC) must assess the risks and give written guidance to the Vendor Management Group on the appropriate Solicitation method. This approach promotes a proactive and risk-conscious Procurement process, aligning operational objectives with security and compliance considerations. It also enables LACERA to safeguard sensitive information and sustain uninterrupted service delivery.

The ISC may assess vendors based on various risk factors including:

- Platform Migration Risks: When there is a possibility of disruption to operations and user experience.
- Data Security Concerns: Where there is a necessity for trusted Vendors to ensure confidentiality and regulatory compliance.
- System Compatibility Risks: Where there is a risk of data loss or integration failures.

- Specialized Vendor Expertise: There is a possibility that specific capabilities needed are not easily accessible in the market, which may result in extended service interruptions.

### **3. IT-Related Procurements Exempt from Board Approval**

Requisitions for critical infrastructure software and hardware licenses that continue existing Services that have already been approved by the Board, including cloud-based subscriptions and maintenance service agreements, are exempt from Board approval if they meet the risk criteria outlined above.

### **4. Non-Competitive Procurements**

LACERA uses a non-competitive Procurement method when competition is not practicable due to the unique qualifications of a Vendor or compelling business reasons documented in a justification memorandum prepared by the Business Owner. Non-Competitive Procurements must be approved by the Chief Executive Officer or their designee and reported to the Board.

Non-competitive Procurements 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 justifications for non-competitive Procurements 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 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
- Goods and Services that are purchased 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 and cannot be exceeded without extreme hardship or risk to LACERA
- A unique and proprietary solution was offered in the best interest of LACERA

### **5. 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, which affects the health, safety, and welfare of LACERA staff or members, impairs LACERA's legal rights, creates an actual or potential legal liability, 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, to timely perform requisite job duties, or to comply with any LACERA policies and procedures does not constitute a justifiable emergency.

In a justifiable emergency, the CEO or their designee may procure Goods and Services beyond stated discretionary spending limits, as deemed 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. Any emergency purchases shall be subject to review by the Legal Office, unless rendered unfeasible by the emergency circumstances, which will require written substantiation documenting the unfeasibility and submitted to the Legal Office at least fifteen (15) days in advance of the date of the emergency purchase.

Emergency purchases requiring confidentiality may be made without notifying the Procurement Unit, provided the grounds of the confidentiality and the steps that need to be taken to protect it are recorded. 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 CEO, 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, a 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.

## **K. Contract Lifecycle Management and Vendor Onboarding**

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 Agreements, Information Security Reports or Questionnaire, Certificate(s) of Insurance, and Form W-9.

## **L. Performance Management**

The Business Owner and Vendor Management Group 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'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, etc.
- Coordinating Contract Amendments or Extensions with LACERA's Legal Office.

## **1. Contract Closeout**

The Business Owner must complete a Contract Close Out Form and submit it to Vendor Management Group. Vendor Management must prepare a final Vendor evaluation report. The report must include the following information:

- Whether the Vendor fulfilled their obligations under the Contract
- Any additional costs or amounts owed to Vendor
- Feedback from the Business Owner

## **2. Receiving and Paying Invoices**

Business Owners are responsible for reviewing invoices, verifying that goods and services have been received, and confirming invoices for payment. Procurement Staff are responsible for reviewing and processing invoices for standard stock and must check the Invoice against its corresponding PO and delivery receipt. The purchasing, receiving, and payments must be completed 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.

#### **M. 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 approved by the Division Manager.

#### **N. Commitment to Transparency and Integrity**

The Vendor Management Group will provide the Board with a monthly report on all contract activity, including awards, Extensions, and terminations. Vendor Management will also report all expenditures that exceed the original approved project budget.

#### **O. 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 from diverse backgrounds, including 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.

#### **P. 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 or made from recycled material.

#### **Q. Procedures Manual**

The Vendor Management Group shall be responsible for preparing and maintaining a Procedures Manual that details the purchasing process and any delegated duties and defined terminology. The Procedures Manual shall include this Policy and must be approved by the Chief Executive Officer. The 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:**

- [Contract Approval Form](#) (Internal Document)
- [Contract Amendment Form](#) (Internal Document)
- [IT Assessment Form](#) (Internal Document)
- [Contract Close Out Form](#) (Internal Document)

**VII. Version History**

**Update/Review Summary:** This Policy supersedes the following prior version:

- Policy For Purchasing Goods and Services: September 4, 2024

**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.

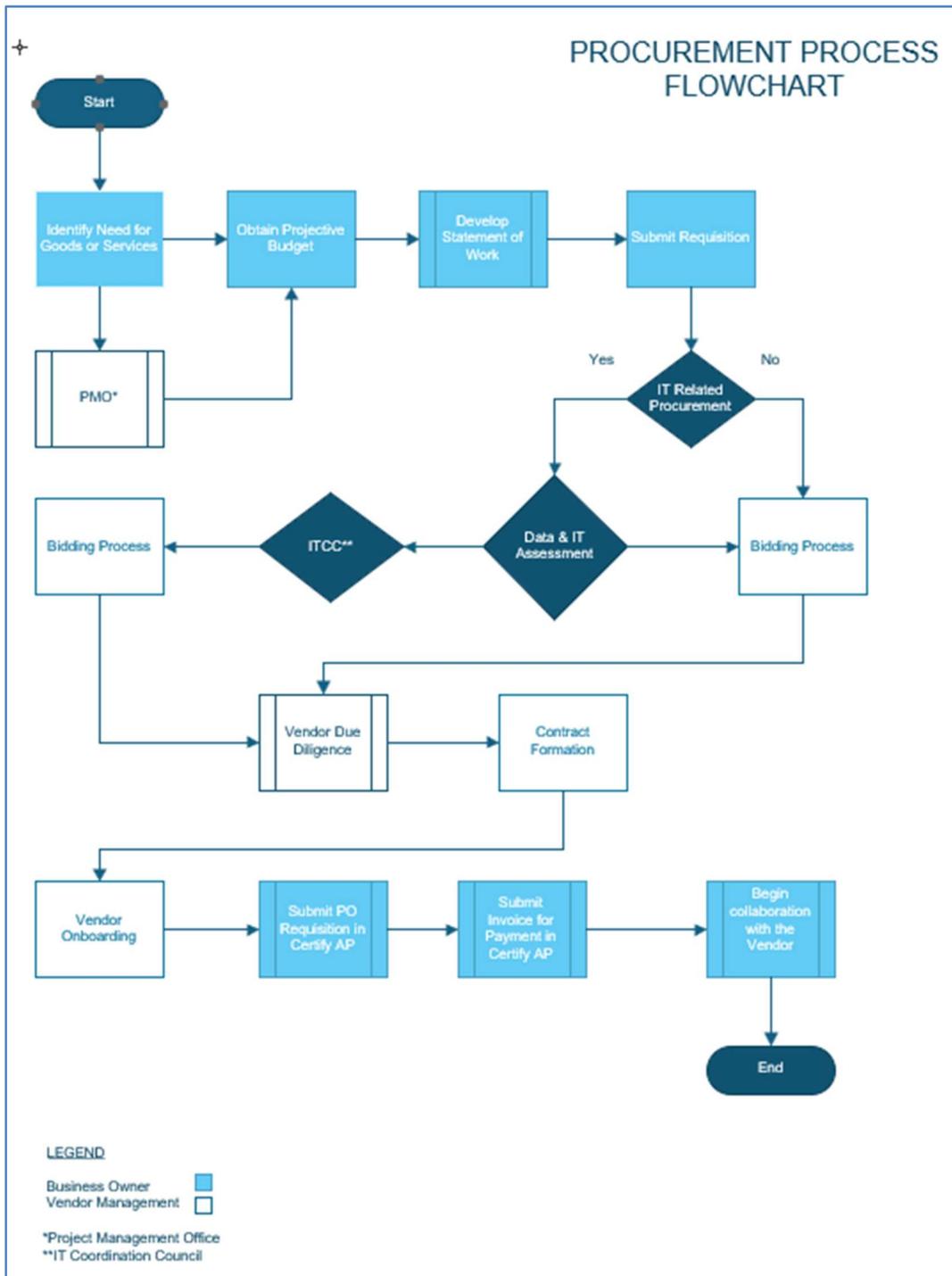
**Exhibit A: Requisition Approval Authority and Solicitation Method Requirements**

Requisition Approval Authority and Solicitation Method Requirements		
Total Purchase or Contract Value	Approval Authority	Bid Type
Up to \$5,000	Division Manager	Not Required
\$5,001 - \$250,000	Division Manager <b>and</b> Assistant Executive Officer.	Informal Bid
\$250,001 - \$500,000	Division Manager <b>and</b> Assistant Executive Officer <b>and</b> Deputy Chief Executive Officer <b>and</b> Chief Executive Officer <b>or</b> Authorized Designee.	Formal Bid
Exceeds \$500,000	With documented Board pre-approval, Division Manager <b>and</b> Assistant Executive Officer <b>and</b> Deputy Chief Executive Officer <b>and</b> Chief Executive Officer <b>or</b> Authorized Designee.	Formal Bid

**Exhibit B: Contract Signing Authority**

Contract Signing Authority	
Total Contract Value	Signing Authority
Up to \$5,000	Division Manager
\$5,001 - \$250,000	Division Manager <b>and</b> Assistant Executive Officers.
\$250,001 - \$500,000	Division Manager <b>and</b> Assistant Executive Officer <b>and</b> Deputy Chief Executive Officer <b>and</b> Chief Executive Officer <b>or</b> Authorized Designee.
Exceeds \$500,000	With documented Board pre-approval, Division Manager <b>and</b> Assistant Executive Officer <b>and</b> Deputy Chief Executive Officer <b>and</b> Chief Executive Officer <b>or</b> Authorized Designee.

## Exhibit C: Procurement Process Flowchart





File name: Policy for the Procurement of Goods and Services (PGS) 0426 (rl)  
SUBSTANTIVE EDITS ONLY

# L/CERA

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

**Board of Retirement Pending Approval**

## **Policy for the Procurement of Goods and Services (PGS)**

**Authorizing Manager:** Ricki Contreras, Administrative Services Division

**Original Issue Date:** December 15, 2005

**Effective Date (Last Updated):** TBD

**Mandatory Review:** Every Three Years or as Needed

**Approval Level:** Board of Retirement

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## I. Purpose

To establish a standardized, transparent, and efficient process for Procurement, Contracts, and Vendor Management that ensures the selection of qualified Vendors. This process is designed to align with LACERA's Strategic Priorities of fiscal durability, legal compliance, risk management, and responsible stewardship of public resources.

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: fraud, waste, ~~and~~ abuse, ~~avoid~~ Conflicts of Interest, and ~~prevent~~ operational disruptions.
- Ensure Contract compliance, measure Vendor performance, and mitigate risks associated with Vendors' potential noncompliance with Contract terms.
- Promote good governance and uphold LACERA's fiduciary duty to administer the system in a manner that ~~assures~~ ensures 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 Board Trustees who participate in the procurement or contracting of any Goods and Services.

## III. Legal Authority

The Board of Retirement has the discretion to adopt policies as it deems prudent as part of its plenary authority and fiduciary responsibility for administering 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

The terms in this Policy or in any documents related to the Procurement process, have the following meaning:

**Amendment:** A formal written change to a Contract that modifies, adds, or removes specific terms agreed upon by all authorized parties. An Amendment may include a Renewal or Extension of an existing Contract.

**Bid:** A Vendor's price Quotation and description of Goods and/or Services received in reply to a Solicitation from LACERA.

**Bidder:** A Vendor who responds to a Solicitation.

**Business Owner:** The individual within a LACERA division that receives the purchased Goods, contracted Services, or is responsible for monitoring and managing Vendor performance.

**Conflict of Interest:** As explained in LACERA's [Code of Ethical Conduct](#) and in compliance with the disclosure requirements of the [Conflict of Interest Code](#).

**Consultant:** An individual or firm that provides consulting services to LACERA and does not involve an employer–employee relationship.

**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 Analyst:** LACERA staff [member](#) responsible for managing the contracting process for Goods and Services, including Solicitation, sourcing, development, execution, and Vendor lifecycle in accordance with this Policy.

**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, designees, or other individuals associated with the Contractor, subcontractor, or Vendor who participated in, knew of, or had reason to know of the Contract.

**Electronic Sealed Bid:**

A Bid submitted through an authorized procurement system until the Bid closing deadline, ensuring confidentiality, fairness, and integrity of the formal bidding process through system-enforced access controls, date-and-time restrictions, and a documented audit trail.

**Extension:**

The process of lengthening the duration of an existing agreement beyond its original end date. All other Contract terms remain the same, enabling both parties to operate in accordance with the established agreement.

**Goods:**

Supplies, products, materials, or equipment. “Goods” does not include Services.

**Invoice:**

A document showing the details of the transaction, including the quantity, price, terms, nature of delivery, and other particulars pertaining to the Goods sold or Services rendered.

**IT-Related Procurements:**

Refers to the purchase of information technology Goods and/or Services. These can include computers, servers, storage devices, printers, scanners, operating systems, productivity software, enterprise applications, security software, software licenses, and cloud-based subscriptions

**Procurement (Procure):**

~~Procurement is the~~The strategic process of acquiring Goods and/or Services through planning, sourcing, negotiation, and contracting.

**Procurement Buyer:**

A Procurement Unit staff member responsible for executing purchases that require a Purchase Order (PO). Procurement Buyers verify that Requisitions have the required approvals before initiating procurement, determine the appropriate purchasing method, manage competitive bidding processes, negotiate pricing, and issue and administer Purchase Orders for Goods and Services in accordance with established policies and procedures.

**Proposal:**

A submission from a Vendor in response to a Request for Proposal (RFP) that includes technical, management, and cost information and is evaluated using multiple criteria.

**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, and prices, and it identifies a specific Vendor.

**Quotation (Quote):** A statement of price, terms of sale, and description of the Goods and/or Services offered by a Vendor to LACERA. This is normally in reply to an inquiry and often considered an offer to sell.

**Renewal:** The process of continuing a business relationship by executing a new Contract. Both parties may renegotiate terms to match current market conditions, performance history, and evolving needs.

~~**Request for Bid (RFB):** A Solicitation method used for high-value Goods and Services with well-defined requirements where price is the main factor.~~

**Request for Information (RFI):** A general invitation requesting information for potential future 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 potential 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 in which~~ a document is issued to one or more ~~potential prospective~~ Vendors to ~~solicit request~~ Quotations for Goods and/or Services. ~~Typically, an~~ RFQ ~~typically~~ seeks an itemized price list of prices for ~~Goods or services that are well~~ clearly defined and quantifiable items, such as hardware. This method is used when requirements are precise and complete and cost is the primary factor in the award decision.

~~**Request for Supplier Qualifications (RFSQ):** A Solicitation method allowing Vendors who meet the minimum qualifications and accept LACERA's terms and conditions to become authorized Vendors in their respective categories. When Services are required, pre-qualified Vendors submit proposals in their categories. Purchase Orders are awarded to the lowest-priced qualified Bidder unless other evaluation criteria apply.~~

**Requisition:** A formal request for the purchase of Goods or contracting of Services.

**Response:** A submission from a potential Vendor in reply to a Solicitation.

**Service(s):** The performance of labor and the application of expertise 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.

**Solicitation:** A document or process used to communicate LACERA's requirements to potential Bidders requesting a Response in the form of a Quote or proposal of Goods and/or Services.

**Specification(s):** A clear, complete, and specific description of the technical requirements for a product, system, or Service.

**Statement of Work:** A comprehensive, clear, and detailed written statement outlining all the work to be performed under the Contract, including deliverables, timeline, and acceptance criteria as mutually agreed upon by the Vendor and LACERA.

**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.

**Vendor Management:** The LACERA business unit within the Administrative Services Division ~~is~~ responsible for overseeing the Vendor lifecycle, including monitoring Vendor performance for compliance with all the terms and conditions contained within this Policy, the Contract, and other Procurement documents.

## V. Purchasing and Contracting Policy

Employees who participate in the Procurement process must conduct their duties in accordance with LACERA's Values, [Code of Ethical Conduct](#), ~~and in compliance with the [Conflict of Interest Code](#)~~, and other applicable laws, regulations, and LACERA policies and procedures. Employees must prevent actual or perceived Conflicts of Interest.

### A. Purchasing and Contracting Authority

The Board of Retirement (Board) has the authority to purchase and delegate the authority to purchase Goods and Services necessary to administer the system in a manner that ensures 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 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 Administrative Services Officers, Procurement Buyers, and Contract Analysts.

### B. Technology, Data, and Information Security Review (IT Assessment)

All IT-Related Procurements must be approved by the Systems Division and the Information Security Office (InfoSec). The Systems Division Manager will identify the IT-Related Procurements that require the written approval of the [IT Coordination Council \(ITCC\)](#). The CEO has the final approval authority over all IT purchases.

## C. Request for Procurement of Goods and/or Contracting of Services (Requisitions)

All Requisitions managed by Vendor Management must be submitted through LACERA's Enterprise Contract Lifecycle Management System (ECLM) and will require approvals at the appropriate authority levels as indicated in Exhibit A. Division Managers are responsible for ensuring that approved Requisitions do not exceed their division's budget expenditures for the fiscal year.

Requisitions that require Board approval must be authorized through direct Board action. Once approved by the Board, the Business Owner is permitted to publish the Solicitation unless there are significant changes to the [Scope Statement](#) of Work or the ~~final Contract~~ cost exceeds the budgeted amount approved by the Board. ~~For any modifications to the Scope of Work or cost, the Business Owner must seek additional Board approval prior to awarding the Contract.~~

### 1. Requisitions for Purchase Orders (POs)

The Procurement Unit within the Administrative Services Division is responsible for purchasing Goods and/or Services that require a PO. ~~Business Owners are responsible for determining the technical Specifications and/or Service requirements. The Procurement Unit Buyers must ensure that the appropriate authority approves the Requisitions before starting the Procurement process.~~ Procurement Buyers determine the purchasing method, manage competitive Bids, negotiate prices, and manage POs [in accordance with this Policy](#).

### 2. Requisitions for Contracts

The Contracts Unit within the Administrative Services Division is responsible for processing Contract Requisitions for Goods and/or Services. ~~The Business Owners are responsible for developing the Statement of Work, which includes all elements of the required work, 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 oversee the final execution of the Contracts [in accordance with this Policy](#).

## 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. 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 Non-Competitive Procurement; they are existing agreement-based 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.

## **3. 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 orders (POs) for 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.

## **E. Types of Purchasing Transactions**

### **1. Purchase Orders (POs)**

POs must include the following information:

- PO Number: Buyers will assign a unique PO Number
- PO Date: Date the PO was created
- Order details
- Detailed description of Goods and/or equipment
- Technical Specifications or requirements if applicable
- Quantity and unit price

- Delivery date
- Shipping methods
- Payment terms
- Special or other conditions or requirements

## **2. Contracts**

Contracts are used for 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. All Contracts must be approved by LACERA's Legal Office. Whenever possible, the use of Contracts is preferred.

## **3. Corporate Credit Card Purchases**

Authorized employees can use a Corporate Credit Card to purchase Goods and/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 Procurements. IT-Related Procurements must be approved by the Information Security Office and the Legal Office prior to the renewal date.

## **4. Prohibited Purchases**

LACERA staff shall exercise prudence, transparency, 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). However, corporate cardholders, subject to the Executive Office's prior written approval, may purchase food and beverages for Board meetings, conferences, employee recognition ceremonies, or other official events conducted to improve the quality of service provided to LACERA members. Purchases must not violate LACERA's [Code of Ethical Conduct](#) or [Corporate Credit Card Policy](#).

## **5. 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. The Chief Executive Officer must ratify purchases that were not pre-approved by the appropriate authority as indicated in Exhibit A. The requesting division manager must also submit a statement of good cause explaining why they did not follow 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 or otherwise not in accordance with the processes outlined in this Policy.

## 6. Fragmenting (Split Purchasing)

To 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 and/or Services to avoid the competitive bidding process or circumvent the appropriate approval and/or signing authority levels. To avoid fragmenting, Business Owners must consider the aggregate value of the Goods and Services.

## 7. Invoice Processing

POs and Contracts must include instructions on how to submit Invoices for payment. Business Owners are responsible for updating the billing address and email. ~~To facilitate payment, paper 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 made.

## F. Competitive Bidding Process

*For purposes of this Policy, the term "Response" may be used generically to refer to Bids, Proposals, or Quotations submitted in reply to a Solicitation.*

Competitive bidding is the process of obtaining ~~Bids~~ Responses for the same Goods and/or Services from multiple Vendors. LACERA utilizes competitive bidding to survey the marketplace and obtain Goods and Services from qualified Vendors at competitive prices. The award is given to the most "responsible Bidder." 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 on the Vendor Client Gateway and submit required documentation.

### 1. Informal Bidding

Informal bidding ~~refers to the process of~~ involves soliciting at least three Bids or quotations by email, catalogues, or other methods that do not require ~~a~~ public posting or formal procedures. Informal bidding may include issuing a Request for Quotation (RFQ).

#### ~~a) — Request for Quotation (RFQ)~~

~~A Solicitation method used for Goods and Services with well-defined requirements where cost is the primary determining factor.~~

### 2. Formal Bidding

~~The formal~~ Formal bidding ~~process~~ requires a public posting of the Solicitation, sealed Electronic Sealed Bids, and public disclosure of competition, Contract awards, or rejections.

~~The primary Formal bidding may include the following Solicitation types used for formal bidding are:~~

~~a) — Request for Bid (RFB)~~

~~A formal Solicitation method used for high value Goods with well defined requirements where price is the main factor, or for Services that do not require a complicated evaluation.~~

~~b) — Request for Proposal (RFP)~~

~~A Solicitation method used for high value Goods or Services where technical expertise, innovation, or multiple evaluation factors are needed. Bids are evaluated on both technical and financial criteria.~~

~~c) — Request for Information (RFI)~~

~~A Solicitation method used to gather information, understand market capabilities, or refine requirements. An RFI does not result in an award without a secondary formal Solicitation.~~

~~d) , and Request for Supplier **Qualification**Qualifications (RFSQ)). See Section IV for definitions of these solicitation types. A Solicitation method allowing vendors who meet the minimum qualifications and accept LACERA's terms and conditions to become authorized Vendors in the respective categories. When Services are required, pre-qualified Vendors submit proposals in their categories. Purchase Orders are awarded to the lowest-priced qualified Bidder unless other evaluation criteria apply~~

## G. Bidders' Conference

A Bidders' Conference is held to provide potential Bidders with detailed information about the Solicitation, clarify requirements, and answer questions before Bids are submitted. The questions and answers must be prepared as an Amendment to the Solicitation and sent to all potential Bidders during the Bidders' Conference, via email, or at any other time prior to the Bid closing date.

## H. Evaluation Process and Due Diligence

All ~~Bids and proposals~~Responses must be evaluated against the uniform criteria and process outlined in the Solicitation document. The Solicitation document must provide enough information for the Bidders 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 evaluation document and the Solicitation, 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 and criteria:

- 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 plans.
  - Pricing/cost: The proposal is within the allocated budget, competitively priced, and is best value for LACERA.
  - Optional oral interviews and/or site visits as requested by LACERA on a case-by-case basis.

LACERA reserves the right to award the Contract to the submission that offers the best value, which includes accepting LACERA's Contract terms. Excessive mark-ups or deletion of LACERA's Contract 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 Services and/or Goods 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.

- a) The evaluation committee should be composed of at least one representative from:
  - Contracts Unit
  - Subject-matter expert(s)
  - PMO (if applicable)
  - Information Security Office (must participate in IT-related proposals)

- ~~Legal (when exceptions are taken to LACERA's terms and conditions, or anytime legal advisory is needed or indicated).~~

- b) The Contracts Unit facilitates and ensures the integrity of the evaluation process. They are responsible for the following:
- Conducting Vendor risk assessments
  - Conducting Vendor reference checks
  - Setting up Bidders' 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 replies to Vendor questions
    - Summarizing scores, rankings, and evaluation results
    - Obtaining additional information from Vendors
    - Developing approval materials for management or Boards
    - Gathering and archiving evaluation documents submitted by each Committee Member
    - Sending Bid award and non-award letters to Vendors
    - Responding to any Vendor appeal
- c) The Evaluation Committee's responsibilities include:
- Evaluation: Committee members must separately evaluate the Bids Responses 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 proposals, 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.
  - Accounting staff 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~~Response. The score sheet must include written documentation of reference checks and financial statement analysis to support the rating in those categories.

### **3. 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 Vendors that do not meet all 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 requirement before the Contract can be executed.

### **4. 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 the Business Owner and LACERA.

The Legal Office must review and approve all Contracts prior to execution.

## **I. 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 ~~timely~~ reported in a timely manner to the Board.

## **J. Policy Exemptions**

### **1. Board and Committee Approved Vendors**

The Purchasing Agent is responsible for the Solicitation process for all Procurement of 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 Healthcare Benefits Program, such as ~~including~~ health plan providers, plan managers, Consultants, auditors, and independent fiduciaries.
- Procurement of Services necessary for the Audit, Compliance, Risk, and Ethics (ACRE) Committee, Internal Audit, and the Ethics and Compliance Office to investigate any matter within their scope of responsibility, including outside counsel and Consultants.
- Procurement by the Legal Division to investigate employment claims and other matters within the scope of their responsibility, including outside counsel and Consultants.
- Services governed by the [Investment Related Services Procurement Policy](#), including investment managers, Consultants, legal Services, appraisers, auditors, custodians, securities lending providers, and independent fiduciaries.

## 2. Procurement Risk Mitigation for Critical Infrastructure

Non-Competitive Procurements for critical infrastructure may be warranted when significant cybersecurity, operational, or strategic risks are identified. The Information Security Committee (ISC) must assess the risks and give written guidance to the Vendor Management Group on the appropriate Solicitation method. This approach promotes a proactive and risk-conscious Procurement process, aligning operational objectives with security and compliance considerations. It also enables LACERA to safeguard sensitive information and sustain uninterrupted service delivery.

The ISC may assess vendors based on various risk factors including:

- Platform Migration Risks: When there is a possibility of disruption to operations and user experience.
- Data Security Concerns: Where there is a necessity for trusted Vendors to ensure confidentiality and regulatory compliance.
- System Compatibility Risks: Where there is a risk of data loss or integration failures.
- Specialized Vendor Expertise: There is a possibility that specific capabilities needed are not easily accessible in the market, which may result in extended service interruptions.

## 3. IT-Related Procurements Exempt from Board Approval

Requisitions for critical infrastructure software and hardware licenses that continue existing Services that have already been approved by the Board,

including cloud-based subscriptions and maintenance service agreements, are exempt from Board approval if they meet the risk criteria outlined above.

#### **4. Non-Competitive Procurements**

LACERA uses a non-competitive Procurement method when competition is not practicable due to the unique qualifications of a Vendor or compelling business reasons documented in a justification memorandum prepared by the Business Owner. Non-Competitive Procurements must be approved by the Chief Executive Officer or their designee and reported to the Board.

Non-competitive Procurements 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 justifications for non-competitive Procurements 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 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
- Goods and Services that are purchased 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 and cannot be exceeded without extreme hardship or risk to LACERA
- A unique and proprietary solution was offered in the best interest of LACERA

#### **5. 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, which affects the health, safety, and welfare of LACERA staff or members, impairs LACERA's legal rights, creates an actual or potential legal liability, 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, to timely perform requisite job duties, or to comply with any LACERA policies and procedures does not constitute a justifiable emergency.

In a justifiable emergency, the CEO or their designee may procure Goods and Services beyond stated discretionary spending limits, as deemed 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. Any emergency purchases shall be subject to review by the Legal Office, unless rendered unfeasible by the emergency circumstances, which will require written substantiation documenting the unfeasibility and submitted to the Legal Office at least fifteen (15) days in advance of the date of the emergency purchase.

Emergency purchases requiring confidentiality may be made without notifying the Procurement Unit, provided the grounds of the confidentiality and the steps that need to be taken to protect it are recorded. 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 CEO, 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, a 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.

## **K. Contract Lifecycle Management ~~Onboarding Vendors and Vendor~~ Onboarding**

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 Agreements, Information Security Reports or Questionnaire, Certificate(s) of Insurance, and Form W-9.

## **L. Performance Management**

The Business Owner and Vendor Management Group 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'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, etc.
- Coordinating Contract Amendments or Extensions with LACERA's Legal Office.

## **1. Contract Closeout**

The Business Owner must complete a Contract Close Out Form and submit it to Vendor Management Group. Vendor Management must prepare a final Vendor evaluation report. The report must include the following information:

- Whether the Vendor fulfilled their obligations under the Contract
- Any additional costs or amounts owed to Vendor
- Feedback from the Business Owner

## **2. Receiving and Paying Invoices**

Business Owners are responsible for reviewing invoices, verifying that goods and services have been received, and confirming invoices for payment. Procurement Staff are responsible for reviewing and processing invoices for standard stock and must check the Invoice against its corresponding PO and delivery receipt. The purchasing, receiving, and payments must be completed 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.

## **M. 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 approved by the Division Manager.

## **N. Commitment to Transparency and Integrity**

The Vendor Management Group will provide the Board with a monthly report on all contract activity, including awards, Extensions, and terminations. Vendor Management will also report all expenditures that exceed the original approved project budget.

## **O. 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 from diverse backgrounds, including 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.

## **P. 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 or made from recycled material.

## **Q. Procedures Manual**

The Vendor Management Group shall be responsible for preparing and maintaining a Procedures Manual that details the purchasing process and any delegated duties and defined terminology. The Procedures Manual shall include this Policy and must be approved by the Chief Executive Officer. The 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:**

- [Contract Approval Form](#) (Internal Document)
- [Contract Amendment Form](#) (Internal Document)
- [IT Assessment Form](#) (Internal Document)
- [Contract Close Out Form](#) (Internal Document)

~~Other Related Information:~~

## VII. Version History

**Update/Review Summary:** ~~This Policy supersedes the following prior version: Previous policy version(s) superseded by this Policy:~~

- Policy For Purchasing Goods and Services: September 4, 2024

**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.

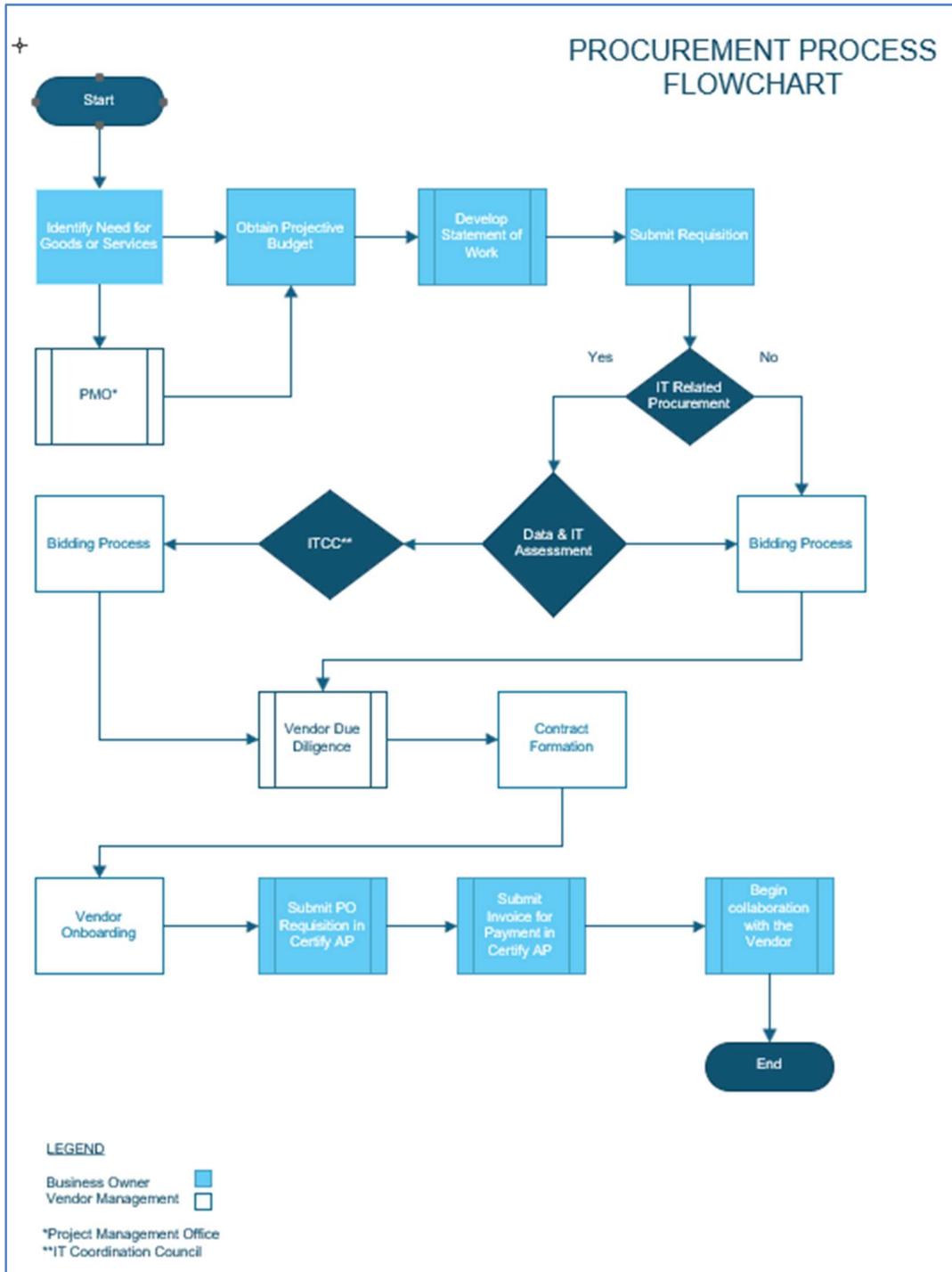
**Exhibit A: Requisition Approval Authority and Solicitation Method Requirements**

Requisition Approval Authority and Solicitation Method Requirements		
Total Purchase or Contract Value	Approval Authority	Bid Type
Up to \$5,000	Division Manager	Not Required
\$5,001 - \$250,000	Division Manager <b>and</b> Assistant Executive Officer.	Informal Bid
\$250,001 - \$500,000	Division Manager <b>and</b> Assistant Executive Officer <b>and</b> Deputy Chief Executive Officer <b>and</b> Chief Executive Officer <b>or</b> Authorized Designee.	Formal Bid
Exceeds \$500,000	With documented Board pre-approval, Division Manager <b>and</b> Assistant Executive Officer <b>and</b> Deputy Chief Executive Officer <b>and</b> Chief Executive Officer <b>or</b> Authorized Designee.	Formal Bid

**Exhibit B: Contract Signing Authority**

Contract Signing Authority	
Total Contract Value	Signing Authority
Up to \$5,000	Division Manager
\$5,001 - \$250,000	Division Manager <b>and</b> Assistant Executive Officers.
\$250,001 - \$500,000	Division Manager <b>and</b> Assistant Executive Officer <b>and</b> Deputy Chief Executive Officer <b>and</b> Chief Executive Officer <b>or</b> Authorized Designee.
Exceeds \$500,000	With documented Board pre-approval, Division Manager <b>and</b> Assistant Executive Officer <b>and</b> Deputy Chief Executive Officer <b>and</b> Chief Executive Officer <b>or</b> Authorized Designee.

## Exhibit C: Procurement Process Flowchart



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POLICY FOR THE  
PROCUREMENT OF  
GOODS AND SERVICES  
(PGS)

**Board of Retirement Pending Approval**

## **Policy for the Procurement of Goods and Services (PGS)**

**Authorizing Manager:** Ricki Contreras, Administrative Services Division

**Original Issue Date:** December 15, 2005 ~~Effective Date: TBD~~

**Effective Date (Last Updated):** **TBD**

**Mandatory Review:** ~~Update~~ (Every Three Years or as Needed)

**Approval Level:** Board of Retirement

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## I. Purpose

To establish a standardized, transparent, and efficient process for Procurement, Contracts, and Vendor Management that ensures the selection of qualified Vendors. This process is designed to align with LACERA's Strategic Priorities of fiscal durability, legal compliance, risk management, and responsible stewardship of public resources.

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—: fraud, waste, and abuse, ~~avoid~~—“~~Conflicts~~Conflicts of ~~Interests,~~”Interest, and—~~prevent~~ operational disruptions.
- Ensure Contract compliance, measure Vendor performance, and mitigate risks associated with Vendors' potential noncompliance with Contract terms.
- Promote good governance and uphold LACERA's fiduciary duty to administer the system in a manner that ~~assures~~ensures the prompt delivery of benefits and services to members and their beneficiaries (Cal. Const. Art. XVI. Sec. 17).

## I.II. Scope

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

## II.III. Legal Authority

The Board of Retirement has the discretion to adopt policies as it deems prudent as part of its plenary authority and fiduciary responsibility for administering 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).

## III.IV. Definitions

The terms in this Policy or in any documents related to the Procurement process, have the following meaning:

**Amendment:** A formal written change to a Contract that modifies, adds, or removes specific terms agreed upon by all authorized parties. An Amendment may include a Renewal or Extension of an existing Contract.

**Bid:** A Vendor's price Quotation and description of Goods and/or Services received in reply to a Solicitation from LACERA.

**Bidder:** A Vendor who responds to a Solicitation.

**Business Owner:** The individual within a LACERA division that receives the purchased Goods, contracted Services, or is responsible for monitoring and managing Vendor performance.

**Conflict of Interest:** As explained in LACERA's [Code of Ethical Conduct](#) and in compliance with the disclosure requirements of the ~~[Conflict of Interest Code](#)~~. [Conflict of Interest Code](#).

**Consultant:** An individual or firm that provides consulting services to LACERA and does not involve an employer—employee relationship.

**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 Analyst:** LACERA staff member responsible for managing the contracting process for Goods and Services, including Solicitation, sourcing, development, execution, and Vendor lifecycle in accordance with this Policy.

**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, designees, or other individuals associated with the Contractor, subcontractor, or Vendor who participated in, knew of, or had reason to know of the Contract.

**Electronic Sealed Bid:**

A Bid submitted through an authorized procurement system until the Bid closing deadline, ensuring confidentiality, fairness, and integrity of the formal bidding process through system-enforced access controls, date-and-time restrictions, and a documented audit trail.

**Extension:**

The process of lengthening the duration of an existing agreement beyond its original end date. All other Contract terms remain the same, enabling both parties to operate in accordance with the established agreement.

**Goods:**

Supplies, products, materials, or equipment. “Goods” does not include Services.

**Invoice:**

A document showing the details of the transaction, including the quantity, price, terms, nature of delivery, and other particulars pertaining to the Goods sold or Services rendered.

**IT-Related Procurements:**

Refers to the purchase of information technology Goods and/or Services. These can include computers, servers, storage devices, printers, scanners, operating systems, productivity software, enterprise applications, security software, software licenses, and cloud-~~base~~based subscriptions.

**Procurement (Procure):**

~~Procurement is the~~The strategic process of acquiring Goods and/or Services through planning, sourcing, negotiation, and contracting.

**Procurement Buyer:**

A Procurement Unit staff member responsible for executing purchases that require a Purchase Order (PO). Procurement Buyers verify that Requisitions have the required approvals before initiating procurement, determine the appropriate purchasing method, manage competitive bidding processes, negotiate pricing, and issue and administer Purchase Orders for Goods and Services in accordance with established policies and procedures.

**Proposal:**

A submission from a Vendor in response to a Request for Proposal (RFP) that includes technical, management, and cost information and is evaluated using multiple criteria.

**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, and prices, and it identifies a specific Vendor.

<b>Quotation (Quote):</b>	A statement of price, terms of sale, and description of the Goods and/or Services offered by a Vendor to LACERA. This is normally in reply to an inquiry and often considered an offer to sell.
<b>Renewal:</b>	The process of continuing a business relationship by executing a new Contract. Both parties may renegotiate terms to match current market conditions, performance history, and evolving needs.
<del><b>Request for Bid (RFB):</b></del>	<del>A Solicitation method used for high-value Goods and Services with well-defined requirements where price is the main factor.</del>
<b>Request for Information (RFI):</b>	A general invitation requesting information for potential future 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 potential future competitive Procurement (e.g., Request for Proposal).
<b>Request for Proposal (RFP):</b>	A Solicitation method used to purchase complex Goods and Services that do not have standardized Specifications.
<b>Request for Quotation (RFQ):</b>	A Solicitation method <del>that involves submitting in which</del> a document <u>is issued</u> to one or more <del>potential prospective</del> Vendors to <del>solicit request</del> Quotations for Goods and/or Services. <del>Typically, an</del> RFQ <del>typically</del> seeks an itemized <u>price list of prices</u> for <del>Goods or services that are well clearly</del> defined and quantifiable <u>items</u> , such as hardware. <u>This method is used when requirements are precise and complete and cost is the primary factor in the award decision.</u>
<b><u>Request for Supplier Qualifications (RFSQ):</u></b>	<u>A Solicitation method allowing Vendors who meet the minimum qualifications and accept LACERA's terms and conditions to become authorized Vendors in their respective categories. When Services are required, pre-qualified Vendors submit proposals in their categories. Purchase Orders are awarded to the lowest-priced qualified Bidder unless other evaluation criteria apply.</u>
<b>Requisition:</b>	A formal request for the purchase of Goods or contracting of Services.
<b>Response:</b>	A submission from a potential Vendor in reply to a Solicitation.
<b>Service(s):</b>	The performance of labor and the application of expertise 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.

<b>Solicitation:</b>	A document or process used to communicate LACERA's requirements to potential Bidders requesting a Response in the form of a Quote or proposal of Goods and/or Services.
<b>Specification(s):</b>	A clear, complete, and specific description of the technical requirements for a product, system, or Service.
<b>Statement of Work:</b>	A comprehensive, clear, and detailed written statement outlining all the work to be performed under the Contract, including deliverables, timeline, and acceptance criteria as mutually agreed upon by the Vendor and LACERA.
<b>Vendor:</b>	An individual, business, or governmental entity that has a Contract to provide Goods and/or Services to LACERA. Used interchangeably with the term Contractor.
<b>Vendor Management:</b>	The LACERA business unit within the Administrative Services Division <del>is</del> responsible for overseeing the Vendor lifecycle, including monitoring Vendor performance for compliance with all the terms and conditions contained within this Policy, the Contract, and other Procurement documents.

## **II.V. Purchasing and Contracting Policy**

Employees who participate in the Procurement process must conduct their duties in accordance with LACERA's Values, [Code of Ethical Conduct](#) ~~and in compliance with the~~, [Conflict of Interest Code](#), and other applicable laws, regulations, and LACERA policies and procedures. Employees must prevent actual or perceived Conflicts of Interest.

### **A. Purchasing and Contracting Authority**

The Board of Retirement (Board) has the authority to purchase and delegate the authority to purchase Goods and Services necessary to administer the system in a manner that ensures 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 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 Administrative Services Officers, Procurement Buyers, and Contract ~~Analys~~[Analysts](#).

### **A.B. Technology, Data, and Information Security Review (IT Assessment)**

All “IT-Related Procurements” must be approved by the Systems Division and the Information Security Office (InfoSec). The ~~System~~Systems Division Manager will identify the “IT-Related Procurements” that require the written approval of the [IT Coordination Council \(ITCC\)](#). The CEO has the final approval authority over all IT purchases.

## **B.C. Request for Procurement of Goods and/or Contracting of Services (Requisitions)**

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

Requisitions that require Board approval must be authorized through direct Board action. Once approved by the Board, the Business Owner is permitted to publish the Solicitation unless there are significant changes to the ~~Scope~~Statement of Work or the ~~final Contract~~ cost exceeds the budgeted amount approved by the Board. ~~For any modifications to the Scope of Work or cost, the Business Owner must seek additional Board approval prior to awarding the Contract.~~

### **1. Requisitions for Purchase Orders (POs)**

The Procurement Unit within the Administrative Services Division is responsible for purchasing Goods and/or Services that require a PO. ~~Business Owners are responsible for determining the technical Specifications and/or 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 POs in accordance with this Policy.

### **2. Requisitions for Contracts**

The Contracts Unit within the Administrative Services Division is responsible for processing Contract Requisitions for Goods and/or Services. ~~The Business Owners are responsible for developing the Statement of Work which includes all elements of the required work, Service requirements, deliverables, timeline, and the evaluation criteria. The Contract Unit~~The Contract Analysts prepare Solicitation packets, manage the Solicitation process, assist with Bid evaluations, conduct market research on prices, perform Vendor due diligence, negotiate prices, and oversee the final execution of the Contracts in accordance with this Policy.

## **C.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. 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 Non-Competitive Procurement; they are existing agreement-based 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.

## 3. 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 orders (POs) for 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.

## D.E. TypeTypes of Purchasing Transactions

### 1. Purchase Orders (POs)

POs must include the following information:

- PO Number-: Buyers will assign a unique PO Number.
- PO Date--the date: Date the PO was created.
- Order Details: details
- Detailed description of Goods and/or equipment.
- Technical Specifications or requirements if applicable.

- Quantity and unit price-
- Delivery date-
- Shipping methods-
- Payment terms
- Special or other conditions or requirements

## 2. Contracts

Contracts are used for 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. All Contracts must be approved by LACERA's Legal Office. Whenever possible, the use of Contracts is preferred.

## 3. Corporate Credit Card Purchases

Authorized employees can use a Corporate Credit Card to purchase Goods and/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 Procurements. IT-Related Procurements must be approved by the Information Security Office and the Legal Office prior to the ~~Renewal~~renewal date.

## 4. Prohibited Purchases

LACERA staff shall exercise prudence, transparency, 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). However, corporate cardholders, subject to the Executive Office's prior written approval, may purchase food and beverages for Board meetings, conferences, employee recognition ceremonies, or other official events conducted to improve the quality of service provided to LACERA members. Purchases must not violate LACERA's [Code of Ethical Conduct](#) or [Corporate Credit Card Policy](#).

## 5. 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. The Chief Executive Officer must ratify purchases that were not pre-approved by the appropriate authority as indicated in Exhibit A. The requesting division manager must also submit a statement of good cause explaining why they did not follow 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 or otherwise not in accordance with the processes outlined in this Policy.

## 6. Fragmenting (Split Purchasing)

To 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 and/or Services to avoid the competitive bidding process or circumvent the appropriate approval and/or signing authority levels. To avoid fragmenting, Business Owners must consider the aggregate value of the Goods and Services.

## ~~7. Invoices~~

### 7. Invoice Processing

POs and Contracts must include instructions on how to submit Invoices for payment. Business Owners are responsible for updating the billing address and email. ~~To facilitate payment, paper 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 made.

## E.F. Competitive Bidding Process

For purposes of this Policy, the term "Response" may be used generically to refer to Bids, Proposals, or Quotations submitted in reply to a Solicitation.

Competitive bidding is the process of obtaining Bids/Responses for the same Goods and/or Services from multiple Vendors. LACERA utilizes competitive bidding to survey the marketplace and obtain Goods and Services from qualified Vendors at competitive prices. The award is given to the most "responsible Bidder." 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 on the Vendor Client Gateway and submit required documentation.

### 1. Informal Bidding

Informal bidding ~~refers to the process of~~involves soliciting at least three Bids or quotations by email, catalogues, or other methods that do not require a public posting or formal procedures. Informal bidding may include issuing a Request for Quotation (RFQ).

#### ~~a) Request for Quotation (RFQ)~~

~~A Solicitation method used for Goods and Services with well-defined requirements where cost is the primary determining factor.~~

## 2. Formal Bidding

~~The formal~~Formal bidding ~~process~~ requires a public posting of the Solicitation, ~~sealed~~Electronic Sealed Bids, and public disclosure of competition, Contract awards, or rejections.

~~The primary~~Formal bidding may include the following Solicitation types used for formal bidding are:

**a) — Request for Bid (RFB)**

~~A formal Solicitation method used for high value Goods with well defined requirements where price is the main factor, or for Services that do not require a complicated evaluation.~~

**b) — Request for Proposal (RFP)**

~~A Solicitation method used for high value Goods or Services where technical expertise, innovation, or multiple evaluation factors are needed. Bids are evaluated on both technical and financial criteria.~~

**c) — Request for Information (RFI)**

~~A Solicitation method used to gather information, understand market capabilities, or refine requirements. An RFI does not result in an award without a secondary formal Solicitation.~~

~~d) ), and Request for Supplier **Qualification**Qualifications (RFSQ)). See Section IV for definitions of these solicitation types. A Solicitation method allowing vendors who meet the minimum qualifications and accept LACERA's terms and conditions to become authorized Vendors in the respective categories. When Services are required, pre-qualified Vendors submit proposals in their categories. Purchase Orders are awarded to the lowest priced qualified Bidder unless other evaluation criteria apply~~

### **D.G. Bidders' Conference**

A Bidders' Conference is held to provide potential Bidders with detailed information about the Solicitation, clarify requirements, and answer questions before Bids are submitted. The questions and answers must be prepared as an Amendment to the Solicitation and sent to all potential Bidders during the Bidders' Conference, via email, or at any other time prior to the Bid closing date.

### **E.H. Evaluation Process and Due Diligence**

All ~~Bids and proposals~~Responses must be evaluated against the uniform criteria and process outlined in the Solicitation document. The Solicitation document must provide enough information for the Bidders 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~~ and the Solicitation, the two documents 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 and criteria:

- 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 plans.
  - Pricing/cost: The proposal is within the allocated budget, competitively priced, and is best value for LACERA.
  - Optional oral interviews and/or site visits as requested by LACERA on a case-by-case basis.

LACERA reserves the right to award the Contract to the submission that offers the best value, which includes accepting LACERA's Contract terms. Excessive mark-ups or deletion of LACERA's Contract terms may result in disqualification.

### **F.2. Evaluation Committee**

If an evaluation committee is needed, it should consist of all relevant stakeholders and subject-matter experts for the Services and/or Goods 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.

**1.a)** The evaluation committee should be composed of at least one representative from:

- Contracts Unit

- Subject-matter expert(s)
- PMO (if applicable)
- Information Security Office (must participate in IT-related proposals)
- ~~Legal (when exceptions are taken to LACERA's terms and conditions, or anytime legal advisory is needed or indicated).~~

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

- ~~Conducting Vendor risk assessments.~~
- ~~Conducting Vendor reference checks.~~
- ~~Setting up Bidders' 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 replies to Vendor questions.~~
  - ~~Summarizing scores, rankings, and evaluation results.~~
  - ~~Obtaining additional information from Vendors.~~
  - ~~Developing approval materials for management or Boards.~~
  - ~~Gathering and archiving evaluation documents submitted by each Committee Member.~~
  - ~~Sending Bid award and non-award letters to Vendors.~~
  - ~~Responding to any Vendor appeal.~~

**3.c)** The Evaluation Committee's responsibilities include:

- ~~Evaluation: Committee members must separately evaluate the **BidsResponses** 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 proposals, 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.
  - Accounting staff 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 Response. The score sheet must include written documentation of reference checks and financial statement analysis to support the rating in those categories.

### **G.3. 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 Vendors that do not meet all 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 requirement before the Contract can be executed.

### **H.4. 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 the Business Owner and LACERA.

The Legal Office must review and approve all Contracts prior to execution.

## **I. 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 ~~timely~~ reported in a timely manner to the Board.

## J. Policy Exemptions

### 1. Board and Committee Approved Vendors

The Purchasing Agent is responsible for the Solicitation process for all Procurement of 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~~Healthcare Benefits Program, such as ~~including~~ health plan providers, plan managers, Consultants, auditors, and independent fiduciaries.
- Procurement of Services necessary for the Audit, Compliance, Risk, and Ethics (ACRE) Committee, Internal Audit, and the Ethics and Compliance Office to investigate any matter within their scope of responsibility, including outside counsel and Consultants.
- Procurement by the Legal Division to investigate employment claims and other matters within the scope of their responsibility, including outside counsel and Consultants.
- Services governed by the [Investment Related Services Procurement Policy](#), including investment managers, Consultants, legal Services, appraisers, auditors, custodians, securities lending providers, and independent fiduciaries.

### 2. Procurement Risk Mitigation for Critical Infrastructure

Non-Competitive Procurements for critical infrastructure may be warranted when significant cybersecurity, operational, or strategic risks are identified. The Information Security Committee (ISC) must assess the risks and give written guidance to the Vendor Management Group on the appropriate Solicitation method. This approach promotes a proactive and risk-conscious Procurement process, aligning operational objectives with security and compliance considerations. It also enables LACERA to safeguard sensitive information and sustain uninterrupted service delivery.

The ISC may assess vendors based on various risk factors including:

- Platform Migration Risks: When there is a possibility of disruption to operations and user experience.
- Data Security Concerns: Where there is a necessity for trusted Vendors to ensure confidentiality and regulatory compliance.

- System Compatibility Risks: Where there is a risk of data loss or integration failures.
- Specialized Vendor Expertise: There is a possibility that specific capabilities needed are not easily accessible in the market, which may result in extended service interruptions.

### 3. IT-Related Procurements Exempt from Board Approval

Requisitions for critical infrastructure software and hardware licenses that continue existing Services that have already been approved by the Board, including cloud-based subscriptions and maintenance service agreements, are exempt from Board approval if they meet the risk criteria outlined above.

### 4. Non-Competitive Procurements

LACERA uses a non-competitive Procurement method when competition is not practicable due to the unique qualifications of a Vendor or compelling business reasons documented in a justification memorandum prepared by the Business Owner. Non-Competitive Procurements must be approved by the Chief Executive Officer or their designee and reported to the Board.

Non-competitive Procurements 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 justifications for non-competitive Procurements 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 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.
- Goods and Services that are purchased 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 and cannot be exceeded without extreme hardship or risk to LACERA.
- A unique and proprietary solution was offered in the best interest of LACERA.

### 5. 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, which affects the health, safety, and welfare of LACERA staff or members, impairs LACERA's legal rights, creates an actual or potential legal liability, 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, to timely perform requisite job duties, or to comply with any LACERA policies and procedures does not constitute a justifiable emergency.

In a justifiable emergency, the CEO or their designee may procure Goods and Services beyond stated discretionary spending limits, as deemed 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. Any emergency purchases shall be subject to review by the Legal Office, unless rendered unfeasible by the emergency circumstances, which will require written substantiation documenting the unfeasibility and submitted to the Legal Office at least fifteen (15) days in advance of the date of the emergency purchase.

Emergency purchases requiring confidentiality may be made without notifying the Procurement Unit, provided the grounds of the confidentiality and the steps that need to be taken to protect it are recorded. 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 CEO, 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, a 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.

#### **K. Contract Lifecycle Management and Vendor 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 Agreements, Information Security Reports or Questionnaire, Certificate(s) of Insurance, and Form W-9.

## L. Performance Management

The Business Owner and Vendor Management Group 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'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.aletc.
- Coordinating Contract Amendments or Extensions with LACERA's Legal Office.

### 1. Contract Closeout

The Business Owner must complete a Contract Close Out Form and submit it to Vendor Management Group. Vendor Management must prepare a final Vendor evaluation report. The report must include the following information:

- Whether the Vendor fulfilled their obligations under the Contract.
- Any additional costs or amounts owed to Vendor.
- Feedback from the Business Owner.

### 2. Receiving and Paying Invoices

Business Owners are responsible for reviewing invoices, verifying that goods and services have been received, and confirming invoices for payment. Procurement Staff are responsible for reviewing and processing invoices for standard stock, and must check the Invoice against its corresponding PO and delivery receipt. The purchasing, receiving, and payments must be completed 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.

## **M. 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 approved by the Division Manager.

## **N. Commitment to Transparency and Integrity**

The Vendor Management Group will provide the Board with a monthly report on all contract activity, including awards, Extensions, and terminations. Vendor Management will also report all expenditures that exceed the original approved project budget.

## **O. 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 from diverse backgrounds, including 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.

## **P. 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 or made from recycled material.

## **Q. Procedures Manual**

The Vendor Management Group shall be responsible for preparing and maintaining a Procedures Manual that details the purchasing process and any delegated duties and defined terminology. The Procedures Manual shall include this Policy and must be approved by the Chief Executive Officer. The 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.

## **IV.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:**

- [Contract Approval Form](#) (Internal Document)
- [Contract Amendment Form](#) (Internal Document)
- [IT Assessment Form](#) (Internal Document)
- [Contract Close Out Form](#) (Internal Document)

## **~~Other Related Information:~~**

## **VI.VII. Version History**

**Update/Review Summary:** ~~Previous policy~~ This Policy supersedes the following prior version(s) superseded by this Policy:

- Policy For Purchasing Goods and Services: September 4, 2024

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

## **VII.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.

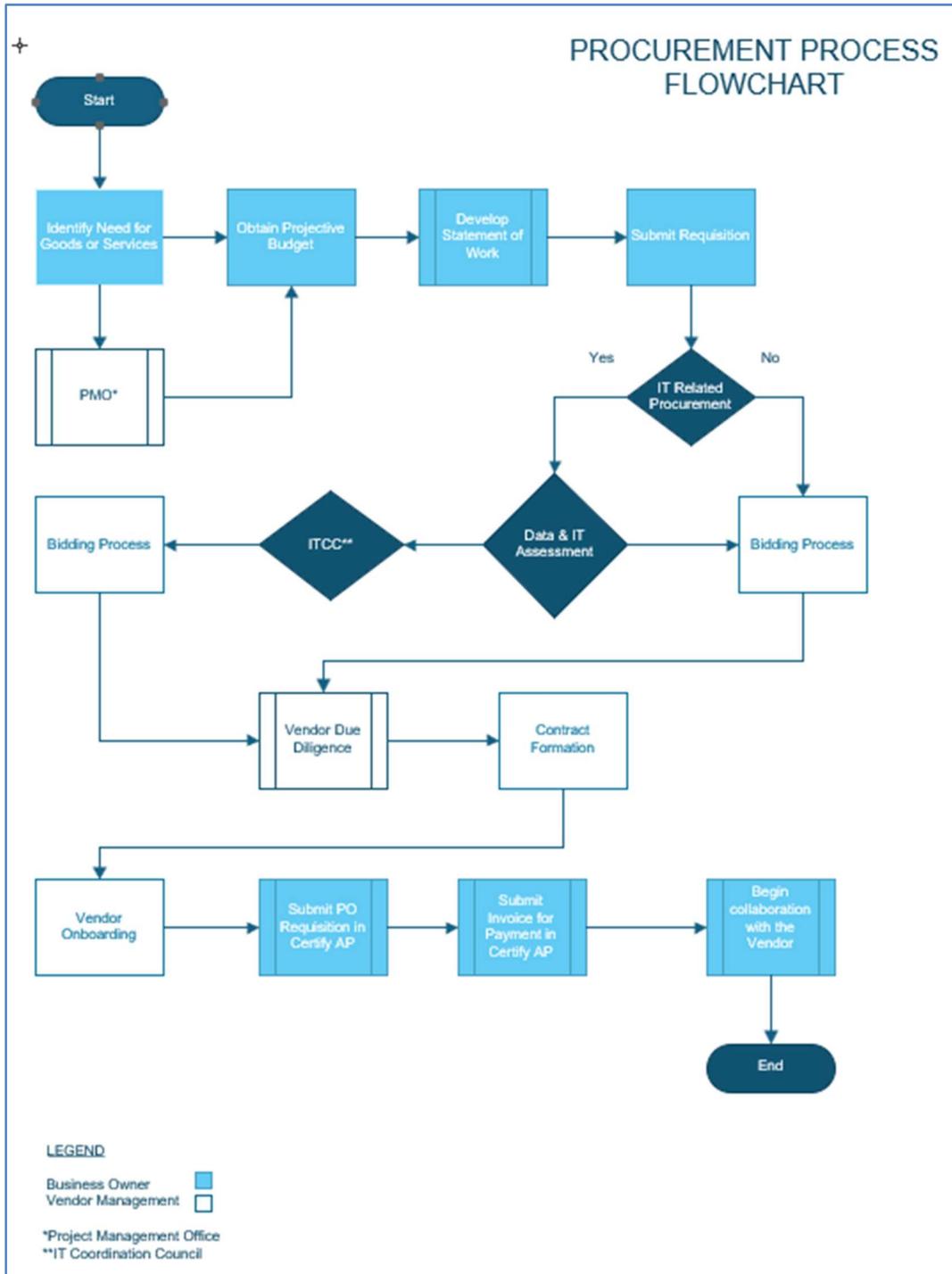
**Exhibit A: Requisition Approval Authority and Solicitation Method Requirements**

Requisition Approval Authority and Solicitation Method Requirements		
Total Purchase or Contract Value	Approval Authority	Bid Type
Up to \$5,000	Division Manager	Not Required
\$5,001 - \$250,000	Division Manager <b>and</b> Assistant Executive Officer.	Informal Bid
\$250,001 - \$500,000	Division Manager <b>and</b> Assistant Executive Officer <b>and</b> Deputy Chief Executive Officer <b>and</b> Chief Executive Officer <b>or</b> Authorized Designee.	Formal Bid
Exceeds \$500,000	With documented Board pre-approval, Division Manager <b>and</b> Assistant Executive Officer <b>and</b> Deputy Chief Executive Officer <b>and</b> Chief Executive Officer <b>or</b> Authorized Designee.	Formal Bid

**Exhibit B: Contract Signing Authority**

Contract Signing Authority	
Total Contract Value	Signing Authority
Up to \$5,000	Division Manager
\$5,001 - \$250,000	Division Manager <b>and</b> Assistant Executive Officers.
\$250,001 - \$500,000	Division Manager <b>and</b> Assistant Executive Officer <b>and</b> Deputy Chief Executive Officer <b>and</b> Chief Executive Officer <b>or</b> Authorized Designee.
Exceeds \$500,000	With documented Board pre-approval, Division Manager <b>and</b> Assistant Executive Officer <b>and</b> Deputy Chief Executive Officer <b>and</b> Chief Executive Officer <b>or</b> Authorized Designee.

## Exhibit C: Procurement Process Flowchart



**FOR INFORMATION ONLY**

March 13, 2026

**TO:** Operations Oversight Committee  
Nancy Durazo, Chair  
Wayne Moore, Vice Chair  
Bobbie Fesler, Trustee  
Aleen Langton, Trustee  
David Ryu, Alternate Trustee

**FROM:** Chaitanya Errande   
Information Security Officer

**FOR:** April 1, 2026, Operations Oversight Committee Meeting

**SUBJECT:** **Privacy Incidents: Personally Identifiable Information (Monthly)**

**EXECUTIVE SUMMARY**

The Information Security Office has been investigating and reporting privacy-related events. Potential privacy breaches are now classified as "events" until investigations confirm them as "incidents." To address prior Board feedback, we have enhanced the readability of this report through concise language, structured formatting, and a clear summary table.

A total of **1** event was investigated, with **1** confirmed as an incident, including **1** involving Personally Identifiable Information (PII) and **0** involving Protected Health Information (PHI) for the Month of February 2026. Severity levels are low. As a standard practice, affected members are offered a one-year membership to Experian's Identity Theft Protection Services to mitigate risks.

**DISCUSSION****Process Improvements**

The following changes have been implemented in our privacy incident management process:

1. **Oversight:** The Information Security Office now leads the investigation and reporting of all privacy-related events.
2. **Workflow Improvements:** We discovered that staff inadvertently combined documents belonging to two different members, along with their respective banners, into a single envelope. To mitigate the risk of similar incidents occurring in the future, it is recommended that additional training be provided to Document Processing Center (DPC) personnel.
3. **Readability Improvements:** Per Board feedback, this memo uses clear section headings, a summary table, and concise language to enhance comprehension.
4. **Education:** The Information Security Office has engaged in discussions with the Benefits Division Section Heads to review workflow procedures. It has been established that any future investigations involving the exposure of Personally Identifiable Information (PII) within the Benefits Division must first be discussed and reviewed with the appropriate Section Head. As part of this process, the Section Head will coordinate with the relevant Benefits Specialist to identify and assess the root cause of any potential exposure. This collaborative approach is intended to ensure thorough investigation, accountability, and the implementation of corrective actions to mitigate future risks.
5. **Divisional Privacy Practices Assessments:** The ISO office will be conducting divisional assessments to evaluate existing practices to suggest improvements.

**Incident Summary**

Incidents	Under Investigation	Closed	PII Incidents	PHI Incidents
1	0	1	1	0

A total of **1** confirmed as incidents, including **1** involving Personally Identifiable Information (PII) and **0** involving Protected Health Information (PHI). Severity levels are low. As a standard practice, affected members are offered a one-year membership to Experian’s Identity Theft Protection Services to mitigate risks.

**Incident Details**

**Incident #1**

	Details
<b>Incident Date</b>	December 30, 2025
<b>Discovery Date</b>	January 31, 2026
<b>Status</b>	Closed, PII Incident exposure
<b>Description</b>	“Confirmation of Retirement Plan” letter addressed to a member was mistakenly sent to another LACERA member.
<b># of Members affected</b>	1
<b>PII Exposure</b>	Member name, address, Employee Number
<b>Cause</b>	Error happened during the document sorting and insert process at DPC. The DPC staff inadvertently combined documents belonging to two different members, along with their respective banners, into a single envelope. The insertion process is a fully manual procedure.
<b>Remediation / Corrective Action</b>	More training is needed to prevent recurrence of the above incident. DPC personnel should be more careful when sorting and indexing documents.

Reviewed and approved:



Luis A. Lugo  
 Chief Executive Officer  
 CE:ZF:nm



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**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**