



**Auditor-
Controller/Treasurer-Tax
Collector
COUNTY OF TULARE
AGENDA ITEM**

BOARD OF SUPERVISORS

ALLEN ISHIDA
District One

PETE VANDER POEL
District Two

PHILLIP A. COX
District Three

J. STEVEN WORTHLEY
District Four

MIKE ENNIS
District Five

AGENDA DATE: March 16, 2010

Public Hearing Required	Yes	<input type="checkbox"/>	No	<input checked="" type="checkbox"/>	N/A	<input type="checkbox"/>
Scheduled Public Hearing w/Clerk	Yes	<input type="checkbox"/>	No	<input type="checkbox"/>	N/A	<input checked="" type="checkbox"/>
Published Notice Required	Yes	<input type="checkbox"/>	No	<input checked="" type="checkbox"/>	N/A	<input type="checkbox"/>
Advertised Published Notice	Yes	<input type="checkbox"/>	No	<input type="checkbox"/>	N/A	<input checked="" type="checkbox"/>
Meet & Confer Required	Yes	<input type="checkbox"/>	No	<input checked="" type="checkbox"/>	N/A	<input type="checkbox"/>
Electronic file(s) has been sent	Yes	<input checked="" type="checkbox"/>	No	<input type="checkbox"/>	N/A	<input type="checkbox"/>
Budget Transfer (Aud 308) attached	Yes	<input type="checkbox"/>	No	<input type="checkbox"/>	N/A	<input checked="" type="checkbox"/>
Personnel Resolution attached	Yes	<input type="checkbox"/>	No	<input type="checkbox"/>	N/A	<input type="checkbox"/>
Resolution, Ordinance or Agreements are attached and signature line for Chairman is marked with tab(s)/flag(s) Yes <input checked="" type="checkbox"/> No <input type="checkbox"/> N/A <input type="checkbox"/>						
CONTACT PERSON: Kim Aguiar PHONE: 636-5225						

SUBJECT: Renegotiate Extension of Contract with Great West for provider services to Tulare County Deferred Compensation Plan

REQUEST(S):
That the Board of Supervisors:
Ratify the Deferred Compensation Committee's determination to renegotiate extension of the contract with Great West for provider services to Tulare County Deferred Compensation Plan.

SUMMARY:
In 2001, following a formal RFP process, your board approved a five year contract with Great West to provide recording-keeping, investment and related services to the Tulare County Deferred Compensation Plan. That contract was renegotiated in 2006 and is now due to expire June 30, 2011.

Per the Deferred Compensation Committee Bylaws: "No later than 18 months prior to the expiration of the term of the contract with the service provider to deferred compensation plan, the Committee shall determine whether to renegotiate an extension of the contract with the current provider, or whether to solicit bids from other providers pursuant to a formal RFP process. If the Committee determines to renegotiate an extension of the contract with the current provider, this recommendation shall be taken to the Board of Supervisors for ratification. If the Committee determines to renegotiate an extension of the contract with the current

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service provider, the negotiation of the new contract shall be completed no less than 12 months prior to the expiration of the term of the existing provider contract to allow time to pursue a formal RFP process if necessary.”

With the assistance of the County's consultant to the 457 Plan, the Committee has determined that it is in the best interests of the County and the plan participants to renegotiate an extension of the existing contract with Great West, before conducting a formal RFP process to obtain a new provider. This is justified because continuing our relationship with Great West will provide consistency and continuity in the servicing of the 457 Plan and to the employee participants. The Committee is satisfied that due diligence and fiduciary duties are being met in continuing the relationship with Great West. Also, an RFP is a complex, and time-consuming process that could entail additional consultant expense.

The Committee has taken steps to appoint a contract renegotiation subcommittee.

FISCAL IMPACT/FINANCING:

The maximum consultant costs not to exceed \$8,500 to renegotiate the contract extension will be paid out of the operations expense account of the Deferred Compensation Plan. This account funding exists due to the result of the last renegotiation effort in which it was agreed that Great West would pay the County administrative reimbursement fees in the amount of \$58,500 annually (\$55,200 for the fiscal year July 1, 2009 through June 30, 2010 only). This money is deposited into an interest-bearing, administrative expense reimbursement allowance account with Great West and can only be used for deferred compensation expenses. If the Board decides to pursue a formal RFP, then it would be necessary to determine if there will be additional consultant costs.

LINKAGE TO THE COUNTY OF TULARE STRATEGIC BUSINESS PLAN:

The decision to renegotiate the Great West service contract allows us to ensure that the County and the participants are getting the best service possible and enables us to evaluate and measure the current performance and service we are receiving.

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ALTERNATIVES:

Not ratify the decision of the deferred compensation committee to renegotiate the service contract with the current provider, Great West, and establish a formal RFP process whereby both Great West and other deferred compensation providers would be permitted to submit proposals.

The committee does not recommend a full RFP process because the cost to do a full-blown RFP process will be far more costly than an attempt to renegotiate. However, should renegotiation efforts fail, the committee will have no choice, but to do an RFP.

The committee's last RFP and subsequent renegotiation efforts have resulted in an excellent current contract, one of the best in the industry for a plan our size. Great West's services have been very satisfactory and the committee has no reason to think that an RFP would result in a better contract than a renegotiation process.

The estimated cost to do an RFP is approximately \$39,000. The money is available in administrative expense reimbursement allowance account with Great West should your Board direct the Deferred Compensation Committee to do an RFP.

INVOLVEMENT OF OTHER DEPARTMENTS OR AGENCIES:

County Counsel

ADMINISTRATIVE SIGN-OFF:



Name
Title

Cc: Auditor/Controller
County Counsel
County Administrative Office (3)

Attachment(s)

**BEFORE THE BOARD OF SUPERVISORS
COUNTY OF TULARE, STATE OF CALIFORNIA**

IN THE MATTER OF Renegotiate)
extension of Contract with Great)
West for provider services to)
Tulare County Deferred)
Compensation Plan)

RESOLUTION NO. _____
AGREEMENT NO. _____

UPON MOTION OF SUPERVISOR _____, SECONDED BY
SUPERVISOR _____, THE FOLLOWING WAS ADOPTED BY THE
BOARD OF SUPERVISORS, AT AN OFFICIAL MEETING HELD _____
_____, BY THE FOLLOWING VOTE:

AYES:
NOES:
ABSTAIN:
ABSENT:

ATTEST: JEAN M. ROUSSEAU
COUNTY ADMINISTRATIVE OFFICER/
CLERK, BOARD OF SUPERVISORS

BY: _____
Deputy Clerk

* * * * *

Ratified the Deferred Compensation Committee's determination to renegotiate extension of the contract with Great West for provider services to Tulare County Deferred Compensation Plan.