

**ORANGE COUNTY EMPLOYEES RETIREMENT SYSTEM  
2223 E. WELLINGTON AVENUE, SUITE 100  
SANTA ANA, CALIFORNIA 92701**

**GOVERNANCE COMMITTEE MEETING  
March 23, 2023  
9:30 a.m.**

**Members of the Committee**

Chris Prevatt, Chair  
Arthur Hidalgo, Vice-Chair  
Shari Freidenrich  
Richard Oates

Members of the public who wish to observe and/or participate in the meeting may do so (1) from the OCERS Boardroom or (2) via the Zoom app or telephone (information below) from any location.

OCERS Zoom Video/Teleconference information	
<p><b>Join Using Zoom App (Video &amp; Audio)</b></p> <p><a href="https://ocers.zoom.us/j/83274679000">https://ocers.zoom.us/j/83274679000</a></p> <p><b>Meeting ID: 832 7467 9000</b> <b>Passcode: 639637</b></p> <p>Go to <a href="https://www.zoom.us/download">https://www.zoom.us/download</a> to download Zoom app before meeting Go to <a href="https://zoom.us">https://zoom.us</a> to connect online using any browser.</p>	<p><b>Join by Telephone (Audio Only)</b></p> <p>Dial by your location</p> <ul style="list-style-type: none"> <li>+1 669 900 6833 US (San Jose)</li> <li>+1 346 248 7799 US (Houston)</li> <li>+1 253 215 8782 US</li> <li>+1 301 715 8592 US</li> <li>+1 312 626 6799 US (Chicago)</li> <li>+1 929 436 2866 US (New York)</li> </ul> <p><b>Meeting ID: 832 7467 9000</b> <b>Passcode: 639637</b></p>
<p>A <a href="#">Zoom Meeting Participant Guide</a> is available on OCERS website <a href="#">Board &amp; Committee meetings page</a></p>	

**AGENDA**

This agenda contains a brief general description of each item to be considered. The Committee may take action on any item included in the agenda; however, except as otherwise provided by law, no action shall be taken on any item not appearing on the agenda. The Committee may consider matters included on the agenda in any order, and not necessarily in the order listed.

**PUBLIC COMMENT**

At this time, members of the public may comment on (1) matters not included on the agenda, provided that the matter is within the subject matter jurisdiction of the Committee; and (2) any matter appearing on the Consent Agenda. **Persons wishing to provide public comment at this time should fill out a speaker card located on the counter at the back of the room and deposit it in the Recording Secretary's inbox on the wall near the middle of the room.** When addressing the Committee, please state your name for the record prior to providing your comments. Speakers will be limited to three (3) minutes.

In addition, public comment on matters listed on this agenda will be taken at the time the item is addressed.

**CONSENT AGENDA**

**C-1 APPROVE GOVERNANCE COMMITTEE MEETING MINUTES**

Governance Committee Meeting Minutes

October 19, 2022

**ACTION ITEMS**

**NOTE:** Public comment on matters listed in this agenda will be taken at the time the item is addressed, prior to the Committee's discussion of the item. **Persons attending the meeting in person and wishing to provide comment on a matter listed on the agenda should fill out a speaker card located at the back of the Boardroom and deposit it in the Recording Secretary's box located near the back counter.**

**A-1 INDIVIDUAL ACTION ON ANY ITEM TRAILED FROM THE CONSENT AGENDA**

**A-2 TRIENNIAL REVIEW OF THE GOVERNANCE COMMITTEE CHARTER**

*Presentation by Gina M. Ratto, General Counsel*

**Recommendation:** Approve, and recommend the Board of Retirement adopt, the proposed revisions to the Governance Committee Charter as presented.

**A-3 TRIENNIAL REVIEW OF THE CEO CHARTER**

*Presentation by Gina M. Ratto, General Counsel*

**Recommendation:** Approve, and recommend that the Board of Retirement adopt, the proposed revisions to the CEO Charter as presented.

**A-4 TRIENNIAL REVIEW OF THE PUBLIC RECORDS AND DATA REQUEST POLICY**

*Presentation by Manuel Serpa, Deputy General Counsel*

**Recommendation:** Approve, and recommend the Board of Retirement adopt, the proposed revisions to the Public Records and Data Request Policy as presented.

**A-5 TRIENNIAL REVIEW OF THE SACRS VOTING AUTHORITY POLICY**

*Presentation by Gina M. Ratto, General Counsel*

**Recommendation:** Approve, and recommend the Board of Retirement adopt, the proposed revisions to the SACRS Voting Authority Policy as presented.

**A-6 OUT OF CYCLE REVIEW OF THE PROCUREMENT AND CONTRACTING POLICY**

*Presentation by Brenda Shott, Assistant Chief Executive Officer, Internal Operations and Finance*

**Recommendation:** Approve, and recommend the Board of Retirement adopt, the proposed revisions to the Procurement and Contracting Policy as presented.

**A-7 OUT OF CYCLE REVIEW OF THE OCERS RULES OF PARLIAMENTARY PROCEDURE**

Presentation by Gina M. Ratto, General Counsel

**Recommendation:** Approve, and recommend the Board of Retirement adopt, the proposed revisions to the OCERS Rules of Parliamentary Procedure as presented.

**A-8 OCERS ADMINISTRATIVE PROCEDURE RE: DOCUMENTATION OF BIRTHDATE AND MARRIAGE/DOMESTIC PARTNERSHIP**

Presentation by Suzanne Jenike, Assistant Chief Executive Officer, External Operations

**Recommendation:** Approve, and recommend the Board of Retirement adopt, the proposed OAP re: Documentation of Birthdate and Marriage/Domestic Partnership as presented.

**INFORMATION ITEMS**

**I-1 REVIEW OF NEW PAY ITEMS PURSUANT TO THE PAY ITEM REVIEW POLICY**

Presentation by Suzanne Jenike, Assistant Chief Executive Officer, External Operations

**I-2 DISCUSS COMMITTEE WORK PLAN AND MEETING SCHEDULE FOR 2023**

Presentation by Gina M. Ratto, General Counsel

**COMMITTEE MEMBER COMMENTS**

**CHIEF EXECUTIVE OFFICER/STAFF COMMENTS**

**COUNSEL COMMENTS**

**ADJOURNMENT**

**NOTICE OF NEXT MEETINGS**

**AUDIT COMMITTEE MEETING**

**April 5, 2023**

**9:30 A.M.**

**ORANGE COUNTY EMPLOYEES RETIREMENT SYSTEM**

**2223 E. WELLINGTON AVENUE, SUITE 100**

**SANTA ANA, CA 92701**

**DISABILITY COMMITTEE MEETING**

**April 17, 2023  
8:30 A.M.**

**ORANGE COUNTY EMPLOYEES RETIREMENT SYSTEM  
2223 E. WELLINGTON AVENUE, SUITE 100  
SANTA ANA, CA 92701**

**REGULAR BOARD MEETING**

**April 17, 2023  
9:30 A.M.**

**ORANGE COUNTY EMPLOYEES RETIREMENT SYSTEM  
2223 E. WELLINGTON AVENUE, SUITE 100  
SANTA ANA, CA 92701**

**INVESTMENT COMMITTEE MEETING**

**April 19, 2023  
9:30 A.M.**

**ORANGE COUNTY EMPLOYEES RETIREMENT SYSTEM  
2223 E. WELLINGTON AVENUE, SUITE 100  
SANTA ANA, CA 92701**

*AVAILABILITY OF AGENDA MATERIALS - Documents and other materials that are non-exempt public records distributed to all or a majority of the members of the OCERS Board or Committee of the Board in connection with a matter subject to discussion or consideration at an open meeting of the Board or Committee of the Board are available at the OCERS' website: <https://www.ocers.org/board-committee-meetings>. If such materials are distributed to members of the Board or Committee of the Board less than 72 hours prior to the meeting, they will be made available on the OCERS' website at the same time as they are distributed to the Board or Committee members. Non-exempt materials distributed during an open meeting of the Board or Committee of the Board will be made available on the OCERS' website as soon as practicable and will be available promptly upon request.*

It is OCERS' intention to comply with the Americans with Disabilities Act ("ADA") in all respects. If, as an attendee or participant at this meeting, you will need any special assistance beyond that normally provided, OCERS will attempt to accommodate your needs in a reasonable manner. Please contact OCERS via email at [adminsupport@ocers.org](mailto:adminsupport@ocers.org) or call 714-558-6200 as soon as possible prior to the meeting to tell us about your needs and to determine if accommodation is feasible. We would appreciate at least 48 hours' notice, if possible. Please also advise us if you plan to attend meetings on a regular basis.

**ORANGE COUNTY EMPLOYEES RETIREMENT SYSTEM  
2223 E. WELLINGTON AVENUE, SUITE 100  
SANTA ANA, CALIFORNIA 92701**

**GOVERNANCE COMMITTEE MEETING  
October 19, 2022  
9:00 a.m.**

**MINUTES**

The Chair called the meeting to order at 9:01 a.m.

Recording Secretary administered the roll call.

Attendance was as follows:

Present: Arthur Hidalgo, Chair; Richard Oates, Vice Chair; Adele Tagaloa, Board Member; Shari Freidenrich, Board Member.

Also present:

Gina Ratto, General Counsel; Suzanne Jenike, Assistant CEO; Tracy Bowman, Director of Finance; Andy Yeung, Segal; Anthony Beltran, Audio Visual Technician; Ayanna McGiffert, Recording Secretary.

**CONSENT AGENDA**

**C-1 APPROVE GOVERNANCE COMMITTEE MEETING MINUTES**

Governance Committee Meeting Minutes

August 3, 2022

**MOTION** by Mr. Oates, **seconded** by Ms. Tagaloa, to approve the Minutes.

The motion passed **unanimously**.

**ACTION ITEMS**

**A-1 INDIVIDUAL ACTION ON ANY ITEM TRAILED FROM THE CONSENT AGENDA**

No items were trailed from the Consent Agenda.

**A-2 TRIENNIAL REVIEW OF THE WITHDRAWING EMPLOYER (FULLY SATISFIED OBLIGATION) POLICY**  
*Presentation by Suzanne Jenike, Asst. CEO External Operations*

**Recommendation:** Receive and File

**MOTION** by Ms. Freidenrich, **seconded** by Mr. Oates, to adopt staff's recommendation.

The motion passed **unanimously**.

**A-3 TRIENNIAL REVIEW OF THE WITHDRAWING EMPLOYER (CONTINUING OBLIGATION) POLICY**  
*Presentation by Suzanne Jenike, Asst. CEO External Operations*

**Recommendation:** Receive and File

**MOTION** by Mr. Oates, **seconded** by Ms. Tagaloa, to approve staff's recommendation.

The motion passed **unanimously**.

**A-4 TRIENNIAL REVIEW OF THE DECLINING PAYROLL POLICY**

*Presentation by Suzanne Jenike, Asst. CEO, External Operations*

**Recommendation:** Receive and File

**MOTION** by Ms. Freidenrich, **seconded** by Ms. Tagaloa to adopt staff's recommendations.

The motion passed **unanimously**.

**A-5 TRIENNIAL REVIEW OF THE ACTUARIAL FUNDING POLICY**

*Presentation by Andy Yeung, Segal*

**Recommendation:** Board request Segal add additional information to the Actuarial Funding Policy by providing a summary on gains and losses. The Board would like to know if requirements were met on the gains and losses policy.

**MOTION** by Ms. Freidenrich, **seconded** by Ms. Tagaloa, to approve staff recommendations.

The motion passed **unanimously**.

**A-6 OUT OF CYCLE REVIEW OF THE INTEREST CREDITING AND RESERVES POLICY**

*Presentation by Andy Yeung, Segal*

**Recommendation:** Receive and File.

**MOTION** by Ms. Tagaloa, **seconded** by Mr. Oates, to approve staff recommendations.

The motion passed **unanimously**.

**A-7 REVIEW OF THE TRAVEL POLICY**

*Presentation by Steve Delaney, Chef Executive Officer*

**Recommendation:** Board would like Committee to update Travel Policy guidelines by adding flights 6 hours or more can purchase premium/business class tickets. First class in extraordinary circumstances. Committee will bring back to Board at the November meeting with updated policy.

**MOTION** by Ms. Tagaloa, **seconded** by Mr. Oates, to approve staff recommendations.

The motion passed **unanimously**.

Orange County Employees Retirement System  
October 19, 2022  
Governance Committee Meeting – Minutes

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**COMMITTEE MEMBER COMMENTS**

None

**CHIEF EXECUTIVE OFFICER/STAFF COMMENTS**

None

**COUNSEL COMMENTS**

None

**ADJOURNMENT**

Chair adjourned meeting at 10:48 a.m.

**Submitted by:**

**Approved by:**

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Steve Delaney  
Chief Executive Officer

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Arthur Hidalgo, Chair



## Memorandum

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**DATE:** March 23, 2023  
**TO:** Members of the Governance Committee  
**FROM:** Gina M. Ratto, General Counsel  
**SUBJECT:** TRIENNIAL REVIEW OF THE GOVERNANCE COMMITTEE CHARTER

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### Recommendation

Approve, and recommend that the Board adopt, revisions to the Governance Committee Charter.

### Background/Discussion

The Governance Committee Charter states that it will be reviewed by the Committee at least once every three years and any amendments necessary to ensure the Charter remains relevant and appropriate will be presented to the Board for approval.

The Charter was last amended in April 2020; and consistent with a triennial review schedule, revisions to the Charter are proposed for the Committee's consideration. Staff recommends one revision to the Charter in paragraph 4.c., to reflect that in addition to reviewing charters and policies and recommending the same to the Board for approval, the Committee will also review and recommend to the Board new Administrative Procedures and revisions to existing Administrative Procedures.

The proposed revisions are set forth in marked text in the attached Charter.

### Submitted by:



GMR- Approved

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Gina M. Ratto  
General Counsel





## OCERS Board Charter Governance Committee Charter

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### Introduction

1. The OCERS Board of Retirement (Board) has established a Governance Committee to assist the Board in recommending, reviewing, and amending, as necessary, policies and procedures for governance of the Board. The Governance Committee is an advisory committee to the Board and its recommendations are subject to final approval by the Board.
2. The Board Chair will appoint members to the Governance Committee as provided in OCERS' By-Laws and will designate one member of the committee to serve as committee chair and one member of the committee to serve as committee vice chair.
3. The Governance Committee will be comprised of four (4) members of the Board. As provided in OCERS' By-Laws, two members of the Governance Committee constitute a quorum.

### Duties and Responsibilities

4. The Governance Committee will:
  - a. In consultation with the Chief Executive Officer, develop terms of reference for the Board, the Committee Chairs, and the Chief Executive Officer, and periodically recommend to the Board such amendments as may be necessary or advisable;
  - b. Review, develop, and recommend to the Board for approval, new governance policies as may be necessary, review existing governance policies based upon the established schedule for review, and review and recommend changes to the By-Laws as directed by the Board or Board Chair;
  - c. Review the charters, ~~and~~ policies ~~and~~ administrative procedures assigned to the Governance Committee by the Board at least once every three years in accordance with the established schedule for review, and recommend the same for approval by the Board;
  - d. Monitor the implementation of and compliance with governance-related policies;
  - e. Report regularly to the Board on the Committee's activities; and
  - f. At the request of the Board Chair or the Board, undertake such other governance-related initiatives as may be necessary or desirable to guide or assist the Board and OCERS staff in carrying out their respective duties and responsibilities.

### Charter Review

5. The Governance Committee will review this Charter at least once every three (3) years and recommend any amendments to the Board for approval as necessary to ensure that the Charter remains relevant and appropriate.

### Charter History

6. This Charter was adopted by the Board of Retirement on November 18, 2002, and amended on March 17, 2014, July 20, 2015, May 15, 2017, ~~and~~ April 20, 2020, ~~and~~ April 17, 2023.



# OCERS Board Charter Governance Committee Charter

## Secretary's Certificate

I, the undersigned, the duly appointed Secretary of the Orange County Employees Retirement System, hereby certify the adoption of this policy.

~~04/20/2020~~

Steve Delaney, Secretary of the Board

Date



## Memorandum

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**DATE:** March 23, 2023  
**TO:** Members of the Governance Committee  
**FROM:** Steve Delaney, Chief Executive Officer  
**SUBJECT:** TRIENNIAL REVIEW OF THE CEO CHARTER

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### Recommendation

Approve, and recommend that the Board approve, proposed revisions to the CEO Charter as presented.

### Background/Discussion

The CEO Charter was adopted by the Board on November 18, 2002, and was last reviewed on March 18, 2019. Staff recommends two substantive revisions to CEO Charter as follows.

First, staff recommends a revision to Section 9.k. to include key stakeholders like REAOC and member labor unions as entities with which the CEO will maintain an effective working relationship:

9.k. Maintain an effective working relationship with the County, ~~and other~~ participating employers, plan sponsors of OCERS and key stakeholders such as REAOC and member labor unions.

Second, staff recommends a revision to Section 11.b. to clarify the authority of the CEO to approve benefits of OCERS employees consistent with Board approved policies:

11.b. Assess the human resources needs of OCERS and its employees and establish and implement appropriate human resources programs, ~~and~~ procedures and employee benefits, consistent with the human resources and compensation policies of the Board;

Finally, a revision to Section 10.e. is necessary to update/correct the reference to the “annual comprehensive financial report”, and the last revision date has been updated in the footer and in Section 20 assuming the Board approves revisions to the CEO Charter at its next meeting.

A copy of the Charter with the proposed revisions in redlined text is attached.

### Submitted by:

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Steve Delaney  
Chief Executive Officer



## OCERS Board Charter CEO Charter

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### Introduction

1. The Board of Retirement (Board) will appoint a Chief Executive Officer (CEO) who will serve at its pleasure. The CEO is the most senior executive of OCERS and is not subject to county civil service and merit system rules. This charter sets out the roles and responsibilities of the CEO.

### Duties and Responsibilities

#### *Leadership and Policy Analysis*

2. The CEO will provide leadership for the OCERS staff in implementing the programs necessary to achieve the mission, goals and objectives established by the Board. The CEO will manage the day-to-day affairs of OCERS in accordance with policies established by the Board, and may delegate duties to senior management as necessary. In so doing, the CEO will solicit advice and counsel from the Board, the Board Chair, or individual Board members, as appropriate.
3. The CEO will provide support to the Board and its committees in establishing all policies of the Board including identifying and analyzing issues requiring Board policy, and providing well-supported policy recommendations for consideration by the Board or its committees.
4. The CEO will be responsible for ensuring that all policies of the Board and provisions of the County Employees Retirement Law, with the exception of governance policies pertaining to the conduct of the Board, are properly implemented.

#### *Governance*

5. The CEO will:
  - a. Recommend to the Governance Committee policies to help ensure appropriate governance practices;
  - b. Assist the Board in implementing its governance policies, charters, and By-Laws; and
  - c. Assist with Board member education and travel.
6. The CEO will serve as Secretary to the Board and, as such, will carry out the following duties:
  - a. Coordinate meetings, agendas, schedules and presentations for both Board and committee meetings in accordance with the Ralph M Brown Act (California Government Code §§54950, *et seq.*);
  - b. Maintain minutes of Board and committee meetings;
  - c. Sign minutes upon approval of the Board;
  - d. Sign subpoenas; and
  - e. Serve as OCERS' filing officer for purpose of compliance with the California Political Reform Act and regulations of the Fair Political Practices Commission.



## OCERS Board Charter CEO Charter

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### *Investments*

7. The CEO will:
  - a. Employ a Chief Investment Officer (CIO) with appropriate education and experience in institutional investing;
  - b. Carry out the duties described in this section through the CIO and other professional investment staff;
  - c. Recommend to the Investment Committee an Investment Policy Statement which will include investment objectives;
  - d. Recommend to the Investment Committee strategies for achieving OCERS' investment objectives;
  - e. Ensure the implementation of the strategies approved by the Board by establishing manager structures for each asset class, which includes among other things determining:
    - i. The number of investment manager mandates to be established; and
    - ii. The size of each investment manager mandate.
  - f. Ensure execution of portfolio rebalancing and portfolio transitions;
  - g. Ensure that necessary research is performed into investment trends, issues and opportunities that may have implications for the OCERS investment program;
  - h. Ensure all necessary investment manager due diligence is performed in accordance with the Investment Policy Statement of the Board; and
  - i. Oversee the CIO's hiring and termination of investment managers.

### *Benefits Administration*

8. The CEO will:
  - a. Recommend to the Board, as necessary, policies to ensure effective and efficient administration of member benefits;
  - b. Ensure accurate payment of benefits to members, and address problems or errors in accordance with established policies and procedures;
  - c. In consultation with medical evaluators and legal counsel, recommend disability applications to the Board and the Disability Committee for each of their consideration;
  - d. Maintain accurate records of member accounts;
  - e. Ensure delivery of high standards of service to members including calculations and counseling; and
  - f. Develop staff policies and procedures to ensure effective and efficient administration of member benefits.



## OCERS Board Charter CEO Charter

### Operations

9. The CEO will:
  - a. Recommend to the Board, as appropriate, Board policies designed to help ensure effective operations;
  - b. Develop and recommend to the Board a business plan and updates to the plan as necessary;
  - c. Recommend the annual Operating Budget to the Board;
  - d. Transfer funds within a category of expenditures (i.e., Salaries and Benefits; Services and Supplies; Capital Projects) within the approved Operating Budget;
  - e. Execute contractual agreements in accordance with the Procurement and Contracting Policy and authorize payments related to the administration of OCERS, consistent with the Operating Budget and OCERS' internal controls;
  - f. Account for and ensure appropriate collection, deposit and distribution of funds as required;
  - g. Implement internal operational control policies;
  - h. Ensure the appropriate design, acquisition, implementation, and maintenance of all technological systems required to administer OCERS;
  - i. Maintain the records of OCERS in a permanent and readily accessible format and in accordance with the Record Retention Policy and Guidelines;
  - j. Assist the Audit Committee in coordinating operational audits; and
  - k. Maintain an effective working relationship with the County, ~~and~~ other participating employers, plan sponsors of OCERS and key stakeholders such as REAOC and member labor unions.

### Finance, Actuarial and Accounting

10. The CEO will:
  - a. Recommend to the Audit Committee as appropriate, financial and accounting policies;
  - b. Implement appropriate internal financial controls to safeguard the assets of the OCERS;
  - c. Assist the Audit Committee in coordinating the annual financial audit;
  - d. Coordinate the actuarial valuation, actuarial experience studies, and actuarial audits;
  - e. Cause to be prepared a ~~n comprehensive~~ annual comprehensive financial report on the operations of OCERS for Board approval; and
  - f. File in the office of the County Auditor and with the Board of Supervisors a sworn statement which will exhibit the financial condition of the OCERS at the close of the preceding calendar year and its financial transactions for the year ending on that day as required by Government Code §31597.



## OCERS Board Charter CEO Charter

### *Human Resources*

11. The CEO will:
  - a. Recommend human resources and compensation policies to the Board;
  - b. Assess the human resources needs of OCERS and its employees and establish and implement appropriate human resources programs, ~~and~~ procedures and employee benefits, consistent with the human resources and compensation policies of the Board;
  - c. Hire, manage and terminate senior management, and approve all personnel decisions concerning OCERS staff; and
  - d. Implement and lead agency- training, talent development and succession planning.

### *Legislation and Litigation*

12. The CEO will:
  - a. Recommend legislative proposals for approval by the Board;
  - b. Conduct and oversee the assigning, directing, and handling of litigation, claims, demands, disputes or legal proceedings involving OCERS and report material developments in these matters to the Board on a timely basis;
  - c. In consultation with legal counsel, provide recommendations to the Board concerning the initiation and settlement of litigation, including administrative appeals, involving OCERS; and
  - d. Oversee the development and implementation of plans to comply with newly enacted legislation and court rulings, as applicable.

### *Communications*

13. The CEO will:
  - a. Ensure effective and timely communications with stakeholders on matters relating to the administration of OCERS. Such communications may include press releases, newsletters, presentations, and internet communications; and
  - b. In situations that call for an official spokesperson to speak on behalf of OCERS, jointly determine with the Chair, on an issue-by-issue basis, who will act in such capacity.

### *Appointment of Service Providers*

14. The CEO will cause the necessary due diligence to be performed for Named Service Providers, as listed in the Board Procurement and Contracting Policy, and will provide the Board with appropriate recommendations, in accordance with the Procurement and Contracting Policy and the Investment Policy Statement of the Board.
15. The CEO may hire other service providers, consistent with the Operating Budget and the Procurement and Contracting Policy and other policies of the Board, provided that the Board has not specifically retained the authority to hire such service providers.



## OCERS Board Charter CEO Charter

### *Monitoring and Reporting*

16. The CEO will provide the Board with relevant, appropriate and timely information to enable it to properly carry out its oversight and fiduciary responsibilities. Furthermore, the CEO will apprise the Board in a timely manner of all significant issues, problems, or developments pertaining to OCERS and provide recommended courses of action as appropriate.
17. The CEO will:
  - a. Oversee the regular review of all policies of OCERS to ensure they are being followed and continue to meet OCERS' needs;
  - b. Oversee the activities of the Investment Division and report annually to the Board regarding the administrative oversight of the division, including identifying any issues that arose during the reporting period;
  - c. Oversee the funded status of OCERS and all issues that may reasonably have a significant impact on such status;
  - d. Oversee the investment performance of the Fund, the component asset classes, and the investment managers retained to manage the assets of the Fund;
  - e. Oversee management's response to the findings of the annual financial audit, and of any internal audits that may be performed;
  - f. Oversee employees and service providers of OCERS to ensure compliance with the OCERS policies;
  - g. Oversee the activities and performance of key service providers including the actuary, financial auditor, investment consultant, legal-counsel, and custodian on a regular basis;
  - h. Oversee the activities and performance of senior management;
  - i. Oversee the collection of all payments due to OCERS and the payment of all amounts due by OCERS to ensure accuracy and timeliness;
  - j. Oversee OCERS' compliance with applicable laws and regulations; and
  - k. In conjunction with legal counsel, oversee the status of all claims, demands, disputes and legal proceedings involving OCERS and report to the Board as appropriate.

### *Emergency Authority*

18. In emergency situations, the CEO, after making reasonable attempts to contact the Board Chair and Vice Chair, will have the authority to act on matters not expressly stated within this charter provided that:
  - a. The action is, in the CEO's judgment, necessary to protect the System, its employees, the Fund, or System assets from loss or harm that is reasonably likely to occur if action is delayed for the scheduling of a notices meeting of the Board or its committees; and





## OCERS Board Charter CEO Charter

- b. The CEO promptly reports to the Board the emergency action taken, and the reasons why the CEO determined action was immediately necessary.

### Charter Review

- 19. The Governance Committee will review this charter at least once every three (3) years and recommend any amendments to the Board for approval as necessary to ensure that the charter remains relevant and appropriate.
- 20. This charter was adopted by the Board on November 18, 2002, and amended on August 25, 2008, July 20, 2015, April 18, 2018, ~~and~~ March 18, 2019, and April 17, 2023.

### Secretary's Certificate

I, the undersigned, the duly appointed Secretary of the Orange County Employees Retirement System, hereby certify the adoption of this policy.

03/18/19

Steve Delaney  
Secretary of the Board

Date



## Memorandum

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**DATE:** March 23, 2023  
**TO:** Members of the Governance Committee  
**FROM:** Manuel D. Serpa, Deputy General Counsel  
**SUBJECT:** **TRIENNIAL REVIEW OF THE PUBLIC RECORDS AND DATA REQUEST POLICY**

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### Recommendation

Approve, and recommend that the Board adopt, revisions to the Public Records and Data Request Policy.

### Background/Discussion

The Board adopted the Public Records and Data Request Policy on March 19, 2012; it was last reviewed and revised in April 2020. It is scheduled for review and approval by the Board, after review by the Governance Committee, in 2023.

### Proposed Revisions

The only proposed revision to the Policy is to update the last review date of the Policy. The revision is set forth in underlined/strikeout text in the attached copy of the Policy.

### Attachment

### Submitted by:



MDS-Approved

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Manuel D. Serpa  
Deputy General Counsel



## OCERS Board Policy

# Public Records and Data Request Policy

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### Purpose and Background

1. The Board of Retirement (“Board”) of the Orange County Employees Retirement System (“OCERS”) adopts this policy to establish guidelines and procedures regarding responses to requests (“PRA Requests”) pursuant to the California Public Records Act (“PRA”); data requests received from OCERS employers or other stakeholders (“Data Requests”); and requests for account information received from OCERS members and their beneficiaries.

The Board is committed to transparency and recognizes that transparency is integral to good governance. The Board has an obligation to balance its members’ right to privacy with the public’s right to information regarding public business. In addition, the Board must balance the interests of OCERS employers and other stakeholders that request information from OCERS against the Board’s paramount duty to administer the system solely in the interest of, and for the exclusive purpose of providing benefits to, OCERS members and their beneficiaries. This policy is not intended to cover all of the complex legal and factual issues that may arise in responding to a PRA Request. However, the Board has determined that it is useful to establish guidelines for OCERS to consider when responding to a PRA Request or a Data Request, and to publish those guidelines for the benefit of OCERS members and their beneficiaries, OCERS employers and stakeholders, and the public at large.

### Policy Objectives

2. The objectives of this policy are to provide guidelines to staff in responding to PRA Requests and Data Requests.

### Policy Guidelines

3. OCERS members and their beneficiaries are entitled to access their own individual OCERS records and accounts and may authorize access by another person or entity by providing written authorization to OCERS. OCERS staff is authorized to provide members and their beneficiaries with copies of their own individual records and account information and to charge the requestor only the direct cost of duplicating a record, if any. A request made by an OCERS member or beneficiary for their own individual records or information will not be treated as a PRA Request or Data Request under this policy.
4. All Data Requests made by an OCERS employer or other stakeholder shall be routed to an Assistant CEO or the General Counsel and will be treated by OCERS as a request made pursuant to the PRA and subject to this policy. Requests from individual Board members shall be routed to the CEO and will be handled by OCERS in accordance with the Board’s Communications Policy.
5. OCERS prefers that all PRA Requests and Data Requests be made in writing in order to facilitate a clear understanding of the request and the records or data being sought by the requestor. When a request is made verbally, staff should ask the requesting party to put the request in writing. In the



## OCERS Board Policy

# Public Records and Data Request Policy

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event the requesting party refuses to make a written request, staff should seek to clarify the request verbally and take detailed notes regarding the request.

6. The PRA requires OCERS to disclose “public records” unless the particular information is exempt from disclosure. “Public records” include any writing containing information relating to the conduct of the public’s business (i.e., OCERS’ business) that is prepared, owned, used or retained by OCERS.
7. Communications related to the conduct of the public business that are sent, received or stored on the private accounts and personal devices of OCERS staff or Board members are public records subject to disclosure under the PRA. If it is determined that the scope of a PRA Request includes public records that may be held in a Board member’s or OCERS’ employee’s non-governmental accounts or on their personal devices, OCERS will communicate the request to the Board members and employees in question and they must thereafter perform a reasonable search of their personal files, accounts and devices for responsive material.
8. OCERS will respond to PRA Requests and Data Requests in accordance with the PRA, the County Employees Retirement Law of 1937 (the “CERL”), and controlling case law interpreting the PRA and the CERL; and OCERS will not disclose pursuant to a PRA Request or a Data Request records exempt from disclosure under such laws. The General Counsel, in consultation with the CEO, has the authority to exercise discretion to waive an exemption if it is in OCERS’ best interest to do so.
9. The PRA expressly permits, and OCERS’ fiduciary responsibility to administer the system for the exclusive purpose of providing benefits to OCERS members and their beneficiaries requires, that OCERS recover the direct costs of duplication when providing copies of records, and under certain circumstances, the costs of data compilation, extraction, and programming to produce an electronic record. OCERS will provide an estimate of any such costs to the requestor under a PRA Request or a Data Request and will promptly fulfill the request for records or data after payment of the full estimated amount. Any payments made based on the estimate that are in excess of the actual cost for copying or producing the requested records or data will be refunded to the requestor.

## Policy Review

10. The Board shall review this Policy at least every three years to ensure that it remains relevant and appropriate.

## Policy History

11. The Board adopted this Policy on March 19, 2012. The Board reviewed and amended this policy on December 14, 2015, May 15, 2017, ~~and~~ April 20, 2020, and April 17, 2023.



## OCERS Board Policy Public Records and Data Request Policy

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### Secretary's Certificate

I, the undersigned, the duly appointed Secretary of the Orange County Employees Retirement System, hereby certify the adoption of this policy.



Steve Delaney  
Secretary of the Board

~~04/20/2020~~

Date



## Memorandum

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**DATE:** March 23, 2023  
**TO:** Members of the Governance Committee  
**FROM:** Gina M. Ratto, General Counsel  
**SUBJECT:** TRIENNIAL REVIEW OF THE SACRS VOTING AUTHORITY POLICY

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### Recommendation

Approve, and recommend that the Board adopt, revisions to the SACRS Voting Authority Policy.

### Background/Discussion

The SACRS Voting Authority Policy was adopted by the Board on May 9, 1988, and was last reviewed and revised in March 2020. It is scheduled for review and approval by the Board, after review by the Governance Committee, in 2023.

### Proposed Revisions

The only proposed revision to the Policy is to update the last review date of the Policy. The revision is set forth in underlined/strikeout text in the attached copy of the Policy.

### Attachment

### Submitted by:



GMR- Approved

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Gina M. Ratto  
General Counsel



## OCERS Board Policy

# SACRS Voting Authority Policy

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### Background

1. The State Association of County Retirement Systems (SACRS) is an association of 20 California county retirement systems, established under the County Employees Retirement Law of 1937. SACRS meets as an organization twice a year with all 20 counties participating through attendance by Trustees, Administrators, and staff.
2. Regular member County Retirement Systems have the right to vote on the election of the officers/directors of SACRS, amendments to the Articles of Incorporation and By-laws, legislative proposals for SACRS' sponsorship and positions on non-SACRS' sponsored legislation, resolutions, and other items of SACRS' business. Regular member County Retirement Systems are entitled to one (1) voting delegate.
3. The voting delegate must be designated in writing by the member County Retirement Board and must be a Trustee or an Administrator who is employed directly by the County Retirement System. Alternate delegates may be designated in writing by the member County Retirement Board.

### Policy Guidelines

4. In order to ensure that OCERS is represented by a voting delegate at each business meeting of SACRS, OCERS will designate the current Board Chair as OCERS' voting delegate and each member of the Board and the Administrator as alternate delegates.
5. Credentials for the delegates who are voting participants shall be filed by OCERS with the SACRS Credentials Committee in writing prior to any meeting of SACRS at which voting will take place. Credentials will include the name of the member County Retirement System, and designate the Board Chair as OCERS' voting delegate and designate all other Board members and the Administrator as alternate voting delegates.
6. Voting at meetings of SACRS shall be the exclusive privilege of the delegate or one of the alternate delegates. If the Board Chair is present at the SACRS business meeting, he or she will cast OCERS' vote(s) at the meeting. If the Board Chair is not present at the SACRS business meeting at which a vote is taking place, the Vice Chair shall cast OCERS' vote(s) at the meeting. If neither the Board Chair nor Vice Chair are present, the alternate voting delegate to cast OCERS' vote(s) will be determined, among the Board members in attendance, alphabetically by the Board member's last name. The voting delegate, or designated alternate delegate if the voting delegate is absent, may cast one (1) vote on each matter submitted to a vote of the SACRS membership.
7. Where the OCERS' Board has taken an official Board position on an item to be voted on at a SACRS business meeting, the voting delegate or designated alternate voting delegate must cast a vote consistent with the Board position. If the Board has not taken a position on an item to be voted on, the voting delegate or designated alternate voting delegate must comply with the Board policy or policies that address(es) the subject matter of the item. When the item to be voted on is not addressed in any OCERS' Board policy and the Board has not taken a position, the voting delegate or designated alternate voting delegate may use his or her best judgment to vote in accordance



## OCERS Board Policy SACRS Voting Authority Policy

with the position he or she believes the Board would take on the item, or abstain from voting. Notwithstanding the foregoing, the voting delegate and designated alternate voting delegate shall not vote on any item that would obligate OCERS financially to pay any sums other than SACRS dues.

### Policy Review

- 8. The Board will review this policy at least every three years to ensure that it remains relevant and appropriate.

### Policy History

- 9. This policy was adopted on May 9, 1988.
- 10. This policy was revised on August 25, 2008, May 17, 2011, March 17, 2014, May 15, 2017, ~~and~~ April 20, 2020, and April 17, 2023.

### Secretary's Certificate

I, the undersigned, the duly appointed Secretary of the Orange County Employees Retirement System, hereby certify the adoption of this policy.

Steve Delaney  
Secretary of the Board

~~04/20/2020~~

Date





## Memorandum

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**DATE:** March 15, 2023  
**TO:** Members of the Governance Committee  
**FROM:** Brenda Shott, Assistant CEO, Finance and Internal Operations  
**SUBJECT:** **OUT-OF-CYCLE REVIEW OF THE PROCUREMENT AND CONTRACTING POLICY**

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### Recommendation

Approve and recommend that the Board of Retirement approve proposed revisions to the Procurement and Contracting Policy as presented.

### Background/Discussion

The Board of Retirement (including the Investment Committee) has formally adopted over 60 policies and charters and has established a review schedule that requires review of every policy and charter every three years.

The Procurement and Contracting Policy (Policy) was adopted by the Board on November 18, 2002 and was last reviewed and revised on November 15, 2021. OCERS' Internal Auditors presented the Audit of Procurement Process Report to the Audit Committee on October 3, 2022. In the audit report, there were a number of findings that management determined could be addressed in part by an update to the Policy. Management committed to bringing the Policy back to the Governance Committee in the first quarter of 2023.

### Proposed Revisions

In addition to the changes necessary to address the audit findings, staff is also recommending several substantive and non-substantive policy changes to address operational situations that have been encountered that require specific new policy provisions or clarifications. A **summary of the substantive changes** is included in the chart below.

Policy Section	Description of Change	Reason for Change
<b>I.C.4</b> <b>The Role of the Contract Administrator</b>	Clarified Roles of the Contract Administrator related to due diligence, training team members responsible for purchasing and contractors on the Policy and ensuring contracts are executed by authorized signers.	Management Action Plan for Audit Findings
<b>I.D - Definitions</b>	Added definitions (Master Services Agreement, Pre-Qualified Contractors, Total Contract Value, Unilateral Contract and Written Agreement) and arranged definitions in alphabetic order	To address operations situations needing policy provisions and for clarifications

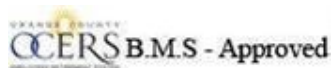
<b>II.A.5 Contracting Philosophy</b>	Added provision that a written agreement is required when services valued over \$1,000 and spanning more than one year are obtained and when goods purchased with a value greater than \$1,000 are purchased.	Management Action Plan for Audit Findings
<b>II.B.7 Authority for Entering Into Contracts</b>	Added language requiring a procurement and contracting checklist be utilized to ensure policy compliance	Management Action Plan for Audit Findings
<b>II.C Contract Amendments</b>	Added a section creating policy requirements for contract amendments	To address operational situations needing policy provisions
<b>II.D.4 Contract Term</b>	Added clarification to provisions for contract terms	To address operational situations and provide clarification
<b>III.A.3 Request for Qualifications</b>	Added RFQ as an allowable procurement method	To address operational situations needing policy provisions
<b>III.A.4 Small Purchase Procedures</b>	Create a distinction between a competitive small purchase procedure for goods valued between \$1,000 and \$49,999 (need to obtain one quote) vs those valued between \$50,000 and \$99,999 (need to obtain 3 quotes)	To address operation situations needing policy provisions
<b>III.A.5 Process for Receiving Bids</b>	Amended process to reflect newly implemented use of online bidding system (PlanetBids)	Reflect current process (recently revised)
<b>III.A.6 Request for Information</b>	Added procurement method	To address operational situations needing policy provisions
<b>III.A.7 Search and Selection Process – Exceptions</b>	Moved “exception” language from section III.A.2 – RFP to a new section and added clarifications regarding continued maintenance IT-related purchases	To address operational situations needing policy provisions and to provide clarification
<b>III.C Sole Source &amp; IV</b>	Added provisions that must be included in the justification to use a sole source method of procurement (has OCERS contracted with them in the	To address operations situations needing policy provisions

<p><b>Contract Guidelines Summary</b></p>	<p>past five years, how prices/fees compare to the general market for similar services/goods)</p> <p>Added requirement that Board approve all Sole Source contracts with Contract Value over \$100,000</p>	
<p><b>III.D Technology Purchases</b></p>	<p>Added requirements that technology-related purchases need to be reviewed and approved by IT and InfoSec to ensure compatibility with OCERS' technology and security environments</p>	<p>To address operational situations needing policy provisions and to reflect the current process</p>

Two copies of the Policy are attached; one with proposed changes indicated in underlined/strikeout text, and a clean version.

Attachments

**Submitted by:**




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Brenda Shott  
 Assistant CEO, Finance and Internal Operations



## OCERS Board Policy

# Procurement and Contracting

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### I. Purpose and Background

#### A. Purpose

The Procurement and Contracting Policy (policy) establishes the guidelines by which OCERS will procure goods and services. Investment Management Agreements (as defined below) are exempt from this policy, and will instead be governed by the CIO Charter and the Investment Policy Statement.

#### B. Objectives

The objectives of this policy are to ensure that:

1. Contractual arrangements for the purchase of goods and services are made in a manner consistent with OCERS' fiduciary duty to its members and beneficiaries;
2. The procurement of goods and services is efficient, transparent, economical, fair, and in compliance with all applicable laws;
3. A system of internal controls related to the procurement of goods and services is implemented;
4. All contracting activities are performed by qualified individuals with specifically delegated authority using sound business practices in an ethical manner;
5. The selection of Contractors reflects a level of rigor that is commensurate with the importance and cost of the service or goods in question.

#### C. Roles and Responsibilities

1. The role of the Board of Retirement (Board), or the Investment Committee if applicable, is to:
  - i. Establish appropriate policies to ensure selection decisions are prudent and sound;
  - ii. Oversee compliance with such policies;
  - iii. Select and ~~appoint~~terminate Named Service Providers; and
  - iv. Authorize staff to execute contracts with Named Service Providers.
2. The role of the Chief Executive Officer (CEO) is to:
  - i. Approve the purchase of goods and services for which the CEO is responsible under this policy; and
  - ii. Keep the Board apprised of contract actions as necessary for the Board to carry out its oversight function.
3. The role of the Responsible Executive is to:
  - i. Approve the purchase of goods and services for which ~~s/he is~~they are responsible under this policy;



## OCERS Board Policy

# Procurement and Contracting

- ii. Keep the CEO apprised of all significant contract actions for which the Responsible Executive is responsible;
  - iii. Ensure that budget authority exists within the budget ~~line item category~~ from which a contract will be paid;
  - iv. Select the appropriate procurement process to be used and participate in the preparation of the solicitation documents for the goods and services being procured.
  - v. Select, or recommend that the CEO select as the case may be, Contractors in the area for which the Responsible Executive is responsible;
  - vi. Negotiate, or delegate to an appropriate staff member who will negotiate terms and conditions of contracts for the purchase of goods and services for which ~~s/he is~~they are responsible.
4. The role of the Contract Administrator is to:
- i. Manage the Contractor files and the lifecycle management system, and ensure compliance with best practices for Contractor management;
  - ii. Assemble, manage, and distribute all contract solicitations and other contract acquisition efforts;
  - iii. Maintain appropriate contract and solicitations templates in consultation with the Legal Division;
  - iv. Assist the Responsible Executive with the selection of Contractors and negotiation of contractual terms;
  - v. ~~Conduct~~Ensure due diligence is completed in accordance with Section III.E for ~~potential~~ Contractors; with whom OCERS does not have an existing contract;
  - vi. Review Contractors' certificates of insurance to verify compliance with the contracted requirements for coverage;
  - vii. Serve as the CEO's designee under the Quiet Period Policy;
  - viii. Develop (subject to the approval of the Responsible Executive and in consultation with the Legal Division) required and preferred terms and conditions to be included in OCERS contracts;
  - ix. Ensure all solicitations are reflected in the Quiet Period Report to the Board;
  - x. Coordinate and oversee the review of Contractors' performance;
  - xi. Monitor the expiration dates of all contracts to ensure either timely extension of the contract term or timely issuance of contract solicitation; ~~and~~
  - xii. Report to the Board annually all contracts that exceed a Contract Value of \$100,000; ~~;~~



## OCERS Board Policy

# Procurement and Contracting

- xiii. Conduct annual Procurement & Contracting Policy training for team members who have responsibility for purchasing and contracting;
  - xiv. Ensure contracts comply with the signature requirements set forth in Section IV of this policy; and
  - xv. Ensure OCERS' contract template is attached to and incorporated into all RFPs.
5. The role of the General Counsel or his/her/their designee is to:
- i. Review contracts before execution for compliance with legal requirements and to provide an assessment of risk to the agency;
  - ii. Assist the CEO, Responsible Executive, and Contract Administrator in preparing Requests for Proposals, Invitations to Bid, and other solicitations when requested;
  - iii. Assist the Responsible Executive and Contract Administrator in the negotiation of contractual terms and conditions when requested; and
  - iv. Assist the Contract Administrator in developing necessary and preferred terms and conditions and contract templates.

#### D. Definitions

- ~~1. **Executive:** The CEO, the Assistant CEOs, the Chief Investment Officer, and the General Counsel.~~
- ~~2. **Responsible Executive:** The Executive who manages the budget line item for the funds being committed under the contract.~~
- ~~3.1. **Contract Value:** For the purposes of the dollar thresholds in this policy, the value of a contract is the anticipated amount OCERS ~~is~~will be obligated to pay for one year under the contract.~~
- 2. **Contractors:** For purposes of this policy, Contractors include providers of services and vendors of goods.
- 3. **Executive:** The CEO, the Assistant CEOs, the Chief Investment Officer, and the General Counsel.
- 4. **Investment Management Agreements:** agreements of any kind that evidence and/or govern the investment of OCERS' assets in any investment class. Investment Consultant Agreements are not Investment Management Agreements.
- 5. **Master Services Agreement:** A contract for goods or services to be provided on an as-needed basis or which may govern future transactions with the vendor is sometimes referred to as a Master Services Agreement. Any statement of work or order made under such contracts will comply with the requirements for contracts of the same value.
- 6. **Named Service Providers:** The Contractors designated in section V, below.



## OCERS Board Policy

# Procurement and Contracting

~~4-7.~~ **Non-Routine Items:** expenses that are not regularly purchased or budgeted on an annual basis:— Contracts or purchase orders for non-routine items require:

- i. ~~Must have~~ Available funds in the approved budget, including ~~any~~ permissible budget transfers under the Budget Approval Policy or Board approved amendments to the budget; designated for the goods or services being procured; and
- ii. ~~Can be approved~~ Approval by the Responsible Executive ~~responsible for~~ where the budget item goods or services are to be paid from for expenditures valued at less than \$100,000; or
- iii. Approval by the Board for expenditures valued over \$100,000. The Board may approve of the expenditure either as part of the annual budget, budget amendment, annual Business Plan or a specific Board approval of the contract or purchase order.

**8. Pre-Qualified Contractors:** Contractors that have been evaluated and selected by OCERS through a publicly advertised competitive search and selection process, and passed a due diligence review.

**9. Responsible Executive:** The Executive who manages the budget category for the funds being committed under the contract.

~~5-10.~~ **Routine Items:** expenses that are regularly budgeted on an annual basis. These items include but are not limited to the following:

- i. Office supplies, postage, furniture, office equipment, subscriptions, temporary services, professional and consulting services engaged to supplement or support staff, ~~and~~ software and cloud services; and
- ii. General services contracts and agreements such as hearing officers, medical panel reviewers, property management, maintenance and repair of landscaping, building, and equipment, printing, Board of Retirement elections, computer consulting, software licenses, messenger services, catering, etc.

~~Non-Routine Items: expenses that are not regularly purchased or budgeted on an annual basis.~~ Contracts or purchase orders for non-Routine Items require:

- iii. Available funds in the approved budget, including any Board approved amendments to the budget designated for the goods or services being procured,
- iv. Approval by the Responsible Executive ~~responsible for the budget in which the goods or services to paid from for expenditures valued at less than \$100,000,~~
- ~~i.~~ Approval by the Board for expenditures valued over \$100,000. The Board may approve of the expenditure either as part of the annual budget, budget amendment, annual Business Plan or a specific Board approval of the contract or purchase order.

~~7-1.~~ **Contractors:** For purposes of this policy, Contractors include providers of services and vendors of goods.



## OCERS Board Policy

# Procurement and Contracting

~~8. **Named Service Providers:** Contractors recommended by the CEO and selected and appointed by the Board where such providers are retained primarily to fulfill an independent audit or advisory role for the Board. See also below section V.~~

~~9-11. **Time and Material (T&M) Contracts:** agreements with Contractors where the value of the contract is variable based on the time and material costs of the Contractor. In these types of contracts, if the contract ~~will~~does not include a ~~provision stating that the Contract Value is not to exceed a~~ specified not-to-exceed dollar amount, ~~or~~ the Contract Value will be limited by the available budget for the goods or services.~~

12. **Total Contract Value:** the sum of all Contract Values that, when the contract is entered, is anticipated to be the amount OCERS will be obligated to pay over the entire term of the contract.

13. **Unilateral Contract:** a contract that is used to pay for critical, ongoing services provided by exclusive entities that will not sign an OCERS-written contract. Unilateral Contracts are not subject to OCERS' standard procurement practices. The following are permissible Unilateral Contracts:

i. Utility services: electric, gas, water, telephone

ii. Cable/Satellite companies

iii. US Postal Service

iv. Memberships in associations formed for a purpose directly related to the primary work of OCERS

14. **Written Agreement:** a document that is a legally binding contract between OCERS and another party(s) regarding the buying and selling of goods or services. Examples include but are not limited to: a contract, sale or lease agreement, bill of sale, purchase order, or memorandum of understanding. Reference to a written agreement means a contract that has been reduced to writing, regardless of format or label.

~~9-1. **Investment Management Agreements:** agreements of any kind that evidence and/or govern the investment of OCERS' assets in any investment class. Investment Consultant Agreements are not Investment Management Agreements.~~

## III. II. Provisions Applicable to All Contracts

### A. Contracting Philosophy

1. OCERS will consider as broad a universe of qualified Contractors as is practical and reasonable given budgetary, staffing, time, and other relevant constraints and considerations.
2. The search, selection, monitoring, and reporting provisions contained in this policy serve as minimum requirements. If more stringent requirements are established under the law or within other policies of OCERS, the law, and such other policies will control.





## OCERS Board Policy

# Procurement and Contracting

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3. Consistent with Title 2, Division 6, Chapter 7 of the California Code of Regulations, §§ 18700-18720, no OCERS Board Member or staff will be directly or indirectly involved in an OCERS contracting decision if the decision will have a material financial effect on an economic interest of the Board Member, staff person, or the immediate family of the Board Member or staff person.
4. OCERS values diversity and inclusion and is committed to fostering diversity in its procurement process through ~~the~~ outreach to small and diverse businesses. In the distribution and publication of solicitations, OCERS will endeavour to reach beyond traditional sources and list opportunities in locations that will notify a diverse audience of Contractors.
5. A Written Agreement is required when:
  - a. Services valued over \$1,000, and the delivery of services will span a duration of more than one year; or
  - b. Goods purchased with a value greater than \$1,000
6. Contracts shall not be split to avoid approval by the Board or to bypass competitive search and selection requirements.

### B. Authority for Entering Into Contracts.

1. Before entering into any contract for goods or services, OCERS must have available funds in the current year's approved budget, including any Board approved amendments to the budget, to fund the current year's expense or Contract Value.
2. Only the Responsible Executive or his/her/their designee may bind or commit OCERS for the purchase of goods or services as set forth in this policy, except in emergencies and as may be otherwise authorized by the Board.
3. An emergency is any circumstance that would interfere with ~~OCERS'~~OCERS' ability to meet its fiduciary obligations, threaten the health and safety of its staff, or compromise its legal rights or remedies. If a contract is needed as the result of an emergency, report of the contract will be made to the Responsible Executive or to the Board whose authorization is normally required for such contract as soon as practicable.
4. The CEO may delegate his/her/their authority to execute documents to an Executive.
5. A Responsible Executive may delegate his/her authority to approve check requests, invoices and/or purchase requisitions.
6. All delegations will be documented in writing, identifying the individual to whom the authority is delegated and any dollar restriction or budget account restrictions associated therewith.
7. Contracts will be routed to the Responsible Executive for signature. The submission will include a certification by both the Contracts Administrator and the staff member who originated the contract certifying compliance of the contract with the provisions of this policy.



## OCERS Board Policy

# Procurement and Contracting

8. After the Responsible Executive signs the contract it will be routed for the second Executive signature when required.

### C. Contract Amendments

1. Contract Amendments that increase Contract Value are permissible under the following circumstances:
  - i. The need for services could not be accurately projected and the increase does not justify rebidding
  - ii. To cover services already provided in the scope of work or additional services similar to those already provided in the scope of work set forth in the contract
  - iii. Special economic factors that justify a contract increase
  - iv. An emergency exists which does not permit rebidding
2. Contract Value may be increased up to twenty-five percent (25%) of the original Contract Value or \$100,000, whichever is less.
3. For contracts that span over multiple years, the Total Contract Value may be increased up to twenty-five percent (25%) or \$200,000 whichever is less.
4. Contract amendments have the same requirements as the original agreement for the purpose of determining signing authority.
5. A full due diligence review is not required for Contract Amendments.
6. If an amendment is determined to be in the best interest of OCERS and will exceed the limitations in sections II.C.2 and II.C.3, justification must be documented and CEO approval is required.
7. Exemptions: Amendments to Unilateral Contracts or subscriptions, cloud services, or license agreements for the purpose of increasing the number of users required to meet OCERS operational needs are not limited as prescribed in section II.C.1. However, approved budget funds must be available in the designated budget category.

### C.D. Contract Term

1. ~~The term of a contract~~ Contract terms will not exceed six (6) years.
2. Ongoing subscriptions or licenses will be reviewed at least every six (6) years
3. The Legal department must review renewal documents.
4. Board of Retirement approval is required to extend a contract term beyond a total of six years without a new competitive search and selection process, with the exception of Unilateral Contracts

### D.E. Performance Reviews

1. The Contract Administrator will coordinate ~~the evaluation~~ evaluations of all Contractors ~~to determine if Contractors are performing their contractual obligations.~~



## OCERS Board Policy

# Procurement and Contracting

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2. The performance of Named Service Providers and Contractors with Contract Values that exceed \$100,000 will be reviewed at least every three years. In addition, at least six months before the expiration of the initial term of a contract with a Named Service Provider and Contract Value over \$100,000, the continued appropriateness and cost-effectiveness of the Contractor will be assessed. For contracts with Named Service Providers, the CEO and the Board or the pertinent committee of the Board will make the performance review and assessment. For Contract Values over \$100,000, the CEO (or his/her designee) will make the performance review and assessment.

The results of performance reviews of Named Service Providers will be summarized and reported to the Board.

### IV.III. Search and Selection Process

#### A. Competitive Search and Selection Process

Where a competitive search and selection process is required under this policy, the Responsible Executive will use one of the following procurement methods.

1. Invitation for Bid (IFB):
  - i. This method will be used when multiple bidders are available and willing to bid, and procurement needs can be stated in detail, with precision, or where services or products are standardized.
  - ii. The IFB process requires the evaluation of price, delivery and payment terms, and compliance with technical standards. The bid that provides the best pricing and delivery and payment terms will be selected.
  - iii. The bids may be reviewed by a minimum of three OCERS staff members to identify the bidder who provides the best value to OCERS.
2. Request for Proposal (RFP)
  - i. This method will be used where the product or service to be acquired cannot be stated with specificity (such as consulting services) or where OCERS may seek to evaluate a number of different types of professional services or products.
  - ii. The proposal that best meets OCERS' needs, with consideration for price, qualifications, and other relevant factors set forth in the RFP, will be selected.
  - iii. This method will be used in most circumstances where the Contract Value exceeds \$100,000. ~~In cases where the Responsible Executive deems an RFP will not be of benefit, the Responsible Executive or designee will provide a report to the CEO detailing the reasons why an RFP is not beneficial. The CEO must approve the exception prior to selecting a Contractor, or Master Service Agreements.~~

#### 3. Request for Qualifications (RFQ)



## OCERS Board Policy

# Procurement and Contracting

- i. A solicitation that describes the product, project, or services required and solicits qualifications from potential Contractors for purposes of evaluating those qualifications for screening, pre-qualifying, or for an award of contract.
- ii. This method will be used where:
  - a. The available specifications or description of the product, project, or service to be acquired are not sufficiently complete without further technical evaluations and discussions between the Contractor and OCERS, or
  - b. OCERS has a business need to have one or multiple Pre-Qualified Contractors within a designated field of work (i.e. information technology support), a Master Services Agreement will be used with specific scopes of work developed on an as-needed basis. Use of a Pre-Qualified Contractor will be based on the best interest and needs of OCERS.

### 3.4. Small Purchase Procedure

- i. Where the Contract Value is at least \$1,000 but less than \$50,000, the selection of Contractors will be based on a less formal competitive process resulting in a minimum of one written or oral quote from a qualified source. Quotes can be obtained from means such as websites, email, catalogs, price lists, and letters.
- ii. Where the Contract Value is \$50,000 or more but less than \$100,000, the selection of Contractors will be based on a less formal competitive process resulting in a minimum of three quotes from qualified sources ~~must be obtained~~. Quotes can be obtained from means such as websites, email, catalogs, price lists, and letters. If three qualified sources cannot be reasonably identified, then the Responsible Executive may authorize the use of a ~~sole source process, as set forth below in Section III.C.~~ selected vendor based on the best interest and needs of OCERS.

### 4.5. Process for Receiving Bids in Response to an RFP ~~or~~, IFB and RFQ

- i. The period for submitting bids in response to an RFP, IFB and ~~IFBRFQ~~ will be at least fifteen (15) days from the date the RFP ~~or~~, IFB or RFQ is issued. All RFPs ~~and~~, IFBs and RFQs will be issued on OCERS' bidding system. A link to the bidding system will be posted on ~~the OCERS~~ OCERS' website and ~~distributed~~ notification may be given to entities that OCERS identifies as likely to be interested.
- ii. The Contract Administrator or ~~his/her~~ their designee will answer questions from any bidder or potential bidder, and all answers provided to any bidder will be made available to all bidders by posting on the OCERS website and by e-mailing all bidders through OCERS' bidding system.
- iii. Best efforts will be made to have at least three OCERS personnel review the bids and recommend finalists. Best efforts will be made to include at least one representative from a department other than the one that has authority over the contract. In the case where external expertise is used to review the bids, at least one reviewer must be an OCERS employee.

### 6. Request for Information (RFI)



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- i. A solicitation used when OCERS does not intend to award a contract, but needs to obtain price, delivery, other market information, or capabilities for planning purposes. Responses to RFI notices are not offers and cannot be accepted by OCERS to form a binding contract.
  - ii. An RFI may precede an RFP or RFQ. The RFI is a way to find interested vendors and service providers and is generally in the format of a business letter, clearly identifying the needs or services OCERS desires to obtain. An RFI could contain some of the following:
    - 1. Description of the goods or services being requested, and if applicable, the target population to be served;
    - 2. Term of a potential contract;
    - 3. Deadline for submitting a response to the RFI;
    - 4. Contact information for responding to the RFI Letter;
- 7. Exceptions**
- i. In cases where an RFP, IFB or RFQ is required, but the Responsible Executive deems the defined search and selection process will not be of benefit, the Responsible Executive or designee will provide a report to the CEO, detailing the reasons why the required search and selection process is not beneficial along with a description of an alternative search and selection process that does not restrict open and fair competition to be used.
  - ii. The CEO or their designee must approve the alternative search and selection process prior to selecting a Contractor.
  - iii. In cases where OCERS has purchased equipment, software and operating systems for its use in compliance with this policy, procurement of the continuing maintenance, and upgrades of the software and operating systems from the developer, manufacturer or authorized reseller does not require a separate competitive procurement

### **B. Contracted Suppliers**

Where a Contractor has been selected by OCERS pursuant to a competitive search and selection process or by the County of Orange or other governmental agency pursuant to a competitive search and selection process, the Contractor may be used as a Contracted Supplier under certain circumstances as set forth in this policy. Such Contracted Suppliers may include, by way of example, retail sellers of off-the-shelf office supplies contracted by the County of Orange or directly by OCERS.

### **C. Sole Source**

A sole source approach may be permitted under the following circumstances:

- 1. In cases where a competitive search and selection process will not likely yield a viable alternative to a known service provider; or
- 2. Where legal services are urgently needed, a competitive search and selection process will not be timely, and a known Contractor exists.

A written report describing the unique characteristics of the situation, the known Contractor ~~and,~~ whether OCERS has contracted with this Contractor within the last five years, sound justification for a sole source approach and explanation of how prices or fees compare to the general market for



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comparable services or supplies will be provided to the Executive who will either approve or deny the request to use a sole source approach—in writing

Executives who wish to use a sole source approach will provide the report to the CEO, who will either approve or deny the request. When the CEO is the Responsible Executive, the report will be provided to the Board Chair and Vice-Chair who will either approve or deny the request to use a sole source approach. All sole source contracts (whether approved by the CEO or the Board Chair and Vice-Chair and regardless of Contract Value) will be reported to the Board at its next regular meeting. Sole Source contracts with a Contract Value of \$100,000 or more require Board approval.

### D. Technology Purchases

1. Include any information technology-related hardware, software, licenses, subscriptions, services, and/or consulting;
2. Must be initiated and processed with the full knowledge, direction, and approval of OCERS' Director of Information Technology, regardless of cost, to ensure compatibility with OCERS' current technology environment, and
3. Require an information security due diligence review that includes a review of the Contractor's service and organizational controls (i.e. SOC-2 report), if applicable, as well as a review and analysis of whether the purchase complies with OCERS' information security policies and controls. Information security due diligence will be completed by the Director of Information Security or their designee.

### D.E. Exclusions

Notwithstanding any other provision in this policy, Contractor back-fill or temporary help for staff augmentation does not require Board approval or compliance with this policy as long as budgetary amounts are available for individual temporary help or contractor positions.

### E.F. Due Diligence

1. Before awarding a contract, the Contract Administrator will conduct due diligence of any bidder selected to ensure that the bidder:
  - i. Meets all minimum qualifications set forth in the solicitation document; and
  - ii. Meets all other standards which, in the exercise of sound business judgment, are required of the Contractor.
2. If a selected bidder is disqualified as a result of the due diligence process, the reason for the disqualification will be documented and forwarded to the Responsible Executive for confirmation.
3. For certain critical Information Technology Contractors, SOC2 reports will be requested during the due diligence process. These reports will then be requested from the Contractor annually to ensure proper Information Technology and security controls are in place.



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### V-IV. Contract Guidelines Summary

<u>Estimated Contract Value<sup>1</sup> or Type of Contractor</u>	<u>Approver</u>	<u>Signatory</u>	<u>Procurement Requirements<sup>2*</sup></u>
Named Service Provider	Board of Retirement or represented committee	CEO (or CIO on Investment-related contracts) +1 Executive	IFB or RFP
<del>Sole Source &gt; \$100,000 or More</del>	<del>CEO/Board of Retirement or represented committee</del>	CEO (or CIO on Investment-related contracts) +1 Executive	<del>IFB or RFP Sole Source</del>
<del>\$1100,000 to \$99,999 or More</del>	<del>Responsible Executive/CEO</del>	<del>Responsible Executive + CEO (or CIO on Investment-related contracts) +1 Executive, Director or Manager</del>	IFB, RFP, Small Purchase Procedure, RFQ or Contracted Supplier
<del>Under \$1,000 to \$99,999</del>	Responsible Executive or designee	Responsible Executive + 1 Executive, Director or designee/Manager	<del>Contracted Supplier</del> IFB, RFP, RFQ, Small Purchase Procedure, or Contracted Supplier
<del>Investment Managers Under \$1,000</del>	<del>CEO / CIO/Responsible Executive or designee</del>	<del>CEO or CIO +1 Responsible Executive or designee</del>	<del>In accordance with CIO Charter and IC Charter and IPS Small Purchase</del>

<sup>1</sup> Refers to the value of the contract or the value of a new statement of work or new order under an existing contract.

<sup>2</sup> See section III.C for Sole Source requirements



## OCERS Board Policy Procurement and Contracting

			<u>Procedure, Contracted Supplier</u>
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### VI.V. Contracts with Named Service Providers

Contracts with Named Service Providers will comply with the requirements of this section.

#### A. Designation of Named Service Providers

The following service providers are designated as Named Service Providers:

1. Consulting actuary;
2. Actuarial auditor;
3. General investment consultant;
4. Alternative investments consultant;
5. Fiduciary counsel;
- ~~6. Securities lending manager;~~
6. Custodian;
7. Financial auditor; and
8. Any additional consultant not named above but which the Board may, from time to time, designate.

#### B. Search and Selection Process

1. At least six months before the expiration of the final extension of a contract with a Named Service Provider, or upon direction of the Board following the review of the performance of the Named Service Provider, the CEO will conduct a competitive search and selection process for a Named Service Provider.
2. Prior to conducting a search for a Named Service Provider, the CEO or his designee will present a written summary to the Board or representative Committee, which will include:
  - i. The type of service provider being sought and the supporting rationale;
  - ii. The objectives and selection criteria to be met and their relative importance;
  - iii. An estimated timeline for completion of the search process; and
  - iv. A description of the search methodology that is deemed most appropriate and cost effective in the particular circumstances, and that addresses such issues as:
    - a. What method of competitive search and selection process will be used;
    - b. Whether a consultant is to be used to assist with the search process;





## OCERS Board Policy

# Procurement and Contracting

- c. The due diligence efforts to be undertaken, including such efforts as site visits, and reference checks;
  - d. Such other information that the CEO believes may assist the Board in better understanding the search process.
3. The CEO will provide the Board (or a designated committee of the Board) with periodic reports on the status of all search processes involving Named Service Providers.
4. Upon completion of the analysis and due diligence involved in a search process for a Named Service Provider, the CEO will provide the Board (or a designated committee of the Board) with a written report containing, at a minimum:
  - i. A description of the due diligence activities undertaken;
  - i. The recommended finalist(s) and analysis of the recommendation;
  - ii. Confirmation of compliance with the objectives, selection criteria and search methodology presented to the Board prior to the commencement of the search, or an explanation of any deviations that occurred;
  - iii. A description of performance expectations and the proper time horizon for evaluation of results;
  - iv. A bid (pricing) summary with annotations regarding differentiating features; and
  - v. A description of the expected performance monitoring and reporting efforts to be carried out with respect to the Named Service Provider throughout the term of the contract, including the reporting to be provided to the Board.
5. The Board (or a designated committee of the Board) will interview the candidate or candidates recommended for appointment as a Named Service Provider. If a committee reviews the candidates, the committee will recommend to the Board the appointment of the Named Service Provider. If the Board interviews the candidates, the Board itself will decide on the appointment.
6. Upon selection of the candidate, the CEO (or ~~his/her~~their designee) will negotiate a final contract with the selected Named Service Provider, consistent with the terms of the contract solicitation, this policy, and any other direction from the Board. If, at any time during the negotiations, the CEO determines that there is an impasse in negotiations, ~~s/het~~they may recommend to the Board that the Board select an alternate bidder for the Named Service Provider.

### C. Approval and Execution

Upon completion of negotiations with a Named Service Provider, the CEO or ~~his/her~~their designee will inform the Board of the general contract terms and conditions that have been negotiated. Contracts with Named Service Providers must be executed by the CEO and one other Executive.

### D. Reports

1. The CEO will report promptly to the Board any failures by a Named Service Provider to comply with the terms of their contract.



## OCERS Board Policy

# Procurement and Contracting

2. At least annually, the CEO will provide the Board a schedule of the contracts with Named Service Providers due for renewal and those whose terms will expire in the coming year.
3. The CEO will report regularly and in a timely fashion to the Board on all monitoring efforts involving Named Services Providers, identifying any material issues and actions taken in response.

## VII.VI. Contracts with Contract Value of \$100,000 or More

Contracts for goods or services, excluding contracts with Named Service Providers, for which the Contract Value exceeds \$100,000 will comply with the requirements of this section.

### A. Review and Renewal

1. At least six months before the expiration of the term of a contract with a Contract Value over \$100,000, the CEO (or his/her/their designee) will assess the continued appropriateness and cost-effectiveness of the Contractor in question.
2. Upon recommendation of the Responsible Executive (or his/her/their designee), the CEO will: 1) extend the term of the contract up to the maximum total term of six years; 2) direct the Responsible Executive (or his/her/their designee) to conduct a new search and selection process; or 3) determine that the goods or services are no longer necessary.

### B. Search and Selection Process

1. Contracts for goods or services for which the Contract Value exceeds \$100,000, require a competitive search and selection process- (See Section IV for procurement requirements).
2. Upon completion of a competitive search and selection process, a written report will be provided to the CEO or his/her/their designee and will include at a minimum:
  - i. Purpose and need for the goods or services being procured;
  - ii. A description of the procurement process and due diligence activities undertaken; and
  - iii. The recommended finalist and analysis concerning the candidates.
3. Upon the CEO's, or his/her/their designee's approval of the candidate, the Responsible Executive (or his/her/their designee) will negotiate a final contract, consistent with the terms of the contract solicitation, this policy, and direction from the CEO. If, at any time during the negotiations, the Responsible Executive determines that there is an impasse in negotiations, s/he/they may recommend to the CEO that the CEO select an alternate candidate.

### C. Approval and Execution

1. Contracts for goods or services with a Contract Value that exceeds \$100,000 must be executed by the CEO and one other Executive.



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# Procurement and Contracting

2. For contracts relating to Routine and Non-Routine Items, Board ~~approval~~authorization of the expenditure may be acquired through either the budgeting process or the annual Business Plan.

### ~~VIII.~~VII. Contracts with Contract Value Between \$1,000-\$99,999.99

Contracts for goods or services, excluding contracts with Named Service Providers, with a Contract Value that is at least \$1,000 but less than \$100,000 will comply with the requirements of this section.

#### A. Search and Selection Process

1. Contracts for goods or services, excluding contracts with Named Service Providers, with a Contract Value of at least \$1,000 but less than \$100,000, the Executive Responsible will require a competitive search and selection process. ~~The use of a Contracted Supplier is permitted.~~(See Section IV for procurement requirements).
2. Upon selection of the candidate, the Responsible Executive (or ~~his/her~~their designee) will negotiate a final contract consistent with the terms of the contract solicitation, this policy, and direction from the CEO. If, at any time during the negotiations, the Responsible Executive determines that there is an impasse in negotiations, ~~s/he~~they may select an alternate candidate.

#### B. Approval and Execution

1. Upon completion of negotiations, the Responsible Executive will approve the contract.
2. Any contract under this provision must be executed by at least two Executives.

### ~~IX.~~VIII. Contracts with Contract Value Less than \$1,000

Contracts for goods or services, excluding contracts with Named Service Providers, for which the Contract Value is less than \$1,000 will comply with the requirements of this section.

#### A. Search and Selection Process

The Responsible Executive may enter into a contract with any qualified Contractor that the Responsible Executive determines is in the best interest of OCERS. Alternatively, the Responsible Executive may choose to use a competitive search and selection process if ~~s/he determines~~they determine it is in the best interest of OCERS.

## Policy Review and History

- A. The Board will review this policy at least every three (3) years to ensure that it remains relevant and appropriate.
- B. The Board adopted this policy on Monday, ~~November 18, 2002~~April 17, 2023.



## OCERS Board Policy Procurement and Contracting

C. This policy was revised May 19, 2008, March 22, 2010, May 20, 2013, January 20, 2015, October 15, 2018, ~~and~~ November 2021, April 2023.

### Secretary's Certificate

I, the undersigned, the duly appointed Secretary of the Orange County Employees Retirement System, hereby certify the adoption of this policy.

Steve Delaney  
Secretary of the Board

Date: 11/15/21



## OCERS Board Policy

# Procurement and Contracting

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## I. Purpose and Background

### A. Purpose

The Procurement and Contracting Policy (policy) establishes the guidelines by which OCERS will procure goods and services. Investment Management Agreements (as defined below) are exempt from this policy, and will instead be governed by the CIO Charter and the Investment Policy Statement.

### B. Objectives

The objectives of this policy are to ensure that:

1. Contractual arrangements for the purchase of goods and services are made in a manner consistent with OCERS' fiduciary duty to its members and beneficiaries;
2. The procurement of goods and services is efficient, transparent, economical, fair, and in compliance with all applicable laws;
3. A system of internal controls related to the procurement of goods and services is implemented;
4. All contracting activities are performed by qualified individuals with specifically delegated authority using sound business practices in an ethical manner;
5. The selection of Contractors reflects a level of rigor that is commensurate with the importance and cost of the service or goods in question.

### C. Roles and Responsibilities

1. The role of the Board of Retirement (Board), or the Investment Committee if applicable, is to:
  - i. Establish appropriate policies to ensure selection decisions are prudent and sound;
  - ii. Oversee compliance with such policies;
  - iii. Select and terminate Named Service Providers; and
  - iv. Authorize staff to execute contracts with Named Service Providers.
2. The role of the Chief Executive Officer (CEO) is to:
  - i. Approve the purchase of goods and services for which the CEO is responsible under this policy; and
  - ii. Keep the Board apprised of contract actions as necessary for the Board to carry out its oversight function.
3. The role of the Responsible Executive is to:
  - i. Approve the purchase of goods and services for which they are responsible under this policy;



## OCERS Board Policy

# Procurement and Contracting

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- ii. Keep the CEO apprised of all significant contract actions for which the Responsible Executive is responsible;
  - iii. Ensure that budget authority exists within the budget category from which a contract will be paid;
  - iv. Select the appropriate procurement process to be used and participate in the preparation of the solicitation documents for the goods and services being procured.
  - v. Select, or recommend that the CEO select as the case may be, Contractors in the area for which the Responsible Executive is responsible;
  - vi. Negotiate, or delegate to an appropriate staff member who will negotiate terms and conditions of contracts for the purchase of goods and services for which they are responsible.
4. The role of the Contract Administrator is to:
- i. Manage the Contractor files and the lifecycle management system, and ensure compliance with best practices for Contractor management;
  - ii. Assemble, manage, and distribute all contract solicitations and other contract acquisition efforts;
  - iii. Maintain appropriate contract and solicitations templates in consultation with the Legal Division;
  - iv. Assist the Responsible Executive with the selection of Contractors and negotiation of contractual terms;
  - v. Ensure due diligence is completed in accordance with Section III.E for Contractors with whom OCERS does not have an existing contract;
  - vi. Review Contractors' certificates of insurance to verify compliance with the contracted requirements for coverage;
  - vii. Serve as the CEO's designee under the Quiet Period Policy;
  - viii. Develop (subject to the approval of the Responsible Executive and in consultation with the Legal Division) required and preferred terms and conditions to be included in OCERS contracts;
  - ix. Ensure all solicitations are reflected in the Quiet Period Report to the Board;
  - x. Coordinate and oversee the review of Contractors' performance;
  - xi. Monitor the expiration dates of all contracts to ensure either timely extension of the contract term or timely issuance of contract solicitation
  - xii. Report to the Board annually all contracts that exceed a Contract Value of \$100,000;



## OCERS Board Policy

# Procurement and Contracting

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- xiii. Conduct annual Procurement & Contracting Policy training for team members who have responsibility for purchasing and contracting;
  - xiv. Ensure contracts comply with the signature requirements set forth in Section IV of this policy; and
  - xv. Ensure OCERS' contract template is attached to and incorporated into all RFPs.
5. The role of the General Counsel or their designee is to:
- i. Review contracts before execution for compliance with legal requirements and to provide an assessment of risk to the agency;
  - ii. Assist the CEO, Responsible Executive, and Contract Administrator in preparing Requests for Proposals, Invitations to Bid, and other solicitations when requested;
  - iii. Assist the Responsible Executive and Contract Administrator in the negotiation of contractual terms and conditions when requested; and
  - iv. Assist the Contract Administrator in developing necessary and preferred terms and conditions and contract templates.

#### D. Definitions

1. **Contract Value:** For the purposes of the dollar thresholds in this policy, the value of a contract is the anticipated amount OCERS will be obligated to pay for one year under the contract.
2. **Contractors:** For purposes of this policy, Contractors include providers of services and vendors of goods.
3. **Executive:** The CEO, the Assistant CEOs, the Chief Investment Officer, and the General Counsel.
4. **Investment Management Agreements:** agreements of any kind that evidence and/or govern the investment of OCERS' assets in any investment class. Investment Consultant Agreements are not Investment Management Agreements.
5. **Master Services Agreement:** A contract for goods or services to be provided on an as-needed basis or which may govern future transactions with the vendor is sometimes referred to as a Master Services Agreement. Any statement of work or order made under such contracts will comply with the requirements for contracts of the same value.
6. **Named Service Providers:** The Contractors designated in section V, below.
7. **Non-Routine Items:** expenses that are not regularly purchased or budgeted on an annual basis. Contracts or purchase orders for non-routine items require:
  - i. Available funds in the approved budget, including permissible budget transfers under the Budget Approval Policy or Board approved amendments to the budget designated for the goods or services being procured; and



## OCERS Board Policy

# Procurement and Contracting

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- ii. Approval by the Responsible Executive for where the goods or services are to be paid from for expenditures valued at less than \$100,000; or
  - iii. Approval by the Board for expenditures valued over \$100,000. The Board may approve of the expenditure either as part of the annual budget, budget amendment, annual Business Plan or a specific Board approval of the contract or purchase order.
- 8. **Pre-Qualified Contractors:** Contractors that have been evaluated and selected by OCERS through a publicly advertised competitive search and selection process, and passed a due diligence review.
- 9. **Responsible Executive:** The Executive who manages the budget category for the funds being committed under the contract.
- 10. **Routine Items:** expenses that are regularly budgeted on an annual basis. These items include but are not limited to the following:
  - i. Office supplies, postage, furniture, office equipment, subscriptions, temporary services, professional and consulting services engaged to supplement or support staff, software and cloud services; and
  - ii. General services contracts and agreements such as hearing officers, medical panel reviewers, property management, maintenance and repair of landscaping, building, and equipment, printing, Board of Retirement elections, computer consulting, software licenses, messenger services, catering, etc.
 Contracts or purchase orders for Routine Items require:
  - iii. Available funds in the approved budget, including any Board approved amendments to the budget.
  - iv. Approval by the Responsible Executive
- 11. **Time and Material (T&M) Contracts:** agreements with Contractors where the value of the contract is variable based on the time and material costs of the Contractor. In these types of contracts, if the contract does not include a specified not-to-exceed dollar amount, the Contract Value will be limited by the available budget for the goods or services.
- 12. **Total Contract Value:** the sum of all Contract Values that, when the contract is entered, is anticipated to be the amount OCERS will be obligated to pay over the entire term of the contract.
- 13. **Unilateral Contract:** a contract that is used to pay for critical, ongoing services provided by exclusive entities that will not sign an OCERS-written contract. Unilateral Contracts are not subject to OCERS' standard procurement practices. The following are permissible Unilateral Contracts:
  - i. Utility services: electric, gas, water, telephone
  - ii. Cable/Satellite companies
  - iii. US Postal Service





## OCERS Board Policy

# Procurement and Contracting

- iv. Memberships in associations formed for a purpose directly related to the primary work of OCERS

14. **Written Agreement:** a document that is a legally binding contract between OCERS and another party(s) regarding the buying and selling of goods or services. Examples include but are not limited to: a contract, sale or lease agreement, bill of sale, purchase order, or memorandum of understanding. Reference to a written agreement means a contract that has been reduced to writing, regardless of format or label.

## II. Provisions Applicable to All Contracts

### A. Contracting Philosophy

1. OCERS will consider as broad a universe of qualified Contractors as is practical and reasonable given budgetary, staffing, time, and other relevant constraints and considerations.
2. The search, selection, monitoring, and reporting provisions contained in this policy serve as minimum requirements. If more stringent requirements are established under the law or within other policies of OCERS, the law, and such other policies will control.
3. Consistent with Title 2, Division 6, Chapter 7 of the California Code of Regulations, §§ 18700-18720, no OCERS Board Member or staff will be directly or indirectly involved in an OCERS contracting decision if the decision will have a material financial effect on an economic interest of the Board Member, staff person, or the immediate family of the Board Member or staff person.
4. OCERS values diversity and inclusion and is committed to fostering diversity in its procurement process through outreach to small and diverse businesses. In the distribution and publication of solicitations, OCERS will endeavour to reach beyond traditional sources and list opportunities in locations that will notify a diverse audience of Contractors.
5. A Written Agreement is required when:
  - a. Services valued over \$1,000, and the delivery of services will span a duration of more than one year; or
  - b. Goods purchased with a value greater than \$1,000
6. Contracts shall not be split to avoid approval by the Board or to bypass competitive search and selection requirements.

### B. Authority for Entering Into Contracts.

1. Before entering into any contract for goods or services, OCERS must have available funds in the current year's approved budget, including any Board approved amendments to the budget, to fund the current year's expense or Contract Value.



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2. Only the Responsible Executive or their designee may bind or commit OCERS for the purchase of goods or services as set forth in this policy, except in emergencies and as may be otherwise authorized by the Board.
3. An emergency is any circumstance that would interfere with OCERS' ability to meet its fiduciary obligations, threaten the health and safety of its staff, or compromise its legal rights or remedies. If a contract is needed as the result of an emergency, report of the contract will be made to the Responsible Executive or to the Board whose authorization is normally required for such contract as soon as practicable.
4. The CEO may delegate their authority to execute documents to an Executive.
5. A Responsible Executive may delegate his/her authority to approve check requests, invoices and/or purchase requisitions.
6. All delegations will be documented in writing, identifying the individual to whom the authority is delegated and any dollar restriction or budget account restrictions associated therewith.
7. Contracts will be routed to the Responsible Executive for signature. The submission will include a certification by both the Contracts Administrator and the staff member who originated the contract certifying compliance of the contract with the provisions of this policy.
8. After the Responsible Executive signs the contract it will be routed for the second Executive signature when required.

### C. Contract Amendments

1. Contract Amendments that increase Contract Value are permissible under the following circumstances:
  - i. The need for services could not be accurately projected and the increase does not justify rebidding
  - ii. To cover services already provided in the scope of work or additional services similar to those already provided in the scope of work set forth in the contract
  - iii. Special economic factors that justify a contract increase
  - iv. An emergency exists which does not permit rebidding
2. Contract Value may be increased up to twenty-five percent (25%) of the original Contract Value or \$100,000, whichever is less.
3. For contracts that span over multiple years, the Total Contract Value may be increased up to twenty-five percent (25%) or \$200,000 whichever is less.
4. Contract amendments have the same requirements as the original agreement for the purpose of determining signing authority.
5. A full due diligence review is not required for Contract Amendments.



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6. If an amendment is determined to be in the best interest of OCERS and will exceed the limitations in sections II.C.2 and II.C.3, justification must be documented and CEO approval is required.
7. Exemptions: Amendments to Unilateral Contracts or subscriptions, cloud services, or license agreements for the purpose of increasing the number of users required to meet OCERS operational needs are not limited as prescribed in section II.C.1. However, approved budget funds must be available in the designated budget category.

### D. Contract Term

1. Contract terms will not exceed six (6) years
2. Ongoing subscriptions or licenses will be reviewed at least every six (6) years
3. The Legal department must review renewal documents.
4. Board of Retirement approval is required to extend a contract term beyond a total of six years without a new competitive search and selection process, with the exception of Unilateral Contracts

### E. Performance Reviews

1. The Contract Administrator will coordinate evaluations of Contractors.
2. The performance of Named Service Providers and Contractors with Contract Values that exceed \$100,000 will be reviewed at least every three years. In addition, at least six months before the expiration of the initial term of a contract with a Named Service Provider and Contract Value over \$100,000, the continued appropriateness and cost-effectiveness of the Contractor will be assessed. For contracts with Named Service Providers, the CEO and the Board or the pertinent committee of the Board will make the performance review and assessment. For Contract Values over \$100,000, the CEO (or his/her designee) will make the performance review and assessment.

The results of performance reviews of Named Service Providers will be summarized and reported to the Board.

## III. Search and Selection Process

### A. Competitive Search and Selection Process

Where a competitive search and selection process is required under this policy, the Responsible Executive will use one of the following procurement methods.

1. Invitation for Bid (IFB):
  - i. This method will be used when multiple bidders are available and willing to bid, and procurement needs can be stated in detail, with precision, or where services or products are standardized.



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- ii. The IFB process requires the evaluation of price, delivery and payment terms, and compliance with technical standards. The bid that provides the best pricing and delivery and payment terms will be selected.
  - iii. The bids may be reviewed by a minimum of three OCERS staff members to identify the bidder who provides the best value to OCERS.
2. Request for Proposal (RFP)
- i. This method will be used where the product or service to be acquired cannot be stated with specificity (such as consulting services) or where OCERS may seek to evaluate a number of different types of professional services or products.
  - ii. The proposal that best meets OCERS' needs, with consideration for price, qualifications, and other relevant factors set forth in the RFP, will be selected.
  - iii. This method will be used in most circumstances where the Contract Value exceeds \$100,000 or Master Service Agreements.
3. Request for Qualifications (RFQ)
- i. A solicitation that describes the product, project, or services required and solicits qualifications from potential Contractors for purposes of evaluating those qualifications for screening, pre-qualifying, or for an award of contract.
  - ii. This method will be used where:
    - a. The available specifications or description of the product, project, or service to be acquired are not sufficiently complete without further technical evaluations and discussions between the Contractor and OCERS, or
    - b. OCERS has a business need to have one or multiple Pre-Qualified Contractors within a designated field of work (i.e. information technology support), a Master Services Agreement will be used with specific scopes of work developed on an as-needed basis. Use of a Pre-Qualified Contractor will be based on the best interest and needs of OCERS.
4. Small Purchase Procedure
- i. Where the Contract Value is at least \$1,000 but less than \$50,000, the selection of Contractors will be based on a less formal competitive process resulting in a minimum of one written or oral quote from a qualified source. Quotes can be obtained from means such as websites, email, catalogs, price lists, and letters.
  - ii. Where the Contract Value is \$50,000 or more but less than \$100,000, the selection of Contractors will be based on a less formal competitive process resulting in a minimum of three quotes from qualified sources. Quotes can be obtained from means such as websites, email, catalogs, price lists, and letters. If three qualified sources cannot be reasonably identified, then the Responsible Executive may authorize the use of a selected vendor based on the best interest and needs of OCERS.
5. Process for Receiving Bids in Response to an RFP, IFB and RFQ



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# Procurement and Contracting

- i. The period for submitting bids in response to an RFP, IFB and RFQ will be at least fifteen (15) days from the date the RFP, IFB or RFQ is issued. All RFPs, IFBs and RFQs will be issued on OCERS' bidding system. A link to the bidding system will be posted on OCERS' website and notification may be given to entities that OCERS identifies as likely to be interested.
  - ii. The Contract Administrator or their designee will answer questions from any bidder or potential bidder, and all answers provided to any bidder will be made available to all bidders through OCERS' bidding system.
  - iii. Best efforts will be made to have at least three OCERS personnel review the bids and recommend finalists. Best efforts will be made to include at least one representative from a department other than the one that has authority over the contract. In the case where external expertise is used to review the bids, at least one reviewer must be an OCERS employee.
6. Request for Information (RFI)
- i. A solicitation used when OCERS does not intend to award a contract, but needs to obtain price, delivery, other market information, or capabilities for planning purposes. Responses to RFI notices are not offers and cannot be accepted by OCERS to form a binding contract.
  - ii. An RFI may precede an RFP or RFQ. The RFI is a way to find interested vendors and service providers and is generally in the format of a business letter, clearly identifying the needs or services OCERS desires to obtain. An RFI could contain some of the following:
    1. Description of the goods or services being requested, and if applicable, the target population to be served;
    2. Term of a potential contract;
    3. Deadline for submitting a response to the RFI;
    4. Contact information for responding to the RFI Letter;
7. Exceptions
- i. In cases where an RFP, IFB or RFQ is required, but the Responsible Executive deems the defined search and selection process will not be of benefit, the Responsible Executive or designee will provide a report to the CEO, detailing the reasons why the required search and selection process is not beneficial along with a description of an alternative search and selection process that does not restrict open and fair competition to be used.
  - ii. The CEO or their designee must approve the alternative search and selection process prior to selecting a Contractor.
  - iii. In cases where OCERS has purchased equipment, software and operating systems for its use in compliance with this policy, procurement of the continuing maintenance, and upgrades of the software and operating systems from the developer, manufacturer or authorized reseller does not require a separate competitive procurement

### **B. Contracted Suppliers**

Where a Contractor has been selected by OCERS pursuant to a competitive search and selection process or by the County of Orange or other governmental agency pursuant to a competitive search



## OCERS Board Policy

# Procurement and Contracting

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and selection process, the Contractor may be used as a Contracted Supplier under certain circumstances as set forth in this policy. Such Contracted Suppliers may include, by way of example, retail sellers of off-the-shelf office supplies contracted by the County of Orange or directly by OCERS.

### C. Sole Source

A sole source approach may be permitted under the following circumstances:

1. In cases where a competitive search and selection process will not likely yield a viable alternative to a known service provider; or
2. Where legal services are urgently needed, a competitive search and selection process will not be timely, and a known Contractor exists.

A written report describing the unique characteristics of the situation, the known Contractor, whether OCERS has contracted with this Contractor within the last five years, sound justification for a sole source approach and explanation of how prices or fees compare to the general market for comparable services or supplies will be provided to the Executive who will either approve or deny the request to use a sole source approach in writing

Executives who wish to use a sole source approach will provide the report to the CEO, who will either approve or deny the request. When the CEO is the Responsible Executive, the report will be provided to the Board Chair and Vice-Chair who will either approve or deny the request to use a sole source approach. All sole source contracts (whether approved by the CEO or the Board Chair and Vice-Chair and regardless of Contract Value) will be reported to the Board at its next regular meeting. Sole Source contracts with a Contract Value of \$100,000 or more require Board approval.

### D. Technology Purchases

1. Include any information technology-related hardware, software, licenses, subscriptions, services, and/or consulting;
2. Must be initiated and processed with the full knowledge, direction, and approval of OCERS' Director of Information Technology, regardless of cost, to ensure compatibility with OCERS' current technology environment, and
3. Require an information security due diligence review that includes a review of the Contractor's service and organizational controls (i.e. SOC-2 report), if applicable, as well as a review and analysis of whether the purchase complies with OCERS' information security policies and controls. Information security due diligence will be completed by the Director of Information Security or their designee.

### E. Exclusions

Notwithstanding any other provision in this policy, Contractor back-fill or temporary help for staff augmentation does not require Board approval or compliance with this policy as long as budgetary amounts are available for individual temporary help or contractor positions.

### F. Due Diligence

1. Before awarding a contract, the Contract Administrator will conduct due diligence of any bidder selected to ensure that the bidder:



## OCERS Board Policy

# Procurement and Contracting

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- i. Meets all minimum qualifications set forth in the solicitation document; and
  - ii. Meets all other standards which, in the exercise of sound business judgment, are required of the Contractor.
2. If a selected bidder is disqualified as a result of the due diligence process, the reason for the disqualification will be documented and forwarded to the Responsible Executive for confirmation.
3. For certain critical Information Technology Contractors, SOC2 reports will be requested during the due diligence process. These reports will then be requested from the Contractor annually to ensure proper Information Technology and security controls are in place.



## OCERS Board Policy

# Procurement and Contracting

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### IV. Contract Guidelines Summary

Estimated Contract Value <sup>1</sup> or Type of Contractor	Approver	Signatory	Procurement Requirements <sup>2*</sup>
Named Service Provider	Board of Retirement or represented committee	CEO (or CIO on Investment-related contracts) +1 Executive	IFB or RFP
Sole Source > \$100,00	Board of Retirement or represented committee	CEO (or CIO on Investment-related contracts) +1 Executive	Sole Source
\$100,000 or More	CEO	CEO (or CIO on Investment-related contracts) +1 Executive	IFB, RFP, RFQ or Contracted Supplier
\$1,000 to \$99,999	Responsible Executive	Responsible Executive + 1 Executive, Director or Manager	IFB, RFP, RFQ, Small Purchase Procedure, or Contracted Supplier
Under \$1,000	Responsible Executive or designee	Responsible Executive or designee	Small Purchase Procedure, Contracted Supplier

<sup>1</sup> Refers to the value of the contract or the value of a new statement of work or new order under an existing contract.

<sup>2</sup> See section III.C for Sole Source requirements





## OCERS Board Policy

# Procurement and Contracting

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### V. Contracts with Named Service Providers

Contracts with Named Service Providers will comply with the requirements of this section.

#### A. Designation of Named Service Providers

The following service providers are designated as Named Service Providers:

1. Consulting actuary;
2. Actuarial auditor;
3. General investment consultant;
4. Alternative investments consultant;
5. Fiduciary counsel;
6. Custodian;
7. Financial auditor; and
8. Any additional consultant not named above but which the Board may, from time to time, designate.

#### B. Search and Selection Process

1. At least six months before the expiration of the final extension of a contract with a Named Service Provider, or upon direction of the Board following the review of the performance of the Named Service Provider, the CEO will conduct a competitive search and selection process for a Named Service Provider.
2. Prior to conducting a search for a Named Service Provider, the CEO or his designee will present a written summary to the Board or representative Committee, which will include:
  - i. The type of service provider being sought and the supporting rationale;
  - ii. The objectives and selection criteria to be met and their relative importance;
  - iii. An estimated timeline for completion of the search process; and
  - iv. A description of the search methodology that is deemed most appropriate and cost effective in the particular circumstances, and that addresses such issues as:
    - a. What method of competitive search and selection process will be used;
    - b. Whether a consultant is to be used to assist with the search process;
    - c. The due diligence efforts to be undertaken, including such efforts as site visits, and reference checks;
    - d. Such other information that the CEO believes may assist the Board in better understanding the search process.
3. The CEO will provide the Board (or a designated committee of the Board) with periodic reports on the status of all search processes involving Named Service Providers.



## OCERS Board Policy

# Procurement and Contracting

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4. Upon completion of the analysis and due diligence involved in a search process for a Named Service Provider, the CEO will provide the Board (or a designated committee of the Board) with a written report containing, at a minimum:
  - i. A description of the due diligence activities undertaken;
  - i. The recommended finalist(s) and analysis of the recommendation;
  - ii. Confirmation of compliance with the objectives, selection criteria and search methodology presented to the Board prior to the commencement of the search, or an explanation of any deviations that occurred;
  - iii. A description of performance expectations and the proper time horizon for evaluation of results;
  - iv. A bid (pricing) summary with annotations regarding differentiating features; and
  - v. A description of the expected performance monitoring and reporting efforts to be carried out with respect to the Named Service Provider throughout the term of the contract, including the reporting to be provided to the Board.
5. The Board (or a designated committee of the Board) will interview the candidate or candidates recommended for appointment as a Named Service Provider. If a committee reviews the candidates, the committee will recommend to the Board the appointment of the Named Service Provider. If the Board interviews the candidates, the Board itself will decide on the appointment.
6. Upon selection of the candidate, the CEO (or their designee) will negotiate a final contract with the selected Named Service Provider, consistent with the terms of the contract solicitation, this policy, and any other direction from the Board. If, at any time during the negotiations, the CEO determines that there is an impasse in negotiations, they may recommend to the Board that the Board select an alternate bidder for the Named Service Provider.

### C. Approval and Execution

Upon completion of negotiations with a Named Service Provider, the CEO or their designee will inform the Board of the general contract terms and conditions that have been negotiated. Contracts with Named Service Providers must be executed by the CEO and one other Executive.

### D. Reports

1. The CEO will report promptly to the Board any failures by a Named Service Provider to comply with the terms of their contract.
2. At least annually, the CEO will provide the Board a schedule of the contracts with Named Service Providers due for renewal and those whose terms will expire in the coming year.
3. The CEO will report regularly and in a timely fashion to the Board on all monitoring efforts involving Named Services Providers, identifying any material issues and actions taken in response.



## OCERS Board Policy

# Procurement and Contracting

## VI. Contracts with Contract Value of \$100,000 or More

Contracts for goods or services, excluding contracts with Named Service Providers, for which the Contract Value exceeds \$100,000 will comply with the requirements of this section.

### A. Review and Renewal

1. At least six months before the expiration of the term of a contract with a Contract Value over \$100,000, the CEO (or their designee) will assess the continued appropriateness and cost-effectiveness of the Contractor in question.
2. Upon recommendation of the Responsible Executive (or their designee), the CEO will: 1) extend the term of the contract up to the maximum total term of six years; 2) direct the Responsible Executive (or their designee) to conduct a new search and selection process; or 3) determine that the goods or services are no longer necessary.

### B. Search and Selection Process

1. Contracts for goods or services for which the Contract Value exceeds \$100,000, require a competitive search and selection process (See Section IV for procurement requirements).
2. Upon completion of a competitive search and selection process, a written report will be provided to the CEO or their designee and will include at a minimum:
  - i. Purpose and need for the goods or services being procured;
  - ii. A description of the procurement process and due diligence activities undertaken; and
  - iii. The recommended finalist and analysis concerning the candidates.
3. Upon the CEO's, or their designee's approval of the candidate, the Responsible Executive (or their designee) will negotiate a final contract, consistent with the terms of the contract solicitation, this policy, and direction from the CEO. If, at any time during the negotiations, the Responsible Executive determines that there is an impasse in negotiations, they may recommend to the CEO that the CEO select an alternate candidate.

### C. Approval and Execution

1. Contracts for goods or services with a Contract Value that exceeds \$100,000 must be executed by the CEO and one other Executive.
2. For contracts relating to Routine and Non-Routine Items, Board authorization of the expenditure may be acquired through either the budgeting process or the annual Business Plan.

## VII. Contracts with Contract Value Between \$1,000-\$99,999.99

Contracts for goods or services, excluding contracts with Named Service Providers, with a Contract Value that is at least \$1,000 but less than \$100,000 will comply with the requirements of this section.



## OCERS Board Policy

# Procurement and Contracting

### A. Search and Selection Process

1. Contracts for goods or services, excluding contracts with Named Service Providers, with a Contract Value of at least \$1,000 but less than \$100,000, the Executive Responsible will require a competitive search and selection process. (See Section IV for procurement requirements).
2. Upon selection of the candidate, the Responsible Executive (or their designee) will negotiate a final contract consistent with the terms of the contract solicitation, this policy, and direction from the CEO. If, at any time during the negotiations, the Responsible Executive determines that there is an impasse in negotiations, they may select an alternate candidate.

### B. Approval and Execution

1. Upon completion of negotiations, the Responsible Executive will approve the contract.
2. Any contract under this provision must be executed by at least two Executives.

## VIII. Contracts with Contract Value Less than \$1,000

Contracts for goods or services, excluding contracts with Named Service Providers, for which the Contract Value is less than \$1,000 will comply with the requirements of this section.

### A. Search and Selection Process

The Responsible Executive may enter into a contract with any qualified Contractor that the Responsible Executive determines is in the best interest of OCERS. Alternatively, the Responsible Executive may choose to use a competitive search and selection process if they determine it is in the best interest of OCERS.

## Policy Review and History

- A. The Board will review this policy at least every three (3) years to ensure that it remains relevant and appropriate.
- B. The Board adopted this policy on Monday, April 17, 2023.
- C. This policy was revised May 19, 2008, March 22, 2010, May 20, 2013, January 20, 2015, October 15, 2018, November 2021, April 2023.

## Secretary's Certificate

I, the undersigned, the duly appointed Secretary of the Orange County Employees Retirement System, hereby certify the adoption of this policy.

Steve Delaney Secretary of the Board	Date:
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## Memorandum

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**DATE:** March 23, 2023  
**TO:** Members of the Governance Committee  
**FROM:** Gina M. Ratto, General Counsel  
**SUBJECT:** **OUT OF CYCLE REVIEW OF THE OCERS RULES OF PARLIAMENTARY PROCEDURE**

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### Recommendation

Approve, and recommend that the Board of Retirement adopt, the proposed revisions to the OCERS Rules of Parliamentary Procedure as presented.

### Background

In February 2015, the Board adopted OCERS Rules of Parliamentary Procedure (the Rules) to establish rules for the conduct of meetings of the Board and its committees in order to ensure orderly meetings in compliance with the Brown Act and to protect the rights of the Board, Board members, OCERS members, plan sponsors and members of the public. The Rules conform in most respects to Robert's Rules of Order. The Rules were last reviewed and revised in June 2022.

At its meeting in February 2023, the Board determined to continue to make participation in meetings of the Board and its committees available to members of the public via the Zoom app. However, the Chair of the Board directed staff to review existing policies of the Board and suggest where procedures for handling disruptions or willful interruptions to public meetings could be addressed. Staff has reviewed the various charters and policies of the Board and recommends adding a **new section** to the Rules relating to disruptions of meetings:

### Disruptions of Meetings

4. In the event any meeting is willfully interrupted by a group or groups of persons so as to render the orderly conduct of such meeting unfeasible and order cannot be restored by the removal of individuals who are willfully interrupting the meeting, the Chair of the Board or committee may:
  - a. Order the meeting room (including the Zoom meeting room) cleared and continue in session as follows:
    - i. Only matters appearing on the agenda may be considered in such a session.
    - ii. Representatives of the press or other news media, except those participating in the disturbance, shall be allowed to attend such a session.

- b. Readmit to the session individual or individuals not responsible for willfully disturbing the orderly conduct of the meeting.
- 5. In addition to the authority described in Section 4, above, the Chair of the Board or committee or their designee may remove or cause the removal of any individual for disrupting a meeting provided that prior to removing an individual, the Chair or their designee warns the individual that their behavior is disrupting the meeting and that their failure to cease their behavior may result in their removal. If they do not promptly cease their disruptive behavior, the Chair or their designee may then remove the individual.
  - a. For purposes of this Section 5, “disrupting a meeting” means engaging in behavior that actually disrupts, disturbs, impedes, or renders infeasible the orderly conduct of the meeting and includes, but is not limited to, a failure to comply with reasonable time limits for public comment established by the Board or committee or engaging in behavior that constitutes use of force, or a true threat of force that has sufficient indicia of intent and seriousness that a reasonable observer would perceive it to be an actual threat to use force by the person making the threat.
- 6. For purposes of Sections 4 and 5, above, “removal from the meeting” includes physically removing the individual or individuals from the in-person meeting location and, in the case of a Zoom meeting, muting the microphone of the individual or individuals or placing them in the Zoom virtual waiting room.

Staff also recommends the following addition to Section 3.h. of the Rules regarding time limits on speakers:

To ensure that public comment (1) on any matter within the jurisdiction of the Board or committee is permitted at each meeting of the Board or committee; (2) is limited to three minutes per speaker and to a total of 20 minutes per issue (with the exception of appearances on disability matters; see OCERS By-Laws); and (3) does not interfere with the orderly conduct of the meeting. The Chair of the Board or committee has the discretion to modify the time limit per speaker should, for example, it be necessary to shorten the time to accommodate a lengthy agenda or a large number of speakers. Similarly, the time limit per speaker may be lengthened to allow additional time for discussion on a complicated matter.

Other non-substantive clarifying revisions to the Rules are also suggested. A copy of the Rules with the recommended revisions redlined is attached.

Attachment

**Submitted by:**



GMR- Approved

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Gina M. Ratto  
General Counsel



## OCERS Board Policy

# OCERS Rules of Parliamentary Procedure

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### Purpose and Background

1. The Orange County Employees Retirement System Board of Retirement is committed to the principals of open and efficient government. The Board conducts regular meetings of the full board and various committees. The Board wishes to establish rules for conduct of those meetings that are consistent with the Ralph M. Brown Act ("Brown Act") in order to ensure orderly meetings and to protect the rights of the Board, its individual members, OCERS members and plan sponsors, and members of the public.

### Basic Rules

2. All meetings of the Board and its committees shall adhere to the following basic rules of conduct:
  - a. The collective fiduciary interests of the Board and its committees supersede the rights of individual members of the Board. All members of the Board must adhere to the rules established by the Board. If there is a conflict between the rights of a member and the interests of the Board to conduct its business, the interests of the Board prevail.
  - b. All members of the Board are equal. All members of the Board have the following rights:
    - i. To hold office.
    - ii. To attend meetings.
    - iii. To make motions and speak in Board or committee deliberations.
    - iv. To nominate.
    - v. To vote.
  - c. A quorum must be present to conduct business. The By-Laws specify that a quorum for conduct of a meeting of the full Board shall be five members present; a quorum for a meeting of the Investment Committee shall be five members present; and a quorum for a meeting of a standing committee of the Board, other than the Investment Committee, shall be two members present.
  - d. The majority rules. The minority has the right to be heard on issues up for deliberation before the Board or a committee. Once a decision has been made by the majority of Board members present and voting, the minority must respect and abide by the decision.
  - e. The Brown Act requires OCERS to publicly report the vote or abstention of each Board or committee member present. (Gov. Code § 54953 (c).) Therefore, each Board or committee member present shall vote or abstain in each vote of the Board or committee. Silence on a vote is not authorized under the Brown Act.
  - f. One question will be addressed at a time, and one speaker will speak at a time. A motion will be out of order if it does not directly relate to the question under consideration. Once a



## OCERS Board Policy

# OCERS Rules of Parliamentary Procedure

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speaker has been recognized, he or she has the floor and should not be interrupted except in rare circumstances, such as by the Chair to maintain order or decorum.

- g. Members of the Board or committee shall have the opportunity to fully debate all debatable motions. A debatable motion may not be put to a vote as long as members of the Board or committee wish to continue the debate unless debate is suspended by majority vote of the Board or committee.
- h. Once a motion has been decided at a Board or committee meeting, it is out of order to bring up the same motion or a motion that is essentially the same at the same meeting unless it is brought through a Motion for Reconsideration.
- i. Remarks directed at another Board or committee member personally and not relating to the business of the Board or committee are out of order in a debate. Debate shall be limited to motions and not motives, principles, or personalities. The Chair may request that the speaker cease his or her out of order remarks.
- j. Board and standing committee meetings shall be conducted in accordance with the Brown Act (Gov. Code § 54950, et. seq.).
- k. The Board and its committees shall not conduct any business that has not been properly placed on the agenda and noticed to the public unless authorized by the Brown Act.

### Roles and Responsibilities of the Chair in the Conduct of Meetings

- 3. The Chair of the Board or committee shall be the presiding officer of the meeting. If the Chair of the Board or committee is absent, the Vice Chair shall serve as the presiding officer. In the event that both the Chair and the Vice Chair are absent from the meeting, the Chair shall appoint a presiding officer of the meeting from among the remaining members of the Board or committee who are entitled to vote during the meeting. The general responsibilities of the presiding officer are:
  - a. To ensure that the meeting starts on time and moves through the agenda in an expeditious manner. The presiding officer may take steps to prevent dissenting Board or committee members and members of the public from employing dilatory tactics to delay a meeting.
  - b. To ensure that Board and committee members and members of the public adhere to the published agenda, except as otherwise permitted by law.
  - c. To be familiar with these rules, OCERS' By-Laws, charters, and policies, and the customary practices of the Board and its committees.
  - d. To direct the orderly conduct of the meeting by recognizing speakers and reminding others that interruption of speakers who have the floor is out of order.
  - e. To impartially recognize members of the Board or committee and members of the public to speak during discussion of a motion. It shall be the presiding officer's prerogative to





## OCERS Board Policy

# OCERS Rules of Parliamentary Procedure

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determine the timing of public comment; that is, whether public comment is taken before or during the Board members' discussion on each matter. In any event, the presiding officer should provide opportunity for Board and committee members and members of the public on all sides of a discussion to speak before the Board's action on the motion.

- f. To restate a motion before a vote is taken and to announce the results of the vote. The presiding officer may require a vote by roll call, show of hands, or any other means in order to clarify the results of the vote and permit the vote to be recorded accurately in the minutes of the meeting.
- g. To ensure that discussion is relevant and focused on the issue at hand. The presiding officer may request a Board or committee member or member of the public to confine his or her remarks to the motion under consideration.
- h. To ensure that public comment (1) on any matter within the jurisdiction of the Board or committee is permitted at each meeting of the Board or committee; (2) is limited to three minutes per speaker and to a total of 20 minutes per issue (with the exception of appearances on disability matters; see OCERS By-Laws); and (3) does not interfere with the orderly conduct of the meeting. The Chair of the Board or committee has the discretion to modify the time limit per speaker should, for example, it be necessary to shorten the time to accommodate a lengthy agenda or a large number of speakers. Similarly, the time limit per speaker may be lengthened to allow additional time for discussion on a complicated matter.
- i. To ensure that public comment is directed to the presiding officer, and not to staff, vendors or consultants.
- j. To ensure that any requests made of staff, vendors or consultants to report back to the Board or committee, to place a matter of business on a future agenda of the Board or committee, or to otherwise commit staff time and OCERS resources are (1) made at the direction of the presiding officer; (2) with consensus of the Board or committee members; and (3) with due consideration of the burdens such requests will place on staff, consultants and OCERS resources and any other relevant concerns staff or consultants may identify.
- k. To ensure, before staff, a vendor or a consultant is directed by the presiding officer to respond to questions from, or to report or release additional information requested by, a member of the public during a meeting of the Board or committee, that the information is (1) relevant and appropriate to the subject matter of the meeting; and (2) public in nature.



## OCERS Board Policy OCERS Rules of Parliamentary Procedure

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- I. To adjourn each meeting of the Board or committee at the conclusion of the business set forth on the agenda by unanimous consent.<sup>1</sup>

### Disruptions of Meetings

4. In the event any meeting is willfully interrupted by a group or groups of persons so as to render the orderly conduct of such meeting unfeasible and order cannot be restored by the removal of individuals who are willfully interrupting the meeting, the Chair of the Board or committee may:
  - a. Order the meeting room (including the Zoom meeting room) cleared and continue in session as follows:
    - i. Only matters appearing on the agenda may be considered in such a session.
    - ii. Representatives of the press or other news media, except those participating in the disturbance, shall be allowed to attend such a session.
  - b. Readmit to the session individual or individuals not responsible for willfully disturbing the orderly conduct of the meeting.
5. In addition to the authority described in Section 4, above, the Chair of the Board or committee or their designee may remove or cause the removal of any individual for disrupting a meeting provided that prior to removing an individual, the Chair or their designee warns the individual that their behavior is disrupting the meeting and that their failure to cease their behavior may result in their removal. If they do not promptly cease their disruptive behavior, the Chair or their designee may then remove the individual.
  - a. For purposes of this Section 5, "disrupting a meeting" means engaging in behavior that actually disrupts, disturbs, impedes, or renders infeasible the orderly conduct of the meeting and includes, but is not limited to, a failure to comply with reasonable time limits for public comment established by the Board or committee or engaging in behavior that constitutes use of force, or a true threat of force that has sufficient indicia of intent and seriousness that a reasonable observer would perceive it to be an actual threat to use force by the person making the threat.
6. For purposes of Sections 4 and 5, above, "removal from the meeting" includes physically removing the individual or individuals from the in-person meeting location and, in the case of a Zoom

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<sup>1</sup> The presiding officer may state (for example), "If there is no objection, this meeting will be adjourned;" and after a pause for objection, if there is no objection, "The meeting is adjourned."



## OCERS Board Policy

# OCERS Rules of Parliamentary Procedure

meeting, muting the microphone of the individual or individuals or placing them in the Zoom virtual waiting room.

### **Roles and Responsibilities of the CEO; Meeting Minutes**

4.7. The OCERS CEO or his or her designee shall be the secretary of the Board or committee meeting. The duties of the secretary of the meeting are:

- a. To prepare or cause to be prepared concise minutes of all meetings of the Board and its committees for approval by the Board at a subsequent meeting.
- b. At a minimum, the secretary shall record the following in the minutes:
  - i. All members of the Board or committee present at the meeting.
  - ii. All adopted and defeated motions.
  - iii. The name of the maker and seconder of each motion and amendment.
  - iv. Names of all persons reporting or presenting to the Board or committee.
  - v. The identity and vote of each Board or committee member voting or abstaining from a vote.
- c. The secretary need not record the following in the minutes:
  - i. Detailed discussion or personal opinions of members of the Board or committee or members of the public.
  - ii. Motions that have been withdrawn.
  - iii. Full reports of committees.

5.8. The minutes of a meeting of the Board will be presented to the Board for approval, and the minutes of a meeting of a committee will be presented to that committee for approval, at the next meeting of the Board or committee as applicable. In addition, because there are periodically changes in the membership of the committees, each current member of a committee is authorized to approve the minutes of meetings conducted prior to the individual becoming a member of the committee.

### **Agendizing Matters for Board or Committee Consideration**

6.9. In general, matters for Board or committee discussion may be placed on a meeting agenda by staff in the reasonable discretion of the CEO or by a Board or committee member by request to the Chair of the Board or committee.

- a. The Board and its committees will make use of consent agendas whenever feasible to group items that do not require discussion or debate into a single voting package in order to expedite approval of routine matters.



## OCERS Board Policy

# OCERS Rules of Parliamentary Procedure

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- b. Informational reports that have been requested by the Board or a committee will be agendized and presented as information items and may be accepted without action by the Board or committee.

7-10. In the event that the Chair of the Board or committee refuses to place an item on the agenda, the Board or committee member making the request may appeal the decision to the full Board or committee at the next duly noticed meeting during the Board or committee member comments section of the meeting. The motion must receive a second to move forward. The Board or committee will then vote on the question of whether to place the requested matter on the agenda of the next available duly noticed Board or committee meeting.

- a. If the Board or committee votes to place the item on the next available agenda, the matter shall be placed on that agenda and discussed by the Board or committee at the time noticed in the agenda.
- b. If the Board or committee votes not to place the item on the next available agenda, the matter will be tabled.
- c. In either case, no action will be taken on the matter after the vote so that any action item can be properly placed on an agenda pursuant to the Brown Act.

8-11. In the event that a Board or committee member proposes placing a matter on a future agenda during the Board or committee member comments section of the meeting, the presiding officer of the Board or committee may rule on the proposal prior to the end of the meeting. If the presiding officer does so rule at that meeting and refuses to place the proposed matter on a future agenda, the Board or committee member making the proposal may immediately exercise his or her appeal rights as described in [Section 10 number 6](#) above.

## Types of Motions and Their Uses

### *Main Motions*

9-12. The motions are:

- a. The main motion is the means by which the Board and committee proposes action and does business. It is a proposal that a certain action be taken by the Board or committee whether that action be to express an opinion, adopt a policy, make an expenditure of funds, enter into a contractual obligation, or to take any other action that is within the power of the Board or committee.
- b. A main motion may be made by any qualified member of the Board or Committee; however, a motion can only be made concerning business that has been placed on the published agenda unless otherwise authorized by law.
- c. To introduce a main motion, a Board or committee member who has the floor should state, "**I move that...**"



## OCERS Board Policy

# OCERS Rules of Parliamentary Procedure

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- d. The presiding officer of the meeting may assist the Board or committee member in clarifying the motion.
- e. A main motion must be seconded unless the motion comes to the Board from a committee recommendation since any motion coming from a committee already has more than two Board members in favor of considering the motion.
- f. Debate is held on the main motion when the presiding officer states, “**Is there any discussion.**” The presiding officer shall provide all Board or committee members the opportunity to speak during discussion of a main motion.
- g. A main motion may be amended.
- h. Passage of a main motion requires simple majority vote.
- i. The presiding officer may require that lengthy motions be made in writing.
- j. The maker of the main motion has the right to speak first in support of the motion.
- k. A member may amend his or her own motion before it is restated by the presiding officer immediately preceding the vote on the motion. To be effective, the amendment must be agreed to by the seconder. Such an amendment by the maker of the motion shall not be considered a Motion to Amend or Substitute Motion.
- l. A member may withdraw his or her motion up until the time it is stated by the presiding officer immediately preceding the vote.

### *Motions that are not in Order*

~~10.13.~~ The motions are:

- a. Motions that conflict with the By-Laws of OCERS.
- b. Motions that repeat an issue that the Board or committee has already dealt with on the day of the meeting unless made through a Motion for Reconsideration.
- c. Motions that do not comply with the Brown Act, the County Employees Retirement Law of 1937, or other applicable law governing OCERS.
- d. Motions that appear to the presiding officer to be dilatory, unintelligible, frivolous, or rude.
- e. The presiding officer shall make rulings on whether a motion is out of order. The member making the motion has the right of appeal as under ~~section 15.b.11-b.~~

### *Subsidiary Motions*

~~11.14.~~ The following motions are ranked lowest to highest in precedence:

- a. Motion to Amend (Substitute Motion):
  - i. Motion to Amend changes the wording of a main motion and may be made at any time after the main motion has been seconded.



## OCERS Board Policy

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- ii. A motion may be amended by:
    - 1. Adding words or phrases;
    - 2. Striking out words or phrases;
    - 3. Substituting by striking out and inserting new words; or
    - 4. Substituting an entire motion or paragraph
  - iii. An amendment to a motion must relate to the pending motion. No new business may be introduced under pretext of an amendment.
  - iv. Adoption of an amendment changes the motion. If the motion to amend is successful, the Board or committee must vote to adopt the motion as amended.
  - v. If the amendment is not successful, the original motion is on the floor as originally stated.
  - vi. An amendment may be amended one time so there may be a main motion, a primary amendment, and secondary amendment. A third amendment is not in order.
  - vii. Voting shall be in reverse order of how the motions were offered. Therefore, voting will be on the secondary amendment, if any, first, the primary amendment second, and the main motion third. Voting on the main motion and all amendments must be completed before a new main motion or any amendments may be offered.
  - viii. A Board or committee member must have the floor to offer an amendment.
  - ix. An amendment must be seconded.
  - x. An amendment is debatable if it is made to a debatable motion.
  - xi. The presiding officer shall provide all Board or committee members the opportunity to speak during debate or discussion of a motion to amend.
  - xii. A Motion to Amend requires a majority vote.
- b. Motion to Commit or Refer:
- i. Motion to Commit or Refer sends the question on the floor to a committee or OCERS' staff so it can be more carefully studied and prepared for discussion by the Board.
  - ii. The Motion to Commit or Refer should include specific direction as to which committee or staff shall study the question, whether the committee or staff will have authority to act, and when the committee or staff should report back to the Board.
  - iii. A Motion to Commit or Refer can be applied to any main motion and any amendments pending on the main motion go with the motion to committee.
  - iv. A Motion to Commit or Refer must be seconded.
  - v. A Motion to Commit or Refer may be debated, but debate must be limited to the merits of sending the issue to a committee or staff.



## OCERS Board Policy

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- vi. A Motion to Commit or Refer can be amended as to the committee or staff assigned to study the issue and instructions to the committee or staff.
- vii. A Motion to Commit or Refer requires a majority vote.
- c. Motion to Postpone
  - i. A Motion to Postpone delays action on a question until later in the same meeting or until a subsequent meeting.
  - ii. A Motion to Postpone may be applied to any main motion.
  - iii. A Motion to Postpone must be seconded.
  - iv. A Motion to Postpone may not interrupt a speaker who has the floor.
  - v. A Motion to Postpone may be debated; however, debate must be limited to the merits of postponing consideration of the question.
  - vi. A Motion to Postpone may be amended to change the time or length of postponement.
  - vii. The Motion to Postpone requires a majority vote.
  - viii. The postponed motion should be placed on a subsequent meeting agenda as appropriate.
- d. Motion to Limit Debate:
  - i. The Board or committee may use a Motion to Limit Debate to exercise control over debate by reducing the number and length of comments allowed or by requiring that debate stop at a time certain.
  - ii. A Motion to Limit Debate may be used with any motion.
  - iii. A Motion to Limit Debate must be seconded.
  - iv. A Motion to Limit Debate is not debatable.
  - v. A Motion to Limit Debate may be amended only as to the length of comments allowed or when the vote will be taken.
  - vi. A Motion to Limit Debate requires a majority vote.
  - vii. When a Motion to Limit Debate that imposes time limits is successful, the presiding officer will appoint a timekeeper and will inform speakers of when their time is up.
- e. Move the Previous Question:
  - i. Move the Previous Question is the motion used to end debate on a question in order to bring the Board or committee to an immediate vote.
  - ii. Move the Previous Question requires a second.



## OCERS Board Policy

# OCERS Rules of Parliamentary Procedure

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- iii. The Previous Question motion is out of order if the main motion is debatable and has not received any debate.
- iv. Previous Question may be applied to any question or motion that is before the Board or committee.
- v. Previous Question may not be used to interrupt a speaker who has the floor.
- vi. Previous Question may not be debated.
- viii. Previous Question requires a majority vote.

### *Incidental Motions or Procedures*

12-15. The motions are:

- a. Point of Order
  - i. A Point of Order is used by a member of the Board or committee when that member feels the presiding officer is failing to operate within the Board or committee rules.
  - ii. Point of Order may be brought during discussion of any motion and may interrupt a speaker who has the floor.
  - iii. A Point of Order is not debatable.
  - iv. The presiding officer rules on the Point of Order motion.
  - v. The Point of Order cannot be amended.
- b. Appeal
  - i. Appeal allows any two members of the Board or committee to challenge what they feel is an incorrect or unfair ruling by the presiding officer.
  - ii. The question of Appeal is stated in the affirmative so that a majority vote sustains the ruling of the presiding officer.
  - iii. Appeal requires a second.
  - iv. If seconded, the Appeal requires the presiding officer to put his or her ruling to a vote of the Board or committee.
  - v. The Appeal is debatable.
  - vi. A majority vote in the negative is required to reverse the ruling of the presiding officer. Therefore, the question to be posed is, for example, "If you believe the presiding officer's ruling is correct, please vote 'yes;' and if you believe the presiding officer's ruling is incorrect, please vote 'no.'"
- c. Point of Information





## OCERS Board Policy

# OCERS Rules of Parliamentary Procedure

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- i. Point of Information is used by a Board or committee member to obtain additional information regarding the subject being considered.
- ii. Point of Information does not require a second or a vote.
- iii. The presiding officer will ask the requesting Board or committee member what the Point is.
- iv. Additional information will be provided by staff or the speaker.
- d. Parliamentary Inquiry
  - i. Parliamentary Inquiry allows the Board or committee members to get parliamentary help.
  - ii. Parliamentary Inquiry does not require a second or a vote.
  - iii. The presiding officer will ask the requesting Board or committee member what the Inquiry is.
  - iv. The presiding officer will rule on the Inquiry after consultation with the secretary, counsel, or others who are familiar with parliamentary procedure.

### *Restorative Motions*

13.16. The motions are:

- a. Motion to Rescind
  - i. This motion is used to quash or nullify a previously adopted motion. It may be used to strike out an entire motion.
  - ii. A Motion to Rescind is not in order when any action has already been taken as a result of a previous vote (i.e., a contract has been executed with a vendor as a result of the previous vote).
  - iii. A Motion to Rescind must be placed on the meeting agenda in order for the Board or committee to take action on it.
  - iv. It must be seconded.
  - v. It requires a majority vote.
- b. Motion to Reconsider
  - i. A Motion to Reconsider allows the Board or committee to reconsider the vote on a previous motion voted on at that meeting.
  - ii. A Motion to Reconsider can only be made by a member of the Board or committee who voted on the prevailing side of the previous vote.



## OCERS Board Policy

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- iii. It must be seconded, but the seconder does not have to have been on the prevailing side of the previous vote.
- iv. It may be debated and it opens up the motion to which it applies to debate.
- v. It requires a majority vote.
- vi. A Motion to Reconsider may be made and seconded while other business is pending, but debate and vote will not occur until the business on the floor has been completed.
- vii. All actions that came out of the original motion must be stayed immediately at the time the Motion to Reconsider is made and seconded.

### Voting Methods and Procedures

- 14-17. All votes shall comply with the Brown Act (Gov. Code § 54953).
- 15-18. The electronic voting system shall be the preferred means of voting for the Board because it allows for accurate recording of each vote.
- 16-19. The Board and committees may use voice votes for the convenience of the Board or committee in order to promote efficiency. When using voice votes, any member of the Board or committee may request a roll-call vote or show-of-hands vote in order to accurately record each Board or committee member’s vote.
- 17-20. All votes shall be recorded in the meeting minutes.

### Voting Protocols for the Alternate Seventh Member of the Board

- 18-21. The alternate seventh member of the Board<sup>2</sup> will vote as a member of the Board under the following circumstances:
  - a. When one of the OCERS membership-elected Board members is absent from a board meeting for any cause the alternate seventh member will vote in place of the absent Board member;

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<sup>2</sup>The seventh member of the Board is a safety member elected by the safety members of the system. The alternate seventh member of the Board is the candidate from the group under Government Code §31470.2 (sheriffs, etc.) or 31470.4 (firefighters, etc.) that is not represented by the seventh member, and who received the highest number of votes of all candidates in that group. (See Government Code §31520.11(a).)



# OCERS Board Policy OCERS Rules of Parliamentary Procedure

- b. When there is a vacancy with respect to any of the OCERS membership-elected Board members the alternate seventh member will fill the vacancy and vote in place of the vacant Board position;
- c. When a member of the same service (i.e., sheriffs or fire) as the alternate seventh member is before the Board for determination of his or her retirement, the alternate seventh member will vote in place of the seventh member and the seventh member will not vote, unless one of the OCERS membership-elected Board members is absent or there is a vacancy with respect to any of the OCERS membership-elected Board members, in which case, both the seventh member and the alternate seventh member will vote on that determination, with the alternate seventh member voting for the absent or vacant Board member.

## Scope of Rules and Disputes

19-22. These rules should be used by the presiding officer, staff, and members of the Board or committee as guidelines for the conduct of meetings unless it is prudent to utilize a different procedure under the circumstances.

20-23. The presiding officer of the Board or committee meeting is responsible for the orderly conduct of the meeting. The presiding officer may call upon other Board or committee members, the secretary of the Board or committee, or counsel for assistance in resolving disputes.

21-24. Rulings by the presiding officer should be respected by all Board and committee members, but such rulings may be challenged in accordance with these rules.

## Rules Review

22-25. The Board of Retirement shall review these rules at least every three (3) years to ensure that they remain relevant and appropriate.

## Policy History

23-26. The Orange County Employees Retirement System Rules of Parliamentary Procedure were originally approved and adopted by the Board of Retirement on February 16, 2015, and were revised on December 19, 2016, October 16, 2017, November 13, 2017, March 18, 2019, ~~and~~ June 20, 2022, and April 17, 2023.

## Secretary's Certificate

I, the undersigned, the duly appointed Secretary of the Orange County Employees Retirement System, hereby certify the adoption of this policy.

06/20/2022



**OCERS Board Policy**  
**OCERS Rules of Parliamentary**  
**Procedure**

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Steve Delaney  
Secretary of the Board

Date



## Memorandum

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**DATE:** March 23, 2023  
**TO:** Members of the Governance Committee  
**FROM:** Suzanne Jenike, Assistant CEO, External Operations  
**SUBJECT:** **REVIEW OF THE DOCUMENTATION OF BIRTHDATE AND MARRIAGE/DOMESTIC PARTNERSHIP OAP**

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### Recommendation

Review, approve, and recommend that the Board approve the Documentation of Birthdate and Marriage/Domestic Partnership OAP, as presented.

### Background

The Documentation of Birthdate and Marriage/Domestic Partnership OAP was created to outline the documents OCERS requires to accept retirement allowances and other benefits. OCERS currently requires members to submit copies of their birth certificate or valid passport when they file for retirement. Failure to provide this document will prevent the benefit from being established. In addition, we request a copy of the members spouse/domestic partner's birth certificate or valid passport, if applicable, as well as their marriage certificate/certificate of domestic partnership. On occasion these documents are inaccessible and so alternative documents are submitted. The OAP outlines the documents that will be considered to establish proof of birth, marriage, or domestic partnership status.

A copy of the Policy is attached.

### Submitted by:



SJ-Approved

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Suzanne Jenike  
Assistant Chief Executive Officer  
External Operations



## OCERS Administrative Procedure (OAP)

### Documentation of Birthdate and Marriage/Domestic Partnership

#### I. Purpose

This OCERS administrative procedure (OAP) aims to set forth what documentation OCERS' staff will consider when verifying a member or beneficiary's birthdate or marriage/domestic partnership status.

#### II. Authority

This OAP is established pursuant to the Chief Executive Officer (CEO) Charter, section 8.f., which directs the CEO to develop staff policies and procedures to ensure effective and efficient administration of member benefits. The OAP is in conformance with Board Policy, the County Employees Retirement Law (California Government Code section 31450, *et seq.*) (CERL), and the Public Employees' Pension Reform Act (Government Code, sections 7522 - 7522.74) (PEPRA).

#### III. Documentation

##### **Date of birth evidence**

OCERS will consider authentic copies of the following documents sufficient to establish the birthdate of a member or beneficiary:

- Birth certificate or delayed birth certificate
- Certificate of Naturalization or U.S. passport
- Foreign passport with I-94
- Border crossing card with I-94
- Real ID/driver's license
- Social Security certification

##### **Marriage or Domestic Partnership Evidence**

OCERS will consider authentic copies of the following documents sufficient to establish the marriage or domestic partnership status of a member:

- Marriage certificate
- State-recognized certificate of domestic partnership



## **OCERS Administrative Procedure (OAP)**

### **Documentation of Birthdate and Marriage/Domestic Partnership**

When none of the above documents can be produced, OCERS will consider alternative documents such as those following to establish the date of birth, marriage, or domestic partnership status:

- Sworn affidavits from relatives
- Records of religious ceremonies (e.g., church, temple, or mosque records of a birth or marriage ceremony)
- State census records
- Hospital records/vaccination records
- Physician or midwife birth record
- DD214 (military discharge certificate)
- School records
- Insurance policy records
- Other credible records

All records submitted to OCERS intended to establish birthdate or marriage/domestic partnership status must be true and correct copies, with no alterations from the original document. An individual who provides false or altered documentation may be liable for repayment of any funds received based on the false documentation submitted and may forfeit any related benefit.



## Memorandum

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**DATE:** March 23, 2023  
**TO:** Members of the Governance Committee  
**FROM:** Suzanne Jenike, Assistant Chief Executive Officer, External Operations  
**SUBJECT:** REVIEW OF NEW PAY ITEMS PURSUANT TO THE PAY ITEM REVIEW POLICY

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### Background/Discussion

At the Board meeting held on June 19, 2019, the Board approved the Master Final Average Salary List of pay items (Master List), including the attributes for elements of pensionable pay, for Legacy and PEPRA members as recommended by staff and directed the staff to commence using four (4) adopted policies:

1. Compensation Earnable Policy – compensation applicable to Legacy members - codifies existing law, the Ventura Decision and Resolution 98-001;
2. Pensionable Compensation Policy – compensation applicable to PEPRA members;
3. Retirement Enhancement “Spiking” Review Policy; and
4. Pay Item Review Policy.

The Pay Item Review Policy (Policy) requires Staff to perform detailed analysis to determine the qualification for pensionable pay status for any new pay items requested by Employers. In accordance with the Policy, Staff makes the determination regarding pensionable attributes and communicates the decision to the Employer prior to the inclusion of the pay item on the biweekly transmittal file submitted to OCERS. Since the commencement of this process, Employers have agreed with all of the Staff’s determinations without dispute.

In addition to the approval of the Master List and commencement of the review and approval process, the Board directed Staff to report newly added pay items to the Governance Committee and Board on an annual basis. It is this reporting requirement that Staff will address today. I have attached the new pay items added to the Master List between September 30, 2021 and December 31, 2022, including their pensionable attribute determinations for the Committee’s review. Staff has reviewed and implemented these new pay items between September 30, 2021 and December 31, 2022, and the Employers are submitting these items on the transmittal file with the correct pensionable attributes.

### Attachments

- List of pay items added between September 30, 2021 and December 31, 2022
- Pay item Review Policy



**Submitted by:**



SJ-Approved

Suzanne Jenike  
Asst. CEO, External Operations







## OCERS Board Policy

# Pay Item Review Policy

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### Purpose and Background

1. The purpose of this policy is to set forth a procedure for the submittal and approval of pay items by OCERS participating employers to assist OCERS in properly and timely determining whether elements of compensation are appropriately treated as Compensation Earnable (for Legacy Member) or Pensionable Compensation (for PEPRAs members).

### Policy Objectives

2. The objectives of this policy are to comply with the requirements of the County Employees Retirement Law (CERL; California Government Code Title 3, Part 3, Chapters 3 & 3.9), as amended by the Public Employees Pension Reform Act (PEPRA; California Government Code sections 7522 - 7522.74) and to ensure OCERS' effective assessment and determination of whether an element of compensation is properly categorized for purposes of collecting contributions and including in the calculation of final average salary.

### Policy Guidelines

3. OCERS shall not accept any new pay items from employers for processing contributions and reporting compensation until each pay item has been reviewed by OCERS staff and approved by the CEO or his/her designee for inclusion as, or exclusion from, Compensation Earnable for Legacy members and Pensionable Compensation for PEPRAs members. OCERS staff under the direction of the CEO and with assistance of OCERS legal counsel is responsible for implementing this Policy. OCERS staff will analyze each pay item to determine whether each meets the definition of Compensation Earnable or Pensionable Compensation. Unless appealed, the CEO's determination shall be final.
4. Employers are responsible notifying OCERS of new or modified pay items for review and approval sufficiently in advance of implementation of the items. Failure to do so may result in OCERS imposing costs on the employer in accordance with Government Code section 31542.5.
5. OCERS staff will review employer pay Item listings for compliance with this Policy. When reviewing items of compensation, OCERS will audit pay items to determine whether each of them meets the applicable statutory definitions and applicable Board Policies.
6. After concluding the foregoing assessment, OCERS staff shall send written notification to the employer of staff's determination, including the specific supporting facts, circumstances, reasoning and analyses.
7. The employer shall have 30 calendar days from the date of staff's final notice of determination within which to appeal the staff determination to the Board. If the employer accepts staff's determination, or if a timely appeal it to the Board is not filed, the matter shall be deemed concluded and the staff determination shall be final and the employer shall comply with the determination.
8. Upon receipt of a timely request for appeal to the Board of staff's determination, staff shall place the matter on a future Board agenda and shall prepare a written report to the Board making a recommendation to the Board on the pay items in question. Staff shall provide the employer with advance notice of the Board meeting and a copy of staff's report and all materials to be considered



## OCERS Board Policy Pay Item Review Policy

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by the Board, and likewise the employer shall provide OCERS with all materials it intends to submit to the Board.

9. The Board shall consider the all written materials submitted as well as any arguments presented by the employer. The Board shall then make a decision as to whether the pay item qualifies as Compensation Earnable or Pensionable Compensation, or both, which decision shall be final and the employer shall comply with the Board's determination.

### Policy Review

10. The Board shall review this policy at least every three (3) years to ensure that it remains relevant and appropriate.

### Policy History

11. The Board adopted this policy on March 18, 2019, and revised on June 20, 2022.

### Secretary's Certificate

I, the undersigned, the duly appointed Secretary of the Orange County Employees Retirement System, hereby certify the adoption of this policy.

A handwritten signature in cursive script that reads "Steve Delaney".

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Steve Delaney  
Secretary of the Board

**06/20/2022**

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Date



## Memorandum

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**DATE:** March 23, 2023  
**TO:** Members of the Governance Committee  
**FROM:** Gina M. Ratto, General Counsel  
**SUBJECT:** **GOVERNANCE COMMITTEE WORK PLAN AND MEETING SCHEDULE FOR 2023**

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### **Work Plan of the Governance Committee for 2023**

The Board Charters and Board Policies listed below are due for review by the Governance Committee and the Board in 2023.

#### **Charters:**

1. Governance Committee Charter **(March meeting)**
2. CEO Charter **(March meeting)**

#### **Policies:**

1. Triennial Review of the Actuarial Valuation Policy
2. Triennial Review of the Budget Approval Policy
3. Triennial Review of the Communications Policy
4. Triennial Review of the Board Elections Procedures
5. Triennial Review of the Membership Eligibility Requirements Policy
6. Triennial Review of the Planning Policy
7. Triennial Review of the Public Records and Data Request Policy **(March meeting)**
8. Triennial Review of the Quiet Period Policy
9. Triennial Review of the SACRS Voting Authority Policy **(March meeting)**
  
10. Out of Cycle Review of the Actuarial Funding Policy
11. Out of Cycle Review of the Procurement and Contracting Policy **(March meeting)**
12. Out of Cycle Review of the OCERS Rules of Parliamentary Procedure **(March meeting)**

#### **OAPs:**

13. OAP re: Documentation of Birthdate and Marriage/Domestic Partnership **(March meeting)**
14. OAP re: Reciprocity
15. OAP re: Working After Retirement

#### **Other:**

16. Review of New Pay Items Pursuant to Pay Item Review Policy **(March meeting)**

**Committee Meetings in 2023**

Assuming the Committee approves the two charters, four policies and one OAP at its March 23, 2023 meeting, that will leave eight policies and two OAPs for review in 2023. Staff recommends the Committee plan on meeting three more times in 2023, and suggests meetings be held in May, August and November. The final meeting can be canceled if not needed.

Attached is a calendar denoting the meetings of the Board and its committees and holidays in 2023.

Attachment

**Submitted by:**



GMR- Approved

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Gina M. Ratto  
General Counsel

# 2023 Meeting Calendar

January						
Su	Mo	Tu	We	Th	Fr	Sa
1	2	3	4	5	6	7
8	9	10	11	12	13	14
15	16	17	18	19	20	21
22	23	24	25	26	27	28
29	30	31				

February						
Su	Mo	Tu	We	Th	Fr	Sa
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26	27	28				

March						
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26	27	28	29	30	31	

April						
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23	24	25	26	27	28	29
30						

May						
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21	22	23	24	25	26	27
28	29	30	31			

June						
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25	26	27	28	29	30	

July						
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23	24	25	26	27	28	29
30	31					

August						
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27	28	29	30	31		

September						
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24	25	26	27	28	29	30

October						
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22	23	24	25	26	27	28
29	30	31				

November						
Su	Mo	Tu	We	Th	Fr	Sa
			1	2	3	4
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26	27	28	29	30		

December						
Su	Mo	Tu	We	Th	Fr	Sa
					1	2
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10	11	12	13	14	15	16
17	18	19	20	21	22	23
24	25	26	27	28	29	30
31						

## Federal Holidays 2023

Jan 1	New Year's Day	May 29	Memorial Day	Oct 9	Columbus Day	Dec 24	Christmas Eve
Jan 2	New Year's Day Observed	Jul 4	Independence Day	Nov 11	Veterans Day	Dec 25	Christmas Day
Jan 16	Martin Luther King Day	Sep 4	Labor Day	Nov 23	Thanksgiving Day		
Feb 12	Lincoln's Day			Nov 24	Holiday Observed		
Feb 20	Presidents' Day						