

MEMORANDUM

DATE: February 28, 2014
TO: Supplemental Retirement Board of Trustees
FROM: Steve Toole, Director Retirement Services Division
RE: Proposed Addition to Staff

In March of 2013 a proposal was presented to and adopted by the Supplemental Retirement Board of Trustees that Supplemental Retirement Staff issue a Request for Proposal (RFP) seeking Investment Consultant services to inform and ultimately recommend to the Board modifications to our current plan design. Included in this analysis was the Board's desire to examine the benefits and costs associated with "unbundling" our 401(k) and 457(b) plans. "Unbundling" may take several forms including directly contracting with a Recordkeeper, Custodian & Trustee, and / or a Participant Communication & Education provider. The Investment Consultant named through our RFP process will assist us by recommending the ideal structure to the Board and upon Board approval assist us with the vendor search and selection process.

The Investment Consultant along with Supplemental Retirement staff will draft, issue and analyze the findings of each of the RFPs. In addition, Staff will require significant support from the Department of State Treasurer's Financial Operations Division in the area of Procurement and Contracting. Specifically, this support will:

- Ensure requisitions to procure goods or services via the E-Procurement system and all other procurement and contracting activity is in compliance with standard State of North Carolina operating procedures (i.e., proper procedure and forms have been used, due diligence regarding sources of supply has been performed, funding has been established, and approvals have been obtained at each stage of the procurement process).
- Manage and facilitate all solicitation and contracting activity, including, but not limited to: determining the method of procurement (Requests for Quotes (RFQ), Invitation for Bids (IFB) and Request for Proposals (RFP)); overseeing advertising (bids) on the State's Interactive Purchasing System (IPS); addressing bidder questions; commissioning and facilitating evaluation committees; coordinating evaluation meetings; preparing scoring documents for the evaluation of responses to bids; communicating and negotiating with bidders; attending oral presentation events and site visits; and developing procurement summaries.
- Ensure monitoring plans are developed for all contracts, and assists with corrective action plans.
- Draft amendments, supplemental letters of agreement or other contractual documents, as necessary, throughout the lifecycle of awarded contracts. Ensure contractual documents are properly maintained and accessible.

It is anticipated that significant work volume will be created by our "unbundling" project and once the project is completed the required contract document maintenance and monitoring will be on going.

Therefore, Staff recommends adding a full time position within the Financial Operations Division (FOD) to support this Supplemental Retirement function. Embedding this position within FOD will garner efficiency and synergy as this position serves as a member of the Procurement and Contract team. The salary for this position, *Manager of Procurement and Contracting*, will not exceed \$81,872 per annum. Benefits are projected to be \$23,720 per annum. If approved by the Supplemental Retirement Board the position request will be submitted to the Office of Human Resources and Office of State Budget and Management for final authorization.