



To: David Billingsley, Chief Procurement Officer, OBFS
From: Katrina Laudeman, Treasurer, OBFS *[Signature]*
CC: Michelle McCrimmon, Deputy CFO, OBFS; Diane Wetherington, Purchasing Agent III, OBFS
Date: 7/20/18
Re: Request to extend contract with NEPC – RFP13-0514

Treasury Division is requesting the extension of the existing contract with NEPC LLC by one year to September 30, 2019. NEPC is the Investment Consultant for the City as well as the Police and Fire Pension Plans. For economies of scale, one Investment Consultant is engaged to provide investment consulting services on City Operating, OPEB, Defined Contribution, General Employees Defined Benefit, Police Defined Benefit, and Fire Defined Benefit funds.

Treasury staff are currently working closely with NEPC on several investment manager changes that impact several benefit plans. In addition, Treasury staff are working closely with NEPC on consulting services related to the City's Defined Contribution Plan. It is anticipated that the projects related to the Defined Contribution Plan will not be completed until after the expiration of the current NEPC contract.

The extension agreements have to be separated by each benefit plan. Estimated annual spend with NEPC is noted below. The Fire and Police Pension Boards approve their portion which is why it's listed separately. The estimated annual spend with NEPC that the Mayor would have to sign in his capacity as Mayor or as City Council serving as the Board of Trustees is approximately \$230,000. This was calculated by adding the FY2018 price plus 3%. The additional fees for the defined contribution plan are \$85,000.

As the total spend exceeds \$100,000, this will need to be approved by City Council.

Thank you for your consideration.

General Employees DB	\$63,000
Defined Contribution Plan	\$85,000
OPEB Fund	\$47,000
City's Operating Portfolio	\$35,000
TOTAL	\$230,000
Police DB	\$63,000
Fire DB	\$63,000
GRAND TOTAL EST-NEPC	\$356,000