



PENSION TECHNOLOGY GROUP

November 30, 2015

Mr. Carl Nelson
Executive Director
San Luis Obispo County Pension Trust
1000 Mill Street
San Luis Obispo, CA 93408

Dear Mr. Nelson,

The purpose of this letter is to notify the San Luis Obispo County Pension Trust (SLOCPT) that Pension Technology Group (PTG) is publicly protesting the process in which SLOCPT is undertaking in the attempt to acquire a new pension administration system. The basis of PTG's protest is that the "Consultant" LWRL, Inc. is maintaining overlapping roles throughout the procurement process. This has the potential to significantly impact the overall duration and cost of the project. The fact that LWRL participated in the drafting of the RFP, is assisting with vendor evaluations and selections, and is also attempting to negotiate a contract as Project Oversight Manager clearly sets up a scenario that could be fraught with conflicts of interest. The various roles maintained by LWRL throughout the PAS Project could potentially drive this project to a conclusion that is more closely aligned with LWRL's business objectives instead of SLOCPT's fiduciary obligations to its membership.

In both SLOCPT's Board Meeting minutes and the PAS RFP there are numerous examples where the responsibilities of the Consultant are publically defined. These examples include but are not limited to the three that have been attached with PTG's protest. They are as follows:

- **Excerpt from October 27th 2014 Board Meeting Minutes.** "Staff reported to the Board progress on the RAD Continuation project and the RAD Evaluation for the selection of a consultant to assist in the review and selection of a vendor to fix, rebuild, or replace the RAD System.
- **PAS RFP, Section A.2.2 Procurement Point of Contact.** "From the issue date of this RFP until a successful Respondent is selected and the selection is announced; Respondents are not allowed to communicate for any reason, with SLOCPT staff or trustees regarding this particular procurement, except through the Contracting Officer named herein. SLOCPT shall reserve the right to reject the proposal for violation of this provision.

The point of contact for questions and all other contractual matters relating to this RFP is:

Christopher Fikes
Project Manager
LWRL, Inc.
fikesc@lwrl.com

- **Excerpt from September 28th 2015 Board Meeting Minutes.** "PAS Replacement – External Professionals, Oversight Project Management consultant, LWRL proposal to be considered in parallel with vendor selection."

San Luis Obispo County

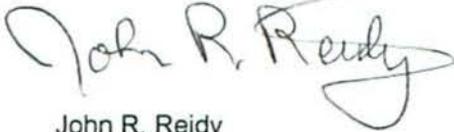
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Pension Trust

It is PTG's assertion that the duties described above clearly reveal multiple and overlapping responsibilities given to the "Consultant" whose role was eventually filled by LWRL. As the potential Project Oversight Manager, LWRL's direct financial interests could be served by a more complex drawn-out development process. Therefore, LWRL's participation in the procurement process should disqualify them from realizing any financial compensation for post-procurement responsibilities. In order to eliminate any appearance of conflict of interest within the procurement of the SLOCPT's new pension administration software project the role and responsibilities of the Contracting Officer should end with the execution of the contract between SLOCPT and the selected software vendor.

Please feel free to contact me directly if you have any further questions regarding PTG's protest to the multiple duties maintained by the "Consultant", LWRL during the procurement of SLOCPT's new pension administration software system.

Regards,

A handwritten signature in black ink that reads "John R. Reidy". The signature is written in a cursive style with a large, sweeping flourish at the end.

John R. Reidy
President
92 State Street
Suite 600
Boston, MA 02109
(617) 977-8408 x18
john@ptgma.com

CONSENT:

AGENDA ITEM NO. 2 - 5: CONSENT.

Upon the motion of Mr. Erb, seconded by Mr. Clemens, and unanimously passed, the following action was taken:

- ITEM 2:** The Minutes of the Regular Meeting of August 25, 2014 were approved with one correction to Agenda Item 13; Mr. Clemens was attending CALAPRS not the Wharton School.
- ITEM 3:** The Report of Deposits and Contributions for the Month of August, 2014, was received and filed.
- ITEM 4:** The Report of Service Retirements, Disability and DROP Retirements for the month of August, 2014, was received, approved and filed.
- ITEM 5:** The Report of Applications for participation in the Deferred Retirement Option Program received through September 5, 2014 was received, approved and filed.

APPLICATIONS FOR DISABILITY RETIREMENT:

None.

OLD BUSINESS:

None.

NEW BUSINESS:

AGENDA ITEM NO. 6: RAD SOFTWARE EVALUATION AND RAD CONTINUATION UPDATE.

Staff reported to the Board progress on the RAD Continuation project and the RAD Evaluation RFP for the selection of a consultant to assist in the review and selection of a vendor to fix, rebuild or replace the RAD system.

Staff received board consensus to extend the RAD Evaluation RFP submission deadline from October 8th to October 24th. The Technology



A.2 PROCUREMENT INFORMATION

The following sections provide general administrative information about the procurement.

A.2.1 PROCUREMENT SCHEDULE AND MILESTONES

The dates provided in Table 1 below are approximate and for the period up to the project start date following contract award.

SLOCPT reserves the right to change the calendar of events or issue Addenda to the RFP at any time. SLOCPT also reserves the right to cancel or reissue the RFP. Respondents should check the following website <http://www.slocounty.ca.gov/PensionTrust.htm> from time to time as any amendments or other RFP related materials will be posted there.

Table 1 Project Schedule

Date	Activity
July 31, 2015	RFP Release Date
August 14, 2015	Due Date for Pre-Bid Questions
August 28, 2015	SLOCPT Response to Pre-Bid Questions
September 25, 2015	Deadline for Receipt of Proposals
October 26 th to 30 th , 2015	Hold Scripted Product Demonstrations / Presentations
November 2 nd to 6 th , 2015	SLOCPT Site-Visits to Peer Clients
November 20, 2015	Finalize Evaluation / Notify Successful Vendor
December 18, 2015	SLOCPT Contract Executed
January 4, 2016	Project Starts

A.2.2 PROCUREMENT POINT OF CONTACT

From the issue date of this RFP until a successful Respondent is selected and the selection is announced; Respondents are not allowed to communicate, for any reason, with SLOCPT staff or trustees regarding this particular procurement, except through the Contracting Officer named herein. SLOCPT shall reserve the right to reject the proposal for violation of this provision.

The point of contact for questions and all other contractual matters relating to this RFP is:

Christopher Fikes
Project Manager
LRWL, Inc.
fikesc@lrwl.com

Respondent's proposals are to be delivered to the SLOCPT office to the attention of:

Christopher Fikes
San Luis Obispo County Pension Trust
1000 Mill St.
San Luis Obispo, CA 93408

By submitting a proposal, the Respondent acknowledges that it has read this RFP, understands it, and agrees to be bound by its requirements.

PAS Replacement – External Professionals

- Oversight Project Management consultant
 - LRWL proposal to be considered in parallel with vendor selection
 - Necessary level of support – depends on vendor
- County IT Project Manager assignment
 - Currently budgeted at 0.33 FTE in FY15-16
 - Allocation during project will vary