



Board of Retirement Regular Meeting

Sacramento County Employees' Retirement System

Agenda Item 12

MEETING DATE: June 19, 2019

SUBJECT: Private Market Accounting and Reporting Services

SUBMITTED FOR: ___ Consent X Deliberation and Action ___ Receive and File

RECOMMENDATION

Staff recommends the Board authorize the Chief Executive Officer to contract with Colmore, Inc. for private market accounting and reporting services for an initial term of three years.

PURPOSE

This item supports the 2018-19 Strategic Management Plan to improve enterprise-wide capability and technology.

DISCUSSION

At the January 2019 Board meeting, the Board authorized the issuance of a Request for Proposals (RFP) for Private Market Accounting and Reporting Services. The decision to procure services was based on previous projects to analyze investment accounting requirements, gather information from service providers through a Request for Information (RFI), and development of a business case.

Staff determined that the initial project scope for a full investment accounting system replacement was unnecessary and costly, and narrowed the scope of the RFP to address more pressing needs. Staff found that a service provider could assist SCERS with private market accounting and reporting services including:

- Improved timing and accuracy of complex accounting transactions and fee reporting as the SCERS private market portfolio continues to grow in size and diversity;
- Improved independent oversight of custodian bank processes;
- Improved oversight of general partner financial reporting; and,
- Improved oversight and compliance reporting for fees and expenses.

The RFP was distributed to 17 service providers and also posted to the SCERS website. SCERS subsequently received nine proposals in response. Proposals were evaluated by a cross-functional team from SCERS' accounting, investment, and executive staff.

Of the nine proposals submitted, four were selected for more detailed analysis and evaluation. From this group, the two best proposals were identified and the vendors were invited to face-to-face interviews and solution demonstrations.

Colmore, Inc. was chosen as the best services provider for SCERS. All four finalists were judged to be highly qualified for the core accounting services. Colmore, Inc. differentiated itself with a combination of favorable pricing and its sophisticated fee validation software and services.

The service is estimated to cost approximately \$200,000 annually, including initial onboarding.

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