



Compensation Committee

Item number 2 – Open session

Subject: Compensation Consulting Services Solicitation

Presenter(s): Christine De Leon/Kristel Turko

Item type: Action

Date and time: September 25, 2024 – 15 minutes

Attachment(s): Proposed Scope of Work

PowerPoint presentation(s): None

Item purpose

The purpose of this item is to seek feedback and authorization from the committee to issue a Request for Proposal (RFP) for compensation consulting services and approval of the proposed scope of work. The RFP will seek to hire a primary compensation strategist to the committee as well as hire a pool of consultants to provide specified services as desired by the committee for the period beginning July 1, 2025.

Recommendation

Staff recommends authorization to move forward with the solicitation process and approval of the attached scope of work.

Executive summary

Based on the committee's 2024-25 work plan, staff has initiated work on the solicitation process. A detailed scope of proposed services provided in Attachment 1 complements the committee's charter and a committee member's role in their oversight of the system's compensation strategy. As directed by the committee, staff will administer the solicitation process, including screening the responses for minimum qualifications, evaluating the proposal responses and costs, and conducting initial interviews. Based on the results of the evaluation process, staff will identify the highest scoring consulting firms in terms of experience and ability to provide services identified in the scope of work to determine the top finalists for the committee's primary strategist. The committee will conduct interviews and a final selection for the committee's primary strategist will be made by the committee at its March 2025 meeting. Selecting a primary strategist does not preclude the committee from using any of the other consultants in the pool of

specified services. The solicitation and contract process will be completed by June 30, 2025, for services to begin July 1, 2025. Staff proposes a five-year contract.

Background

The Compensation Committee charter delineates the responsibility of the committee to engage professional consultants to assist the committee in fulfilling its responsibilities. In addition, the charter affords the committee the sole authority to select, retain and terminate a compensation consultant. The existing compensation consulting contracts with Global Governance Advisors and Mercer, which were established July 1, 2021 with maximum five-year contracts, are set to expire June 30, 2026 with no options for extension.

Strategic Plan linkage: Goal 1: Trusted Stewards – Ensure a well-governed, financially sound trust fund.

Board Policy linkage: [Board Governance Manual-Compensation Policy](#)

Optional reference material: None