



County of Monterey

Board of Supervisors
Chambers
168 W. Alisal St., 1st Floor
Salinas, CA 93901

Board Report

File #: 13-0643, Version: 1

Approve and authorize the Contracts/Purchasing Officer to sign Renewal and Amendment #1 (Attachment #2) to the contract with Great West Life & Annuity Insurance Corporation for recordkeeping and communication services for the Deferred Compensation 457(b) Plan as specified in the contract (Amendment #1) extending the term from April 1, 2008 - March 31, 2013 to April 1, 2008 - March 31, 2018 and decreasing the compensation from .15% per annum of Plan assets to .10% per annum of Plan assets.

RECOMMENDATION:

It is recommended that the Board of Supervisors approve and authorize the Contracts/Purchasing Officer to sign Renewal and Amendment #1 (Attachment #2) to the contract with GW (Great West) Life & Annuity Insurance Corporation (GW) for recordkeeping and communication services for the Deferred Compensation 457(b) Plan as specified in the contract (Amendment #1) extending the term from April 1, 2008 - March 31, 2013 to April 1, 2008 - March 31, 2018 and decreasing the compensation from .15% per annum of Plan assets to .10% per annum of Plan assets.

SUMMARY/DISCUSSION:

The initial contract was for the term of April 1, 2008 through March 31, 2013 with the option to extend for 2 additional 2 year periods. Last fall when discussing the first extension, GW offered the option of extending for a 5 year term and negotiating a reduction in fees paid by participants. After discussing this with the Contracts/Purchasing Officer, it was determined to be in the best interest of the County to extend for 5 years with a reduction in the fees paid by participants than to extend for 2 separate 2 year periods with no reduction in fees, and negotiations began.

While negotiations took longer than anticipated resulting in the expiration of the original contract, the end result is a reduction of .05% of Plan assets which equates to a savings of approximately \$85,000 for Deferred Compensation Plan participants.

On May 29, 2013, the Deferred Compensation Administrative Committee approved this Renewal and Amendment #1 and directed that it be submitted to the Monterey County Board of Supervisors for approval.

OTHER AGENCY INVOLVEMENT:

The Deferred Compensation Administrative Committee and Contracts/Purchasing concur with this action.

FINANCING:

This action has no impact on the General Fund. The fees are paid by Plan participants, not the County.

Prepared by:
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Management Analyst III, 755-3529

Approved by:
Wes Morrill, Chair
Deferred Compensation Administrative
Committee, 647-7619

Dated: June 10, 2013

Attachments: Attachment #1 - Original contract with GW
Attachment #2 - Renewal & Amendment #1