



## Finance and Administration Committee

# Agenda Item 4f

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**February 18, 2025**

**Item Name:** Contract Extension of Investment Office Total Fund and Capital Markets Platform

**Program:** Investment Office

**Item Type:** Action Consent

### **Recommendation**

Approve an initial term of seven years for the Total Fund and Capital Markets Platform contract with up to three one-year extensions.

### **Executive Summary**

The Investment Office (INVO) received approval at the November 2023, Finance and Administration Committee meeting to enter a new contract for a Total Fund and Capital Markets Platform. To support the activities related to Project 1: Capital Markets and Total Fund, extending the initial contract term from five years to seven years with a limited number of one-year extensions ensures all phases inclusive of design, implementation, as well as transition activities, align for successful deployment of the platform, while sustaining cost efficiencies.

### **Strategic Plan**

This request supports the “Organizational Excellence” 2022-2027 Strategic Plan Goal and objective to improve processes, operations, and advance technologies to gain efficiencies and effectiveness.

### **Investment Beliefs**

A careful and thorough review of INVO’s internal systems supports CalPERS Investment Belief 8 “Costs matter and need to be effectively managed,” and 10 “Strong processes and teamwork and deep resources are needed to achieve CalPERS goals and objectives.”

### **Background**

INVO’s Data and Technology strategic initiative goal is to establish a modernized investment platform for improved fund performance. The objective of the modernized platform is to enable reduced operational risk, improved efficiency, and investment innovation to deliver a better portfolio. The Initiative consists of four projects, including Capital Markets and Total Fund,

Private Markets, Data Platform, and Developed Applications. The goal during the remainder of FY24/25 is to progress the overall Initiative with focus on Project 1: Capital Markets and Total Fund and Project 2: Private Markets.

### **Analysis**

Consideration to keep the contract term at five years was discussed with the Data and Technology Initiative Executive Sponsors, however extending the initial contractor from five years to seven years with a limited number of one-year extensions ensures all phases align for successful deployment of the platform while sustaining cost efficiencies.

### **Budget and Fiscal Impacts**

Approving an initial contract term of seven years with a limited number of one-year extensions enables cost efficiencies across multiple phases of Project 1.

### **Benefits and Risks**

The benefits of approving a seven-year term with up to three one-year extensions align with Project 1 activities and provides an opportunity to support design, implementation and transition activities as the Investment Office moves towards standard operations with the new platform while maintaining cost efficiencies.

There are no known risks to this contract extension.

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Michael Cohen  
Chief Operating Investment Officer