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LANE COUNTY

HUMAN RESOURCES DEPARTMENT / 125 East 8th Ave. / Eugene, OR 97401
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AGENDA COVER MEMO

Memorandum Date:

Order Date:

TO: Board of County Commissioners

DEPARTMENT: Human Resources

PRESENTED BY: Annette Scarle

AGENDA ITEM TITLE: IN THE MATTER OF APPROVING AN AMENDMENT TO THE DEFERRED COMPENSATION INVESTMENT CONSULTING CONTRACT WITH ARNERICH MASSENA AND ASSOCIATES FOR \$105,000 AND DELEGATING AUTHORITY TO THE COUNTY ADMINISTRATOR TO EXECUTE THE THREE YEAR AMENDMENT.

I. MOTION

MOVE APPROVAL OF ORDER 10 -- _____ IN THE MATTER OF APPROVING AN AMENDMENT TO THE DEFERRED COMPENSATION INVESTMENT CONSULTING CONTRACT WITH ARNERICH MASSENA and ASSOCIATES FOR \$105,000 AND DELEGATING AUTHORITY TO THE COUNTY ADMINISTRATOR TO EXECUTE THE THREE YEAR AMENDMENT.

II. AGENDA ITEM SUMMARY

Lane County has an ongoing contract with Arnerich Massena and Associates to provide deferred compensation investment consulting. The Board is being asked to approve a three year contract extension from July 1, 2008 through June 30, 2011 at a cost not to exceed \$105,000. This contract extension, including dollar amount exceeds the County Administrators' current authority. The County Administrator requires additional delegated authority to be able to sign and execute the amendment.

III. BACKGROUND/IMPLICATIONS OF ACTION

A. Board Action and Other History

The Board of County Commissioners designated Arnerich Massena & Associates as Lane County's deferred compensation investment consultant for the period of July 1, 2005 thru June 30, 2008 for an amount not to exceed \$135,000. This contract amendment would extend the contract from July 1, 2008 thru June 30, 2011 for an amount not to exceed \$105,000.

B. Policy Issues

Lane County has a need to have an expert advisor for the purpose of providing necessary guidance in development and review of a comprehensive investment policy for deferred compensation. This includes selecting investment products and managers for the plan.

C. Board Goals

Ensure Plan performance and status is reviewed annually and that marketplace and legal environment changes are being incorporated into the Plans long-term strategy.

D. Financial and/or Resource Considerations

The total cost of investment consulting over the course of the three year contract extension will be not more than \$105,000.

E. Analysis

Deferred compensation investment consulting is a specialized field. The County Administrator has waived the competitive selection process requirement. Arnerich Massena and Associates (PRC) is the current provider and the contract extension is required to meet legal mandates. Arnerich Massena and Associates has agreed to a contract extension of three years with an 8% decrease in consulting fees over the previous contract reducing the cost of services to the county by \$30,000 over the 3 year period. As this amendment brings the total maximum cost to \$431,000, the County Administrator requires additional delegated authority in order to sign and execute the amendment.

F. Alternatives/Options

1. Approve the contract amendment
2. Request for Proposal process
3. Direct staff to explore other options

IV. TIMING/IMPLEMENTATION

Recommend implementing the extension by March 31, 2010 or as soon as practicable.

V. RECOMMENDATION

Risk and Benefit staff and the Deferred Compensation committee recommend extending the current contract.

VI. FOLLOW-UP

Provide a copy of the amended service agreement to Americh Massena and Associates by March 31, 2010.

VII. ATTACHMENTS

A. Board Order

IN THE BOARD OF COUNTY COMMISSIONERS OF LANE COUNTY, OREGON

RESOLUTION AND
ORDER 10-) IN THE MATTER OF APPROVING AN
) AMENDMENT TO THE DEFERRED
) COMPENSATION CONSULTING
) CONTRACT AMENDMENT FOR
) \$105,000 AND DELEGATING
) AUTHORITY TO THE COUNTY
ADMINISTRATOR TO EXECUTE THE
THREE YEAR AMENDMENT.

WHEREAS, Lane County has a need to appoint a deferred compensation investment consultant for the purpose of plan and investments review; and

WHEREAS, Arnerich Massena and Associates has agreed to a three year contract extension beginning July 1, 2008, at a reasonable financial cost to Lane County; now, therefore,

IT IS HEREBY RESOLVED AND ORDERED, that an amendment to the deferred compensation investing consulting contract with Arnerich Massena and Associates for \$105,000 is approved and the County Administrator is delegated authority to execute the amendment.

Dated this 17th day of March, 2010.

Chair, Board of County Commissioners

APPROVED AS TO FORM
Date 3/23/10 lane county
[Signature]
OFFICE OF LEGAL COUNSEL