



**LACERS**  
LA CITY EMPLOYEES'  
RETIREMENT SYSTEM



**Board of Administration Agenda**

**REGULAR MEETING**  
**TUESDAY, JULY 9, 2024**  
**TIME: 10:00 A.M.**

**MEETING LOCATION:**  
LACERS Boardroom  
977 N. Broadway  
Los Angeles, California 90012

**Important Message to the Public**

An opportunity for the public to address the Board in person from the Boardroom and provide comment on items of interest that are within the subject matter jurisdiction of the Board or on any agenda item will be provided at the beginning of the meeting and before consideration of items on the agenda.

Members of the public who do not wish to attend the meeting in person may listen to the live meeting via one-way audio on Council Phone by calling (213) 621-CITY (Metro), (818) 904-9450 (Valley), (310) 471-CITY (Westside) or (310) 547-CITY (San Pedro Area).

**Disclaimer to Participants**

Please be advised that all LACERS Board meetings are recorded.

**LACERS Website Address/link:**

[www.LACERS.org](http://www.LACERS.org)

In compliance with Government Code Section 54957.5, non-exempt writings that are distributed to a majority or all of the Board in advance of the meeting may be viewed by clicking on LACERS website at [www.LACERS.org](http://www.LACERS.org), at LACERS' offices, or at the scheduled meeting. In addition, if you would like a copy of a public record related to an item on the agenda, please call (213) 855-9348 or email at [lacers.board@lacers.org](mailto:lacers.board@lacers.org).

President:	Annie Chao
Vice President:	Sung Won Sohn
Commissioners:	Thuy Huynh Elizabeth Lee Gaylord "Rusty" Roten Janna Sidley Michael R. Wilkinson
Manager-Secretary:	Neil M. Guglielmo
Executive Assistant:	Ani Ghoukassian
Legal Counsel:	City Attorney's Office Public Pensions General Counsel Division

**Notice to Paid Representatives**

If you are compensated to monitor, attend, or speak at this meeting, City law may require you to register as a lobbyist and report your activity. See Los Angeles Municipal Code §§ 48.01 *et seq.* More information is available at [ethics.lacity.org/lobbying](http://ethics.lacity.org/lobbying). For assistance, please contact the Ethics Commission at (213) 978-1960 or [ethics.commission@lacity.org](mailto:ethics.commission@lacity.org).

**Request for Services**

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Sign Language Interpreters, Communications Access Real-Time Transcription, Assisted Listening Devices, or other auxiliary aids and/or services may be provided upon request. To ensure availability, please make your request at least 72 hours prior to the meeting you wish to attend. Due to difficulties in securing Sign Language Interpreters, five or more business days notice is strongly recommended. For additional information, please contact (800) 779-8328 or RTT (888) 349-3996.

Si requiere servicios de traducción, llámenos tres días (72 horas) antes de la reunión o evento al (800) 779-8328.

For additional information, please contact: Board of Administration Office at (213) 855-9348 and/or email at [lacers.board@lacers.org](mailto:lacers.board@lacers.org).

[CLICK HERE TO ACCESS BOARD REPORTS](#)

- I. PUBLIC COMMENTS AND GENERAL PUBLIC COMMENTS ON MATTERS WITHIN THE BOARD'S JURISDICTION AND COMMENTS ON ANY SPECIFIC MATTERS ON THE AGENDA
- II. GENERAL MANAGER VERBAL REPORT
  - A. REPORT ON DEPARTMENT OPERATIONS
  - B. UPCOMING AGENDA ITEMS
  - C. RECOGNITION OF SERVICE FOR JOHN P. KOONTZ
  - D. RECOGNITION OF SERVICE FOR ANYA J. FREEDMAN
- III. RECEIVE AND FILE ITEMS
  - A. [ETHICAL CONTRACT COMPLIANCE REPORT NOTIFICATION TO THE BOARD](#)
  - B. [BENEFITS PAYMENTS APPROVED BY GENERAL MANAGER](#)
- IV. CONSENT ITEM(S)
  - A. [APPROVAL OF MINUTES FOR THE REGULAR MEETING OF JUNE 11, 2024 AND POSSIBLE BOARD ACTION](#)
- V. COMMITTEE REPORT(S)
  - A. BENEFITS ADMINISTRATION COMMITTEE VERBAL REPORT FOR THE MEETING ON JULY 9, 2024
- VI. BOARD/DEPARTMENT ADMINISTRATION
  - A. [DENTAL PLAN REQUEST FOR PROPOSAL CONTRACT AWARD RECOMMENDATIONS AND POSSIBLE BOARD ACTION](#)
  - B. [VISION PLAN REQUEST FOR PROPOSAL CONTRACT AWARD RECOMMENDATIONS AND POSSIBLE BOARD ACTION](#)
- VII. INVESTMENTS
  - A. CHIEF INVESTMENT OFFICER VERBAL REPORT
  - B. [TRAVEL AUTHORITY – ELLEN CHEN, INVESTMENT OFFICER III; PRINCIPLES FOR RESPONSIBLE INVESTMENT \(PRI\) INTERNATIONAL CONFERENCE, TORONTO, CANADA; OCTOBER 7-11, 2024 AND POSSIBLE BOARD ACTION](#)
  - C. [INVESTMENT GOVERNANCE AND REVIEW PROCESSES, PROPOSED POLICY AND POSSIBLE BOARD ACTION](#)

D. [ANNUAL REPORT ON LACERS EMERGING INVESTMENT MANAGER PROGRAM FOR THE PERIOD ENDING DECEMBER 31, 2023](#)

VIII. OTHER BUSINESS

IX. NEXT MEETING: The next Regular meeting of the Board is scheduled for Tuesday, July 23, 2024, at 10:00 a.m., in the LACERS Boardroom, at 977 N. Broadway, Los Angeles, CA 90012.

X. ADJOURNMENT

**LACERS’ ETHICAL CONTRACT COMPLIANCE REPORT  
NOTIFICATION TO THE BOARD**

**RESTRICTED SOURCES**

The Board’s Ethical Contract Compliance Policy was adopted in order to prevent and avoid the appearance of undue influence on the Board or any of its Members in the award of investment-related and other service contracts. Pursuant to this Policy, this notification procedure has been developed to ensure that Board Members and staff are regularly apprised of firms for which there shall be no direct marketing discussions about the contract or the process to award it; or for contracts in consideration of renewal, no discussions regarding the renewal of the existing contract.

<b>Name</b>	<b>Description</b>	<b>Inception</b>	<b>Expiration</b>	<b>Division</b>
Graphic Talent, Inc.	Graphic Design Services	N/A	N/A	Communications + Stakeholders
BC Design Haus Inc.	Graphic Design & Website Services	N/A	N/A	Communications + Stakeholders
Straw to Gold	Graphic Design, Website, & Videography Services	N/A	N/A	Communications + Stakeholders
KES Mail, Inc.	Printing & Mailing Services	July 1, 2021	June 30, 2024	Communications + Stakeholders
Forefront Group Corp.	Videography Services	September 20, 2022	June 30, 2024	Communications + Stakeholders
Showreel International dba Shot Glass	Videography Services	N/A	N/A	Communications + Stakeholders
Anthem	Medical HMO & PPO	January 1, 2023	December 31, 2023	Health, Wellness, & Buyback
Kaiser	Medical HMO	January 1, 2023	December 31, 2023	Health, Wellness, & Buyback
SCAN	Medical HMO	January 1, 2023	December 31, 2023	Health, Wellness, & Buyback
United Healthcare	Medical HMO	January 1, 2023	December 31, 2023	Health, Wellness, & Buyback

**LACERS' ETHICAL CONTRACT COMPLIANCE REPORT  
NOTIFICATION TO THE BOARD**

<b>Name</b>	<b>Description</b>	<b>Inception</b>	<b>Expiration</b>	<b>Division</b>
Delta Dental	Dental PPO and HMO	January 1, 2023	December 31, 2023	Health, Wellness, & Buyback
Anthem Blue View Vision	Vision Services Contract	January 1, 2023	December 31, 2023	Health, Wellness, & Buyback
BlackRock Institutional Trust Company, N.A.	Multi Passive Index Portfolio Management	November 1, 2022	October 31, 2027	Investments
The Northern Trust Company	Private Monitor Analytical Services (Core Services)	August 1, 2021	July 31, 2024	Investments
The Northern Trust Company	Integrated Disbursement Services	August 1, 2021	July 31, 2024	Investments
The Northern Trust Company	Risk Services	August 1, 2021	July 31, 2024	Investments
The Northern Trust Company	Compliance Analyst Service and/or Event Analyst Services	August 1, 2021	July 31, 2024	Investments
The Northern Trust Company	Securities Lending Services	August 1, 2021	July 31, 2024	Investments
The Northern Trust Company	Master Custody Services	August 1, 2021	July 31, 2024	Investments

**LACERS' ETHICAL CONTRACT COMPLIANCE REPORT  
NOTIFICATION TO THE BOARD**

**ACTIVE RFPs**

Description	Respondents	Inception	Expiration	Division
Tabletop Exercise Consulting Services	AARC Consultants, LLC, Algora Solutions Inc, Business Contingency Group, Constant Associates, Inc., Guidepost Solutions LLC, High Street Consulting, LLC, Jo Kephart, Kimble & Associates dba Kuma, LMG Security, Norwich University Applied Research Institutes (NUARI), Plante Moran	April 22, 2024	May 13, 2024	Administration
Dental Plans	Ameritas Life Insurance Corp., Blue Cross of California dba Anthem Blue Cross, Cigna Health and Life Insurance Company, Delta Dental of California, Metropolitan Life Insurance Company, United Concordia Dental	March 5, 2024	April 12, 2024	Health, Wellness, & Buyback
Vision Plans	Ameritas Life Insurance Corp., Blue Cross of California dba Anthem Blue Cross, Cigna Health and Life Insurance Company, Metropolitan Life Insurance Company	March 5, 2024	April 12, 2024	Health, Wellness, & Buyback
Medical Plans	Alignment Health Plan, Anthem Blue Cross, Blue Shield of California, Humana, Kaiser Foundation Health Plan, Inc., SCAN Health Plan, UnitedHealthcare Insurance Company	March 10, 2023	April 21, 2023	Health, Wellness, & Buyback
Master Trust / Custodial Services and Securities Lending	The Northern Trust Company, State Street Bank and Trust Company	September 11, 2023	November 28, 2023	Investments

**BENEFIT PAYMENTS APPROVED BY GENERAL MANAGER: ITEM III-B**

Pursuant to the authority delegated to the General Manager under Board Rule GMA 1, General Manager Authorization, adopted by the Board of Administration on June 14, 2016, the following benefit payments have been approved by the General Manager:

**SERVICE RETIREMENTS**

<u>Member Name</u>	<u>Service</u>	<u>Department</u>	<u>Classification</u>
Beukelman, Michael R	41	Library Dept.	Administrative Clerk
Masibay Melling, Ellery M	40	PW - St. Tree Div.	Equipmnt Operator
Wautlet, Paul L	37	PW - Sanitation	Sr W/W Treatment Oper
Rose Beatty, Christine	37	Police Dept. - Civilian	Geographic Information
Ho, Jung	37	GSD - Fleet Services	Dir Of Fleet Services
Glover, Fredrick C	36	PW - Sanitation	Ref Coll Truck Oper
Tagudin, Michael R	35	PW - Sanitation	W/Wtr Trmt Oper
Miller, Steven W	35	Dept. of Transportation	Traf Officer
Espinoza, Frank Juraze	35	PW - St. Maint.	St Svcs Supvr
Golden, Kevin S	34	City Planning Dept.	City Planner
Arceno, Emmanuela E	34	Dept. of Airports	Dept Chief Acct
Rocha, Victor	34	Dept. of Airports	Airp Manager
Meer, Mary Jane K	34	PW - St. Lighting	St Ltg Engineer
Wong, Judy Ou	34	Dept. of Transportation	Sr Transp Engineer
Castro, Harvey Benitez	34	Police Dept. - Civilian	Garage Attendant
Romanelli, Irma	31	Fire Dept. - Civilian	Personnel Dir
Landeros, Maria Marisol	30	GSD - Public Bldgs.	Parking Attendant
Guevara, Margarita	30	Police Dept. - Civilian	Management Aide
Campbell, Edward George	30	PW - Sanitation	Solid Resource Supt
Nikaido, Sandra	30	PW - St. Improv Div.	Civil Engrg Assoc
Larracas, Ariel	29	Police Dept. - Civilian	Sr Systems Analyst
Henning, Erin Marie	28	Dept. of Airports	Ch Management Analyst
Gomez, Steven F	27	Dept. of Rec. & Parks	Sr Electrician
Strick, Susan P	26	City Attorney's Office	Deputy City Atty
Santoyo, Jose L	26	GSD - Bldg. Fac Mgmt.	Custodian
Del Real, Alfredo	25	Office of Finance	Tax Complnce Ofcr
Larracas, Stella Marie	25	Police Dept. - Civilian	Sr Mgmt Analyst
Romeo, Guadalupe Cynthia	25	Police Dept. - Civilian	Sr Administrative Clerk
Sahara, Ellen N	25	Police Dept. - Civilian	Sr Administrative Clerk
Ivers, Cherie K	24	Harbor Dept.	Sr Administrative Clerk
Appel, Michael D	24	GSD - Fleet Reengineering	Management Analyst
Jackson, Tameka	24	Police Dept. - Civilian	Management Aide
Tafoya, Roger L	23	PW - St. Maint. - General	St Svcs Supvr
Bock, Blithe Smith	21	City Attorney's Office	Asst City Attorney
Wongproundmas, Amnuay Sam	21	GSD - Fleet Svcs.	Parking Attendant

Munoz, Olga L	21	Dept. of Airports	Custodian Airport
Mc Whorter, Patrick J	21	Dept. of Airports	Custodian Airport
Rollins, Dannie Ray	21	PW - Clean Water Div	W/Wtr Coll Worker
Kuhn, Margaret	20	Dept. of Bldg. & Safety	Exec Admin Asst
Alanis, Oscar P	20	PW - Contract Administration	Constr Inspector
Barreda, Bartolo H	20	PW - Sanitation	Maintenance Laborer
Paras, Michael George	19	Police Dept. - Civilian	Sr Equipment Mechanic
Green, Herman	19	PW - Clean Water Div	Maintenance Laborer
Solares, Jose R	18	Dept. of Airports	Custodian Airport
Walter, Mavis Ann	18	GSD - Fleet Services	Sr Administrative Clerk
Puerta, Fidel	18	PW - Clean Water Div	Wastewater Conv Operator
Norris, Christopher Todd	18	Dept. of Bldg. & Safety	Sr Heating/Refrig Insp
Sweeney, William Alvin	17	Harbor Dept.	Heavy Duty Equip Mech
Puebla, Maria D	17	GSD - Bldg. Fac Mgmt.	Custodian
Birotte, Andre	16	Police Dept. - Civilian	Cifd-Gm, Agm, Exec Support
Clark, Johnny James	15	GSD - Printing Revolving	Bindery Worker
Vilchez, A Fabiola	14	Mayor's Office	Mayoral Aide
Robinson, Devin J	13	Dept. of Transportation	Traf Paint Sign Post
Duarte, Brigido Arroyo	13	Dept. of Rec. & Parks	Gardener Caretaker
Bricker, Samantha J.	11	Dept. of Airports	Assistant Gm Airports
Gallardo, Francisco	11	PW - Sanitation	Ref Coll Truck Oper li
Sandoval, Alejandro A	10	Cultural Affairs	Maint & Constr Helper
Brady, John Shannon	8	PW - Engineering	Community Affairs Advocate
Flores, Freddy Ramirez	7	Police Dept. - Civilian	Polygraph Examiner
Sierra, Enedino	7	Dept. of Transportation	Crossing Guard



BENEFIT PAYMENTS APPROVED BY GENERAL MANAGER: ITEM III-B

Pursuant to the authority delegated to the General Manager under Board Rule GMA 1, General Manager Authorization, adopted by the Board of Administration on June 14, 2016, the following benefit payments have been approved by the General Manager:

Approved Death Benefit Payments

Deceased

Beneficiary/Payee

**TIER 1**

Abeyta, Christopher

Jeanette Olivia Abeyta for the payment of the  
Accrued But Unpaid Service Retirement Allowance  
Burial Allowance

Aldridge, Donald D

Sylvia E Aldridge for the payment of the  
Accrued But Unpaid Service Retirement Allowance  
Burial Allowance

Ashby, Florence L

Tracy E Farley for the payment of the  
Accrued But Unpaid Survivorship (Disability) Allowance

Atallah, Anton Shehadeh

Laila Atallah for the payment of the  
Accrued But Unpaid Service Retirement Allowance

Atkinson, Raymond E

Sharon K Hudson for the payment of the  
Burial Allowance

Balzer, Jeanne C.	<p>Charles R. Balzer for the payment of the Accrued But Unpaid Continuance Allowance</p> <p>Jeff Balzer for the payment of the Accrued But Unpaid Continuance Allowance</p> <p>Michael A. Balzer for the payment of the Accrued But Unpaid Continuance Allowance</p>
Bass, Abram	<p>Rachel Bass for the payment of the Accrued But Unpaid Service Retirement Allowance</p>
Bassett, Daniel A	<p>Robin Unwin-Bassett for the payment of the Accrued But Unpaid Service Retirement Allowance Burial Allowance</p>
Baumgartner, Betty L	<p>Ray Duane Baumgartner for the payment of the Accrued But Unpaid Continuance Allowance</p> <p>Roy Dean Baumgartner Jr for the payment of the Accrued But Unpaid Continuance Allowance</p>
Benavides, Gloria	<p>Abraham E Polanco for the payment of the Accrued But Unpaid Service Retirement Allowance</p>
Blumstein, Ann F	<p>Estate Of Ann F. Blumstein for the payment of the Accrued But Unpaid Service Retirement Allowance Burial Allowance Unused Contributions</p>

Bolden, Jesse A Odessa R Bolden for the payment of the  
Accrued But Unpaid Service Retirement Allowance

Boone, Dolores Thompson Latasha Thompson for the payment of the  
Accrued But Unpaid Service Retirement Allowance  
Burial Allowance

Borisoff, Nina Tengiz Borisoff for the payment of the  
Accrued But Unpaid Continuance Allowance

Bravo, Frank B Rachel G Bustamante for the payment of the  
Accrued But Unpaid Vested Retirement Allowance  
Burial Allowance  
Unused Contributions

Bringas, Ruth Guillermo Bringas for the payment of the  
Accrued But Unpaid Service Retirement Allowance  
Burial Allowance

Myrna Gonzales for the payment of the  
Accrued But Unpaid Service Retirement Allowance  
Burial Allowance

Patricia A Dant for the payment of the  
Accrued But Unpaid Service Retirement Allowance  
Burial Allowance

Burbridge, William R Robin L Burbridge for the payment of the  
Accrued But Unpaid Service Retirement Allowance  
Burial Allowance

Burleson, Lionel E	Margie O Burleson for the payment of the Accrued But Unpaid Service Retirement Allowance Burial Allowance
Butcher, Vernon S	Bernadette Rose Dupre for the payment of the Accrued But Unpaid Service Retirement Allowance Burial Allowance Unused Contributions
Cabibbo, Sam J	Michael Cabibbo for the payment of the Accrued But Unpaid Service Retirement Allowance Burial Allowance
Campbell, Candace Theresa	Edward D Campbell for the payment of the Accrued But Unpaid Vested Retirement Allowance Burial Allowance
Canty, Scott D	Cheryl Renee Canty for the payment of the Accrued But Unpaid Service Retirement Allowance Burial Allowance
Carazza, Alfred	Anthony Frank Carazza for the payment of the Accrued But Unpaid Service Retirement Allowance Burial Allowance
Carr, Evaughn P	Susan M. Carr for the payment of the Accrued But Unpaid Service Retirement Allowance Burial Allowance

Casas, Carlos Hector	Carlos Fracisco Casas for the payment of the DRO Lump Sum  Vanessa C Casas for the payment of the DRO Lump Sum
Cerda, Jim	Yvonne Slettedahl for the payment of the Accrued But Unpaid Service Retirement Allowance Burial Allowance Unused Contributions
Colquitt, George	Karen Colquitt for the payment of the Accrued But Unpaid Disability Retirement Allowance
Conferti, Ronald L	Ronald L Conferti for the payment of the Accrued But Unpaid Service Retirement Allowance Burial Allowance
Cordero, Teresita Ong	Fortunato Carlo O Cordero for the payment of the Accrued But Unpaid Larger Annuity Allowance Unused Contributions
Cota, Frances A	Kathleen M Hunter for the payment of the Accrued But Unpaid Service Retirement Allowance Burial Allowance
Cox, Milton	Patricia Wright for the payment of the Accrued But Unpaid Service Retirement Allowance Burial Allowance

Currier, John E Wendy M Currier for the payment of the  
Accrued But Unpaid Service Retirement Allowance  
Burial Allowance

Dantzler, Reola Maxine Eva L Myers for the payment of the  
Accrued But Unpaid Continuance Allowance

Dzinovic, Sabina Dino Dzinovic for the payment of the  
Burial Allowance  
  
Ed Dzinovic for the payment of the  
Accrued But Unpaid Service Retirement Allowance

Einung, Carolyn S Luther W Einung for the payment of the  
Accrued But Unpaid Service Retirement Allowance  
Burial Allowance

Enriquez, Louis P Sharon Anne Enriquez for the payment of the  
Accrued But Unpaid Service Retirement Allowance  
Burial Allowance

Esquer, Dora Augustine Esquer for the payment of the  
Accrued But Unpaid Continuance Allowance

Faelnar, Arturo C Elvira Lu Faelnar for the payment of the  
Accrued But Unpaid Larger Annuity Allowance  
Accrued But Unpaid Service Retirement Allowance  
Burial Allowance  
  
Tanya F Sim for the payment of the  
Burial Allowance

Farrell, Donald R	Robert Farrell for the payment of the Accrued But Unpaid Service Retirement Allowance Burial Allowance
Flores, Meliton Blazquez	Pamela J Flores for the payment of the Accrued But Unpaid Service Retirement Allowance Burial Allowance
Francis, Eleanor D	Solange Kielhbauch for the payment of the Accrued But Unpaid Survivorship (Retirement) Allowance
Gleason, Charles R	Annie J Gleason for the payment of the Accrued But Unpaid Service Retirement Allowance Burial Allowance
Greek, Dana L	Karen Lee Greek for the payment of the Accrued But Unpaid Service Retirement Allowance Burial Allowance
Green, Nancy J.	Bruce E Green for the payment of the Accrued But Unpaid Continuance Allowance  Deborah A Green for the payment of the Accrued But Unpaid Continuance Allowance  Steven L Green for the payment of the Accrued But Unpaid Continuance Allowance
Henry, Bertha M	Belynda Brewer for the payment of the Accrued But Unpaid Service Retirement Allowance Burial Allowance

Hierro, George H	Elizabeth Hierro for the payment of the Accrued But Unpaid Service Retirement Allowance Burial Allowance
Hill, James G	Rhonda Denise Hill for the payment of the Accrued But Unpaid Service Retirement Allowance Burial Allowance
Hurd, Henry W	Henry Walter Hurd Revocable Trust for the payment of the Accrued But Unpaid Service Retirement Allowance Burial Allowance
Ialongo, Patricia S	Gilberto Ialongo for the payment of the Accrued But Unpaid Service Retirement Allowance Burial Allowance
Jacobson, Martin	Marlene Jean Robinson Jacobson for the payment of the Accrued But Unpaid Service Retirement Allowance Burial Allowance
Johnson, Caldonia M	Derek Smith for the payment of the Accrued But Unpaid Continuance Allowance Death Subsidy Credit  Noreen Barker for the payment of the Death Subsidy Credit
Johnson, Marcus L	Lettie E. Johnson for the payment of the Accrued But Unpaid Service Retirement Allowance Burial Allowance



Johnson, William H	Derek Smith for the payment of the Accrued But Unpaid Service Retirement Allowance Burial Allowance
Jordan, Curtis L	Sheila Jordan for the payment of the Accrued But Unpaid Service Retirement Allowance Burial Allowance Death Subsidy Credit
King, Leslie E.	Donald Scott Daniels for the payment of the DRO Lump Sum
Kistler, Eva F	John D Kistler for the payment of the Accrued But Unpaid Continuance Allowance
Lane, John C	Gisele Kinne for the payment of the Accrued But Unpaid Service Retirement Allowance
Lara, David L	Roxy Elisa Campos-Lara for the payment of the Accrued But Unpaid Service Retirement Allowance Burial Allowance
Lu, Be Van	Tuyet Anh Lu for the payment of the Accrued But Unpaid Service Retirement Allowance

Manalang, Norberto Lintag	Geoffrey Manalang for the payment of the Unused Contributions
	Lesley S Manalang for the payment of the Unused Contributions
	Shirley R Manalang for the payment of the Unused Contributions
Mayfield, Larry	Mary L Mayfield for the payment of the Accrued But Unpaid Disability Retirement Allowance Burial Allowance
Mcmasters, Robert A	Norma J Mc Masters for the payment of the Accrued But Unpaid Service Retirement Allowance Burial Allowance
Meyers, Bruce L	Bobbi Jean Meyers for the payment of the Accrued But Unpaid Service Retirement Allowance Burial Allowance
Miletic, Rosa B	Albert B Sanchez for the payment of the Accrued But Unpaid Continuance Allowance
Millette, Paul Karl	John Albert Millett for the payment of the Unused Contributions
Montier, Harriet I	Gerald W Montier for the payment of the Accrued But Unpaid Continuance Allowance

Moreno, Fernando Padilla      Melissa M Chavez for the payment of the  
Accrued But Unpaid Service Retirement Allowance

Najera, Joaquin A      Lucia Najera for the payment of the  
Accrued But Unpaid Service Retirement Allowance  
Burial Allowance

Paul G Najera for the payment of the  
Accrued But Unpaid Service Retirement Allowance  
Burial Allowance

Neal, Gayle L      Brandie Lynn Neal for the payment of the  
Accrued But Unpaid Service Retirement Allowance  
Burial Allowance

Brandon C Neal for the payment of the  
Accrued But Unpaid Service Retirement Allowance

Nery, Estelita L      Bernel L Nery for the payment of the  
Accrued But Unpaid Continuation Allowance

Breanna O Nery for the payment of the  
Accrued But Unpaid Continuation Allowance

Palacios, Josephine      Eric Avila for the payment of the  
Accrued But Unpaid Service Retirement Allowance  
Burial Allowance

Pinchuk, Leslie R      Judith G Pinchuk for the payment of the  
Accrued But Unpaid Service Retirement Allowance  
Burial Allowance

Pineda, Jose	Marie M Pineda for the payment of the Accrued But Unpaid Vested Retirement Allowance Burial Allowance
Port, Shirley G	Charles David Port for the payment of the Accrued But Unpaid Continuance Allowance
Reily, Douglas Marshall	Michael C Reily for the payment of the Accrued But Unpaid Service Retirement Allowance Burial Allowance Unused Contributions
Render, Eddie	A'lea Render-Johnson for the payment of the Accrued But Unpaid Service Retirement Allowance
Roberson, William Noel	Nanette Roberson for the payment of the Accrued But Unpaid Service Retirement Allowance Burial Allowance
Robertson, Glenn A	Elizabeth M.N. Robertson for the payment of the Accrued But Unpaid Service Retirement Allowance Burial Allowance
Rodriguez, Estela Q	Rodrigo Fernando M Rodriguez for the payment of the Accrued But Unpaid Vested Retirement Allowance Burial Allowance

Rohman, Jacqueline	Kyle A Rohman for the payment of the Accrued But Unpaid Continuance Allowance Accrued But Unpaid Service Retirement Allowance Burial Allowance
Rosen, Shirley	Roberta Colmer for the payment of the Accrued But Unpaid Service Retirement Allowance Burial Allowance
Ross, Oleg	Beverly A Ross for the payment of the Accrued But Unpaid Service Retirement Allowance Burial Allowance
Rostomian, Patricia V	Raffi Rostomian for the payment of the Accrued But Unpaid Disability Retirement Allowance Burial Allowance Unused Contributions
Royal, Kathleen Susan	Sylvia Yvonne Royal for the payment of the Accrued But Unpaid Service Retirement Allowance Burial Allowance
Saenz, Robert	James Fogarty for the payment of the Accrued But Unpaid Service Retirement Allowance Burial Allowance

Sanders, Barbara J	Brenda Sanders-Glover for the payment of the Accrued But Unpaid Continuance Allowance  Gregory Sanders for the payment of the Accrued But Unpaid Continuance Allowance  Wanda Y Sanders for the payment of the Accrued But Unpaid Continuance Allowance
Sewald, Joan	Estate Of Joan Claire Sewald for the payment of the Burial Allowance
Shin, Jay	Sunny Heesun Shin for the payment of the Burial Allowance
Skarin, Philip H	Ronald P Skarin for the payment of the Burial Allowance
Stewart, Donald D	Marjorie J Stewart for the payment of the Accrued But Unpaid Service Retirement Allowance Burial Allowance
Syers, Fredrick C	Sarah N Syers for the payment of the Accrued But Unpaid Service Retirement Allowance Burial Allowance
Tanouye, Kazi Kazuko	Joy Tanouye for the payment of the Accrued But Unpaid Continuance Allowance

Taylor, Richard H	Paulette Mary Taylor for the payment of the Accrued But Unpaid Service Retirement Allowance Burial Allowance
Thacker, Anna M	Deborah M Holmer for the payment of the Accrued But Unpaid Continuance Allowance  Kenneth R Holmer for the payment of the Accrued But Unpaid Continuance Allowance
Torres, Cheryl L	Brian R Yoder for the payment of the Accrued But Unpaid Service Retirement Allowance Accrued But Unpaid Survivorship (Retirement) Allowance Burial Allowance Unused Contributions  Elizabeth Marie Torres for the payment of the Accrued But Unpaid Service Retirement Allowance Accrued But Unpaid Survivorship (Retirement) Allowance Burial Allowance Unused Contributions  Shawn Anthony Yoder for the payment of the Accrued But Unpaid Service Retirement Allowance Accrued But Unpaid Survivorship (Retirement) Allowance Burial Allowance Unused Contributions
Turner, Audrey C	Nancy Hutchings Armstrong for the payment of the Accrued But Unpaid Continuance Allowance
Velasquez, Joe	Susan Velasquez for the payment of the Accrued But Unpaid Service Retirement Allowance

Williams, Donald G	Joy A Gilbert for the payment of the Accrued But Unpaid Service Retirement Allowance
Williams, Phillip	Felicia Williams Moon for the payment of the Accrued But Unpaid Service Retirement Allowance
Williamson, Gail	Aundreanna Williamson for the payment of the Accrued But Unpaid Survivorship (Disability) Allowance
Woodland, Roger P	Woodland Family Trust for the payment of the Burial Allowance
Yarger, Susan J	Daniel Wm Vanhofwegen for the payment of the Accrued But Unpaid Continuance Allowance
Young, Fred E	Jesse A Young for the payment of the Accrued But Unpaid Service Retirement Allowance Burial Allowance
Zamora, Norma Y	Ben T Zamora for the payment of the Accrued But Unpaid Disability Retirement Allowance Burial Allowance

**TIER 3**  
**NONE**



BENEFIT PAYMENTS APPROVED BY GENERAL MANAGER: ITEM III-B

Pursuant to the authority delegated to the General Manager under Board Rule GMA 1, General Manager Authorization, adopted by the Board of Administration on June 14, 2016, the following benefit payments have been approved by the General Manager:

Approved Death Benefit Payments

Deceased

Beneficiary/Payee

**TIER 1**

**Active**

Campbell, Carrie  
(Deceased Active)

Kenneth Elliott for the payment of the  
Accumulated Contributions

Centeno, Guillermo E  
(Deceased Active)

Ana Margarita Centeno for the payment of the  
Accumulated Contributions

Cruz-Rivas, Samuel  
Antonio  
(Deceased Active)

Juana Rivas for the payment of the  
Accumulated Contributions

Samuel Cruz for the payment of the  
Accumulated Contributions

Freeman, Larry  
(Deceased Active)

Diane Amico for the payment of the  
Accumulated Contributions

Joan Freeman for the payment of the  
Accumulated Contributions

Susan Riffle for the payment of the  
Accumulated Contributions

Herd, Ardis Lee  
(Deceased Active)

Zina Dorsey for the payment of the  
Survivor Contributions Death Refund

Napaleton, Jovanne M  
(Deceased Active)

Ann Marie Miles for the payment of the  
Accumulated Contributions

**TIER 3**

**NONE**

Disclaimer: The names of members who are deceased may appear more than once due to multiple beneficiaries being paid at different times.

MINUTES OF THE REGULAR MEETING  
**BOARD OF ADMINISTRATION**  
LOS ANGELES CITY EMPLOYEES' RETIREMENT SYSTEM

June 11, 2024

10:08 a.m.

PRESENT:	President:	Annie Chao
	Commissioners:	(arrived at 11:26 a.m.) Thuy Huynh Elizabeth Lee Gaylord "Rusty" Roten Michael R. Wilkinson
	Legal Counselor:	Anya Freedman
	Manager-Secretary:	Neil M. Guglielmo
	Executive Assistant:	Ani Ghoukassian
ABSENT:	Vice President:	Sung Won Sohn
	Commissioner:	Janna Sidley

*The Items in the Minutes are numbered to correspond with the Agenda.*

I

PUBLIC COMMENTS AND GENERAL PUBLIC COMMENTS ON MATTERS WITHIN THE BOARD'S JURISDICTION AND COMMENTS ON ANY SPECIFIC MATTERS ON THE AGENDA – President Chao asked if any persons wanted to make a general public comment to which there were four public comment cards received. The following members of the public made public comments with respect to LACERS' investment in Advent International and Oaktree Capital Management and in support of restaurant/hotel workers: Natasha Wong, Eddie Diaz, Lourdes Acosta, and Nicole Pompilus.

II

GENERAL MANAGER VERBAL REPORT

- A. REPORT ON DEPARTMENT OPERATIONS – Neil M. Guglielmo, General Manager, advised the Board of the following items:
- Human Resources and Payroll (HRP) update
  - City Budget
  - Annual Evaluation for General Manager
  - Benefit Operations Update

B. UPCOMING AGENDA ITEMS – Neil M. Guglielmo, General Manager, advised the Board of the following items:

- Board Meeting on June 25, 2024:
- Discussion on Policy Regarding Temporary Presiding Officers for Board Meetings
- Benefits Administration Committee Meeting on June 25, 2024: Health Management Dashboard

### III

#### RECEIVE AND FILE ITEMS

- A. ETHICAL CONTRACT COMPLIANCE REPORT NOTIFICATION TO THE BOARD – This report was received by the Board and filed.
- B. BENEFITS PAYMENTS APPROVED BY GENERAL MANAGER – This report was received by the Board and filed.
- C. COMMISSIONER GAYLORD “RUSTY” ROTEN EDUCATION EVALUATION ON NATIONAL CONFERENCE ON PUBLIC EMPLOYEE RETIREMENT SYSTEMS (NCPERS) TRUSTEE EDUCATIONAL SEMINARS; MAY 18-19, 2024; SEATTLE, WA – This report was received by the Board and filed.
- D. COMMISSIONER ANNIE CHAO EDUCATION EVALUATION ON NATIONAL CONFERENCE ON PUBLIC EMPLOYEE RETIREMENT SYSTEMS (NCPERS) ANNUAL CONFERENCE AND EXHIBITION; MAY 19-22, 2024; SEATTLE, WA – This report was received by the Board and filed.
- E. EDUCATION AND TRAVEL EXPENDITURE REPORT FOR THE QUARTER ENDING MARCH 31, 2024 – This report was received by the Board and filed.

### IV

#### COMMITTEE REPORT(S)

- A. GOVERNANCE COMMITTEE VERBAL REPORT FOR THE MEETING ON MAY 28, 2024 – Commissioner Wilkinson stated the Committee discussed the Governance Policy regarding temporary presiding officers for Board meetings. The Committee recommended two choices for the Board to consider.

### V

Commissioner Wilkinson moved approval of Consent Agenda Item V-A, seconded by Commissioner Roten, and adopted by the following vote: Ayes, Commissioners Lee, Roten, Wilkinson, and President Chao -4. Nays, None.

#### CONSENT ITEM(S)

- A. APPROVAL OF MINUTES FOR THE REGULAR MEETING OF MAY 14, 2024 AND POSSIBLE BOARD ACTION

BOARD/DEPARTMENT ADMINISTRATION

- A. PROPOSED LIST OF PRE-APPROVED BOARD EDUCATIONAL SEMINARS AND TRAINING AND TRAVEL PROGRAM FOR FISCAL YEAR 2024-25 AND POSSIBLE BOARD ACTION – Ani Ghoukassian, Commission Executive Assistant II, presented and discussed this item with the Board for 7 minutes. President Chao recommended adding language to the Board education list that states that any international travel and/or if costs exceed the \$10,000 per Commissioner rate must be presented to the Board for approval even if on the Pre-Approved list. Commissioner Wilkinson moved approval, seconded by Commissioner Roten, and adopted by the following vote: Ayes, Commissioners Lee, Roten, Wilkinson, and President Chao -4; Nays, None.
- B. PROPOSED LACERS 2024 STRATEGIC PLAN AND POSSIBLE BOARD ACTION – Neil Guglielmo, General Manager, Todd Bouey, Executive Officer, Diane Lee, Emile Galatas, and Martin Rogulja, Consultants, with Ernst & Young LLP, presented and discussed this item with the Board for 25 minutes. Board Members provided direction to staff and requested this item be brought back to the Board for consideration.
- C. PRINTING, MAILING, WEBSITE, GRAPHIC DESIGN, AND VIDEOGRAPHY CONTRACT AWARDS AND POSSIBLE BOARD ACTION – Carlos Jovel Jr., Benefit Analyst, and Tiffany Obembe, Senior Benefits Analyst I, presented and discussed this item with the Board for five minutes. Commissioner Lee moved approval of the following resolution:

**AUTHORIZATION TO CONTRACT WITH FOREFRONT GROUP CORP.,  
KES MAIL, INC., SHOWREEL INTERNATIONAL, STRAW TO GOLD, BC  
DESIGN HAUS, AND GRAPHIC TALENT, INC. FOR PRINTING,  
MAILING, WEBSITE, GRAPHIC DESIGN, AND/OR VIDEOGRAPHY  
SERVICES**

**RESOLUTION 240611-A**

WHEREAS, on February 26, 2024, the Board authorized the issuance of a Request for Proposal to identify qualified outside Printing, Mailing, Website, and Graphic Design services providers;

WHEREAS, on April 12, 2024, twenty-one firms responded to the Printing, Mailing, Website, Graphic Design, and Videography Request for Proposal;

WHEREAS, on June 11, 2024, based on the staff's recommendation, after evaluating the submitted written proposals, the Board approved contracts with each of the following vendors on an as-needed basis and a not to exceed amount for three-year terms: Forefront Group Corp., KES Mail, Inc., Showreel International, Straw to Gold, BC Design Haus, and Graphic Talent, Inc., to provide Printing, Mailing, Website, Graphic Design, and/or Videography;

NOW, THEREFORE, BE IT RESOLVED, that the Board hereby authorizes the General Manager to negotiate and execute three-year contracts with Forefront Group Corp., KES Mail, Inc., Showreel International, Straw to Gold, BC Design Haus, and Graphic Talent, Inc. for Printing, Mailing, Website, Graphic Design, and Videography.

Company Name: Graphic Talent, Inc.  
Service Provided: Graphic Design, as needed  
Effective Dates: July 1, 2024, through June 30, 2027  
Duration: Three Years  
Total Amount: \$150,000

Company Name: BC Design Haus, Inc.  
Service Provided: Graphic Design & Website, as needed  
Effective Dates: July 1, 2024, through June 30, 2027  
Duration: Three Years  
Total Amount: \$150,000

Company Name: Straw to Gold  
Service Provided: Graphic Design, Website, & Videography, as needed  
Effective Dates: July 1, 2024, through June 30, 2027  
Duration: Three Years  
Total Amount: \$150,000

Company Name: KES Mail, Inc.  
Service Provided: Printing & Mailing, as needed  
Effective Dates: July 1, 2024, through June 30, 2027  
Duration: Three Years  
Total Amount: \$180,000

Company Name: Forefront Group, Corp.  
Service Provided: Videography, as needed  
Effective Dates: July 1, 2024, through June 30, 2027  
Duration: Three Years  
Total Amount: \$45,000

Company Name: Showreel International  
Service Provided: Videography, as needed  
Effective Dates: July 1, 2024, through June 30, 2027  
Duration: Three Years  
Total Amount: \$45,000

Which motion was seconded by Commissioner Wilkinson and adopted by the following vote: Ayes, Commissioners Lee, Roten, Wilkinson, and President Chao -4; Nays, None.

## VII

Commissioner Huynh arrived at 11:26 a.m.

### INVESTMENTS

A. CHIEF INVESTMENT OFFICER VERBAL REPORT INCLUDING DISCUSSION ON THE PORTFOLIO EXPOSURE TO GLOBAL EVENTS – Rod June, Chief Investment Officer, reported on the portfolio value of \$23.06 billion as of June 10, 2024; and Volatility Index at 13.24. Rod June discussed the following items:

- INDUSTRY
  - a. U.S. Fifth Circuit Court of Appeals vacated the Private Fund Advisers Rule on June 5, 2024
  - b. T+1 and Securities Lending Update; no issues have surfaced within the LACERS portfolio
- POLICY  
Investment Governance Processes Update
- OPERATIONAL
  - a. EAM – US Small Cap Growth Equities – On watch as of end of May 2024 for performance reasons
  - b. LAZARD – Non-US Developed Markets Equities – On watch as of May 2024 for performance reasons
  - c. Staff voted for the slate of five ILPA Board Directors on behalf of the Board; all five directors were elected to the ILPA Board
- GLOBAL ISSUES
  - a. Changes in Valuation for Russia, Ukraine, China/Tech, Israel - No material valuation changes
  - b. Possible Russian seizure of foreign assets to pay for war damage in Russia – LACERS has \$606K current exposure to Russia; staff will monitor
- FUTURE AGENDA ITEMS
  - a. Investment Manager Contract Renewal
  - b. Private Equity Performance Review for the period ending Dec 31, 2023
  - c. Private Equity Fund Notifications
  - d. Real Estate Opportunity

- B. PRESENTATION BY NEPC, LLC OF THE PORTFOLIO PERFORMANCE REVIEW FOR THE QUARTER ENDING MARCH 31, 2024 – Carolyn Smith, Partner, and Kevin Novak, Principal, with NEPC, LLC, presented and discussed this item with the Board for 25 minutes.
- C. CONSENT OF ASSIGNMENT OF TOWNSEND HOLDINGS LLC CONTRACT AND POSSIBLE BOARD ACTION – Rod June, Chief Investment Officer, Jessica Chumak, Investment Officer I, presented and discussed this item with the Board for five minutes. Commissioner Lee moved approval, seconded by Commissioner Wilkinson, and adopted by the following vote: Ayes, Commissioners Huynh, Lee, Roten, Wilkinson, and President Chao -5; Nays, None.

President Chao recessed the meeting for a break from 12:06 p.m. to 12:11 p.m.

VIII

President Chao reconvened the Regular meeting at 12:11 p.m. to convene in closed session.

LEGAL/LITIGATION

**A. ANNUAL LITIGATION REPORT**

**1. CLOSED SESSION PURSUANT TO SUBDIVISIONS (a), (d)(1) OF GOVERNMENT CODE SECTION 54956.9 TO CONFER WITH AND/OR RECEIVE ADVICE FROM LEGAL COUNSEL REGARDING PENDING LITIGATION IN THE FOLLOWING TWO (2) CASES, AND POSSIBLE BOARD ACTION:**

**a. American Federation of State, County, and Municipal Employees et al. v. City of Los Angeles et al. (LASC, Case No. BS 166535);**

**b. Crawley v. Los Angeles City Employees' Retirement System, City of Los Angeles (U.S.D.C. C.D. Cal. Case No. 24-CV-00638); and**

**2. CLOSED SESSION PURSUANT TO GOVERNMENT CODE SECTION 54956.9 (d)(4) TO CONFER WITH AND RECEIVE ADVICE FROM LEGAL COUNSEL REGARDING PENDING LITIGATION ONE (1) CASE AND POSSIBLE BOARD ACTION**

President Chao reconvened the Regular meeting at 12:28 p.m.

IX

OTHER BUSINESS – There was no other business.

X

NEXT MEETING: The next Regular meeting of the Board is scheduled for Tuesday, June 25, 2024, at 10:00 a.m., in the LACERS Boardroom, at 977 N. Broadway, Los Angeles, California 90012-1728.

XI



ADJOURNMENT – There being no further business before the Board, President Chao adjourned the Meeting at 12:28 p.m.

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Annie Chao  
President

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Neil M. Guglielmo  
Manager-Secretary



**REPORT TO BOARD OF ADMINISTRATION**

**From: Benefits Administration Committee**  
Michael R. Wilkinson, Chair  
Thuy T. Huynh  
Sung Won Sohn

**MEETING: JULY 9, 2024**  
**ITEM: VI - A**

**SUBJECT: DENTAL PLAN REQUEST FOR PROPOSAL CONTRACT AWARD  
RECOMMENDATIONS AND POSSIBLE BOARD ACTION**

ACTION:  CLOSED:  CONSENT:  RECEIVE & FILE:

**Recommendation**

That the Board:

- 1) Award the Dental Plan Benefits contract to Delta Dental for the three-year period beginning with the 2025 plan year, with the option to renew up to two additional plan years, provided that renewal secures a pricing advantage for the Plan and premiums remain competitive, and
- 2) Delegate to the General Manager the authority to negotiate and execute these contracts, subject to City Attorney review.

**Executive Summary**

At the Benefits Administration Committee meeting on July 9, 2024, preceding the Board meeting, staff will present a recommendation regarding the Dental Plan Benefits Request for Proposal (RFP) as described in the attached Committee report (Attachment 1). Should the Committee approve staff's recommendation of the dental plan carrier selection for the 2025 plan year, this report on the dental plan recommendation will move forward for Board approval.

The final negotiated 2025 dental plan premiums will be presented to the Benefits Administration Committee and Board at a future meeting.

Staff and Keenan & Associates, LACERS' Health and Welfare Consultant, will be present to discuss the 2025 Dental Plans RFP.

**Prepared By:** Rainbow Sun, Senior Benefits Analyst I, Maricel Martin, Senior Benefits Analyst I, and Anni Quach, Benefits Analyst, of the Health, Wellness, and Buyback Division

NMG/DW:KF/RS/MM/aq

Attachments: 1. July 9, 2024, Benefits Administration Committee Report – Dental Plan Request for Proposal Contract Award Recommendations and Possible Committee Action  
2. Proposed Resolution



**LACERS**

LA CITY EMPLOYEES'  
RETIREMENT SYSTEM



**REPORT TO BENEFITS ADMINISTRATION COMMITTEE**

**MEETING: JULY 9, 2024**

**From: Neil M. Guglielmo, General Manager**

**ITEM: III**

*Neil M. Guglielmo*

**SUBJECT: DENTAL PLAN REQUEST FOR PROPOSAL CONTRACT AWARD  
RECOMMENDATIONS AND POSSIBLE COMMITTEE ACTION**

**ACTION:**  **CLOSED:**  **CONSENT:**  **RECEIVE & FILE:**

**Recommendation**

That the Committee recommend the Board:

- 1) Award of the Dental Plan Benefits contract to Delta Dental for the three-year period beginning with the 2025 plan year, with the option to renew up to two additional plan years, provided that renewal secures a pricing advantage for the Plan and premiums remain competitive, and
- 2) Delegate to the General Manager the authority to negotiate and execute these contracts, subject to City Attorney review.

**Executive Summary**

LACERS released a Request for Proposal (RFP) for Dental Plan Benefits in March 2024 to assess the marketplace for qualified vendors to provide Dental PPO and HMO (DHMO) plans for LACERS' eligible Retired Members, Survivors (i.e., surviving spouse or domestic partner), and eligible Dependents, having last conducted a dental plan RFP in February 2014.

Six proposals for Dental PPO and five proposals for Dental HMO were received and reviewed. Delta Dental, the incumbent, was determined to provide the best combination of quality, price, and various qualitative elements of required services based on the RFP criteria and is recommended as the finalist for both the dental PPO and HMO plans. Upon approval by the Board, LACERS and Keenan will conduct final contract negotiations in a timely manner to meet 2025 Open Enrollment timelines.

**Discussion**

LACERS administers a Self-Funded PPO (since Plan Year 2019) and Fully Insured HMO dental plan for its Retired Members and Survivors. The self-funded plan means LACERS assumes the risk for providing plan experience via claims, whereas the fully insured plan means the carrier assumes the risk for the plan experience via claims.

The RFP asked proposers to duplicate the current plan design. LACERS' Health and Welfare Consultant, Keenan and Associates (Keenan), conducted a review of the proposals and met with

LACERS staff to discuss how well each proposal met the requirements of the RFP. Here is a list of the proposers in alphabetical order:

<b>Respondents for Dental PPO</b>	<b>Respondents for Dental HMO</b>
1) Ameritas 2) Anthem 3) CIGNA 4) Delta Dental 5) MetLife 6) United Concordia	1) Anthem 2) CIGNA 3) Delta Dental 4) MetLife 5) United Concordia

Keenan and LACERS Health Division staff considered each carrier’s plan offerings, options, and the proposals. Evaluation was based on analysis of the bidder’s ability to meet the RFP requirements, reflective of constituents’ needs. Additionally, the best combination of quality and costs were weighed in consideration of the disruptions to Members and dental plan benefit designs. LACERS interviewed the finalists on June 24, 2024.

**Selection**

The following are the results of the evaluation, based on the RFP criteria (Attachment 1):

*Level I* – Four of the six carriers for PPO proposals and all five carriers for HMO proposals satisfactorily met the Level I preliminary review.

*Level II* – LACERS Health staff evaluated the proposers’ PPO and HMO questionnaire responses and analyzed and considered Keenan’s evaluation of the technical competencies and assessment of responses.

*Level III* – From the evaluation results of Level II, a finalist was chosen based on the best overall value, considering the combination of each proposal’s strength of service orientation, benefit offerings, costs, and other terms stated in the RFP.

The evaluation resulted in the following rankings, with Rank 1 being the best overall respondent:

	<b>PPO Respondent</b>	<b>HMO Respondent</b>
<b>Rank 1</b>	<b>Delta Dental</b>	<b>Delta Dental</b>
<b>Rank 2</b>	<b>Cigna and MetLife (tie)</b>	<b>Anthem</b>
<b>Rank 3</b>	<b>Anthem</b>	<b>Cigna</b>
<b>Rank 4</b>	<b>United Concordia</b>	<b>MetLife</b>
<b>Rank 5</b>	<b>Ameritas</b>	<b>United Concordia</b>

## ***Evaluation and Analysis***

Keenan and a team of LACERS Health staff conducted a comprehensive assessment, evaluation, and analysis. In addition to the costs and ranges of coverage, staff also considered plan continuity and the impact of plan transition that may result in service disruption and/or a cost-of-service difference to Retired Members and Survivors.

The total premium rates and administrative costs from each carrier were ranked based on the average proposed cost of all bids. The final negotiated rates will be brought to the Board for approval.

All dental carriers for the PPO offered a three-year rate guarantee except for MetLife which had a five-year rate guarantee. In general, geographical access to providers were similar across all PPO proposers.

All carriers who bid on the PPO also provided an HMO proposal, except for Ameritas. Delta Dental and MetLife's proposals have a 5-year rate guarantee, with a 5% and 4% rate cap for 2028 and 2029 plan year respectively. Anthem, Cigna, and United Concordia's proposals have a 3-year rate guarantee with no rate cap if the contract is extended by an additional two years.

Keenan's marketing report (Attachment 2) and a summary of staff's evaluation and ranking (Attachment 3) are included in this report. Keenan and staff are present to answer questions.

## ***Conclusion***

Overall, Delta Dental provided the strongest proposal to provide both the PPO and HMO plans, offering the best in-network discount and the opportunity for Members to continue accessing care and services without disruption to their plan benefits.

While Delta Dental's administrative costs to the PPO plan were relatively higher than some other proposals, they are consistent with current administrative cost rates, and this factor was outweighed by the proposals' other strengths, as detailed in the accompanying presentation. Factors considered in the proposal evaluations include disruptions to plan benefits, access to care and services, and cost for both LACERS Retired Members/Survivors and LACERS.

Based on staff and Keenan's analyses, it is proposed that the Committee support the staff's recommendation to award the Dental Plan contract to Delta Dental. Additionally, providing the Board with the option to extend this contract an additional two years presents the opportunity to secure a pricing advantage for the Plan. The industry standard for carrier contracts is to negotiate for terms that exceed three years. Prior to recommending a renewal, LACERS Health staff can work in consultation with Keenan to ensure premiums remain competitive by performing market checks.

The premiums for 2025 will be brought forth in a future report once negotiations are finalized.

Prepared By: Maricel Martin, Senior Benefits Analyst I,  
Anni Quach, Benefits Analyst, and  
Rainbow Sun, Senior Benefits Analyst I, of the Health, Wellness, and Buyback Division

NMG/DW:KF/RS/MM/aq

Attachments: 1. Dental Plan Benefits Request for Proposal Evaluation Criteria  
2. LACERS 2025 Dental and Vision RFP Results – Keenan Report  
3. 2024 Dental Plan Benefits RFP Evaluation Summary

**Dental Plan Benefits Request for Proposal  
 Evaluation Criteria**

Proposers were evaluated based on the following levels of review:

*Level I – Preliminary Review Process*

The first level review included determination of: completeness of required documentation; compliance with LACERS’ administrative and general contracting requirements; and ability to meet the minimum requirements outlined in this RFP.

*Level II – Review Criteria and Evaluation Process*

The second level review includes evaluation of qualitative ratings. The qualitative evaluation ratings were based on Keenan’s assessment of the responses. The evaluations included objective assessments of each Proposer’s responses.

Evaluation of written responses is to be based on the following categories and the weights associated with each factor.

<b>EVALUATION CRITERIA</b>	<b>POSSIBLE WEIGHT</b>
<p><b>Organizational Strength and Plan Sponsor Services</b></p> <p>Proposer demonstrated relevant background, contractual issues, firm experience, and regulatory and compliance with regards to providing health plans and health benefits to Retirees, Survivors, and Dependents.</p>	10
<p><b>Administration Support and Account Management</b></p> <p>Firm demonstrates strong delivery of health plan and benefits implementation; claims processing; billing and eligibility; plan sponsor services; call center administration; and systems and cybersecurity.</p>	15
<p><b>Member Quality of Care, Resources, and Services</b></p> <p>Proposer clearly discloses relevant services offered in enrollment; member call center services; customer service and Quality Control Grievances and Appeals; member advocacy and support services; quality measurement standards; online resources; wellness resources; condition management resources; and applicable/relevant miscellaneous services.</p>	15
<p><b>Access to Care/Network</b></p> <p>The evaluation of Access to Care/Network of each firm will be based upon the bidder’s: Provider Groups/Network/Geographic Access; Emergency/Urgent Care Access &amp; Extended Hours; and Formulary/Rx Tier Disruption. This evaluation will also consider cost on a qualitative basis, not necessarily on a quantitative basis.</p>	30



<p><b>Value of Cost and Plan Design</b></p> <p>The evaluation of the relative cost and value for each firm based upon its submission of the proposed fee schedule by premium costs and rate commitments; provider reimbursements and discounts; hospital and outpatient facility charges; fee guarantee and/or fee caps; performance guarantees; and plan design adequacy. This evaluation will also consider cost on a qualitative basis, not necessarily on a quantitative basis. LACERS expects the cost proposal to include details of all costs associated with the scope of services contained in this RFP.</p>	30
<p><b>TOTAL POINTS</b></p>	<b>100</b>

*Level III – Selection of Finalists, Reference Checks, Site Visits, Interviews*

The third level review included evaluation based on the following criteria:

- Qualification and experience of the firm and the key personnel assigned to the project,
- Demonstrated understanding and ability to address LACERS' unique needs,
- Strength of client service orientation,
- Reasonableness of costs and value, and
- Positive contracting history.

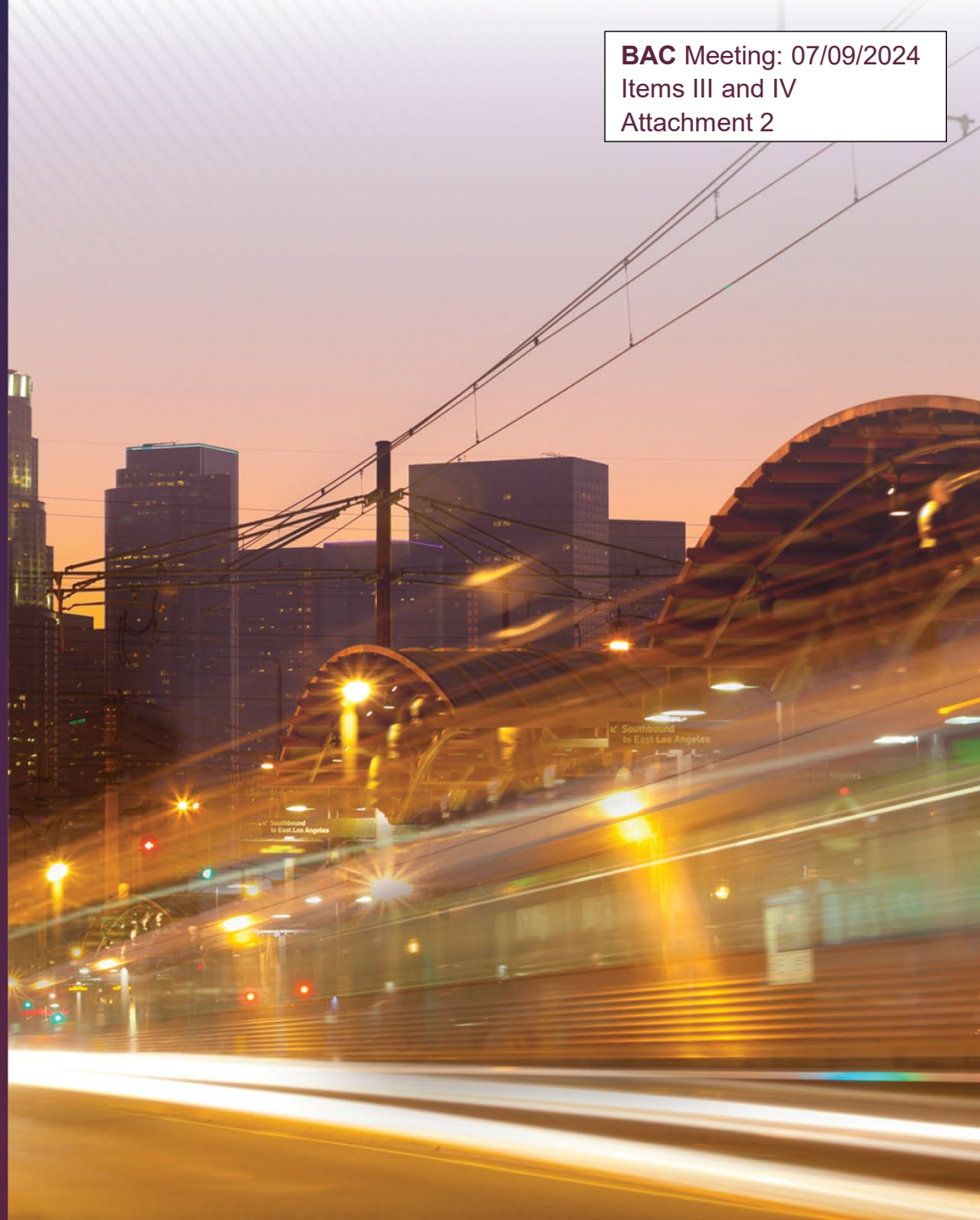
*Keenan*<sup>®</sup>

**BAC Meeting: 07/09/2024**  
Items III and IV  
Attachment 2

# LACERS 2025 Dental and Vision RFP Results

May 21, 2024

*Respectfully Submitted by:*  
*Bordan Darm, Lead Consultant*  
*Erin Robinson, Service Consultant*  
*James Takamatsu, Actuary*



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• Questionnaire Summary	18
• Performance Guarantees Summary	20



# Introduction

# Dental and Vision RFP Response

LACERS conducted an RFP for PPO dental, DHMO dental, and vision coverage for a January 1, 2025, effective date.

The following carriers provided proposals:

- Delta Dental (dental only)
- Ameritas (dental and vision)
- Anthem (dental and vision)
- United Concordia (dental only)
- CIGNA (dental and vision)
- MetLife (dental and vision)

All carriers were asked to duplicate the current plan design

Quotes were to be provided on a fully insured basis and/or self-funded

LACERS	Delta Dental	Ameritas	Anthem	CIGNA	MetLife	United Concordia
<b>Coverage: SF (self-funded), FI (fully-insured), BU (dental and vision quote offered bundled and unbundled)</b>						
Dental PPO	SF	SF / BU	SF	SF	SF	SF
Dental HMO	FI	n/a	FI	FI	FI	FI
Vision	n/a	SF / BU	SF / FI	SF / FI	SF (Superior Vision)	n/a



# Attachment A	Ameritas	Anthem	CIGNA	Delta	MetLife	United Concordia
A Intent to Bid	Yes	Yes	Yes	Yes	Yes	Yes
A Minimum Qualifications	Yes	Yes	Yes	Yes	Yes	Yes
A Sub-contractor Disclosure	Yes	Yes	Yes	Yes	Yes	Yes
A Value Propositions	Yes	Yes	Yes	Yes	Yes	Yes
A Public Agency References	Yes	Yes	Yes	Yes	Yes	Yes
# Attachment B						
B Network Analysis	Yes	Yes	Yes	Yes	Yes	Yes
B Network Analysis Summary	Yes	Yes	Yes	Yes	Yes	Yes
B Questionnaire	Yes	Yes	Yes	Yes	Yes	Yes
B Exception to RFP	Yes	Yes	Yes	Yes	Yes	Yes
B Exceptions to Scope of Services	Yes	Yes	Yes	Yes	Yes	Yes
B Exceptions to Plan Design	Yes	Yes	Yes	Yes	Yes	Yes
B Sample Reports	Yes	Yes	Yes	Yes	Yes	Yes
B Geo Access	Yes	Yes	Yes	Yes	Yes	Yes
B Request for Proposal Warranty/Affadavit	Yes	Yes	Yes	Yes	Yes	No
B Proposer Disclosure Form	Yes	Yes	Yes	Yes	Yes	No
B Bidder CEC Form 50 - Bidders Disclosure	Yes	Yes	Yes	Yes	Yes	No
B Bidder CEC Form 55 - Prohibited Contricutions	Yes	Yes	Yes	Yes	No	No
B Sexual Harassment Policy Disclosure Form	Yes	Yes	Yes	Yes	Yes	No

# Network Summary

# Dental PPO Member Disruption

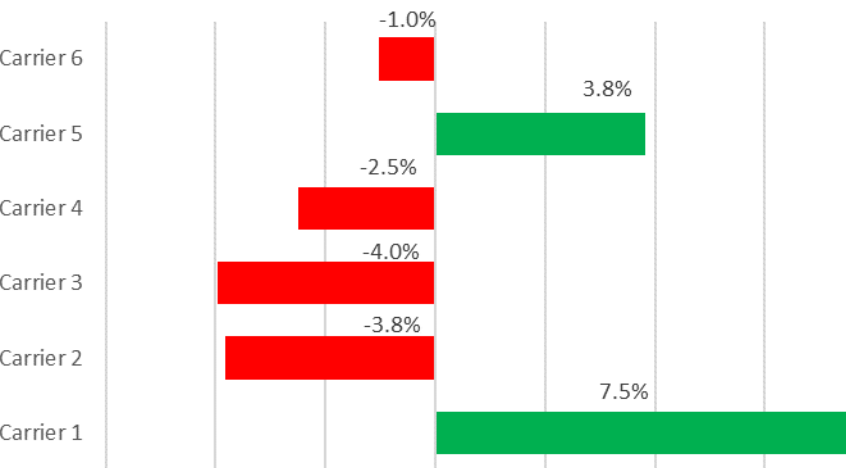
LACERS	DPPO Analysis	Delta Dental	Ameritas	Anthem	CIGNA	MetLife	United
Procedures	In-Network	115,573	82,614	84,598	90,580	89,566	84,826
	Out-of-Network	12,595	45,554	43,570	37,588	38,602	43,342
	Total	128,168	128,168	128,168	128,168	128,168	128,168
	% In-Network	90.2%	64.5%	66.0%	70.7%	69.9%	66.2%
Submitted Charges	In-Network	\$ 25,894,133	\$ 18,618,096	\$ 18,918,840	\$ 20,724,111	\$ 20,613,093	\$ 19,193,397
	Out-of-Network	\$ 3,320,812	\$ 10,596,849	\$ 10,296,105	\$ 8,490,834	\$ 8,601,852	\$ 10,021,548
	Total	\$ 29,214,945	\$ 29,214,945	\$ 29,214,945	\$ 29,214,945	\$ 29,214,945	\$ 29,214,945
	% In-Network	88.6%	63.7%	64.8%	70.9%	70.6%	65.7%
Providers	In-Network	6,618	4,697	6,003	5,268	5,162	6,050
	Out-of-Network	607	2,528	1,222	1,957	2,063	1,175
	Total	7,225	7,225	7,225	7,225	7,225	7,225
	% In-Network	91.6%	65.0%	83.1%	72.9%	71.4%	83.7%

- Keenan had proposers reprice 128,168 PPO procedures done by 7,225 PPO providers, totaling \$29,214,945 in PPO submitted charges (plan year 2023)
  - Delta Dental had the highest coverage for in-network procedures at 90.2%, the remaining carriers were between 64.5% and 70.7%
  - Delta Dental had the highest in-network provider coverage with 91.6%, the remaining carriers were between 65.0% and 83.7%
  - Delta Dental had the highest in-network coverage for submitted charges at 88.6%, the remaining carriers were between 63.7% and 70.9%.

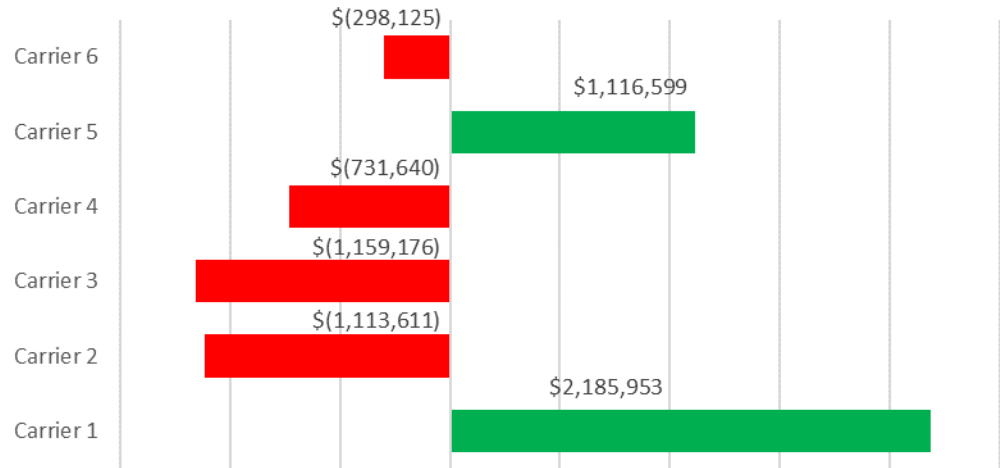


# Dental In-Network Discount

Percentage Discount Relativity



Network Savings Relativity



- The In-Network discount is confidential and proprietary to each carrier.
- To give LACERS a discount perspective, Keenan prepared exhibits which show the relativity of each carriers' percentage discount and dollar discount to the overall average for all competitors combined on an unidentified basis.

# Dental PPO and DHMO GeoAccess

GeoAccess Dental PPO	Ameritas	Anthem PPO	CIGNA PPO	Delta PPO	Delta Premier	MetLife PDP +	United Concordia PPO
Providers	453,055		111,888	91,280	123,961	113,107	106,574
Locations	69,454		70,164	63,197	84,434	73,216	75,709
2 Providers within 10 miles	97.8%	98.2%	98.5%	97.7%	98.0%	98.0%	98.5%
Retirees with Access	20,430	20,507	20,568	20,458	20,538	20,467	20,572
2 Providers within 5 miles	95.9%	96.4%	96.8%	95.7%	96.3%	96.0%	96.7%
Retirees with Access	20,023	20,131	20,216	20,054	20,174	20,044	20,202
2 Providers within 2 miles	89.6%	90.6%	92.8%	89.5%	90.6%	90.0%	92.7%
Retirees with Access	18,717	18,920	19,387	18,750	18,985	18,801	19,367
GeoAccess Dental HMO		Anthem DHMO	CIGNA DHMO		Delta DHMO	MetLife DHMO	United Concordia DHMO
Providers	Not provided		9,251	n/a	19,870	Provided for NJ and NV only	514
Locations			9,109		11,579		546
2 Providers within 10 miles		97.4%	93.2%		93.9%		93.3%
Retirees with Access		17,316	19,455		19,668		17,057
2 Providers within 5 miles		95.4%	90.0%		90.8%		83.9%
Retirees with Access		16,969	18,798		19,019		15,328
2 Providers within 2 miles		74.2%	76.9%		75.3%		45.1%
Retirees with Access	13,187	16,067	15,767	8,240			

GeoAccess reports measure the number of in-network providers within a desired parameter. Keenan requested each carrier run the GeoAccess report based on 2 providers within 10 miles, 2 providers within 5 miles, and 2 providers within 2 miles of member’s zip codes. The study does not take into consideration member’s current providers.

- All carriers show good PPO GeoAccess coverage.
- With the exception of United Concordia, all carriers show good DHMO GeoAccess coverage.

# Vision GeoAccess

<b>GeoAccess Vision Optometrists</b>	<b>Ameritas (EyeMed)</b>	<b>Ameritas (VSP)</b>	<b>Anthem</b>	<b>Cigna (EyeMed)</b>	<b>MetLife</b>
Providers	34,620	28,803	35,633	46,047	26,430
Locations	25,342	24,772	n/a	31,822	8,402
2 Providers within 10 miles	95.3%	96.1%	95.4%	97.2%	93.5%
Retirees with Access	10,317	10,402	10,321	20,303	8,642
2 Providers within 5 miles	90.9%	91.9%	91.5%	94.3%	86.0%
Retirees with Access	9,842	9,945	9,903	19,694	7,950
2 Providers within 2 miles	72.9%	73.8%	74.5%	78.5%	54.3%
Retirees with Access	7,890	7,984	8,063	16,390	5,017

GeoAccess reports measure the number of in-network providers within a desired parameter. Keenan requested each carrier run the GeoAccess report based on 2 providers within 10 miles, 2 providers within 5 miles, and 2 providers within 2 miles of member's zip codes. The study does not take into consideration member's current providers.

- Ameritas, Anthem, and Cigna show good Vision GeoAccess coverage
- MetLife has the lowest coverage

# Cost Ranking



# Cost Summary – Dental PPO, Dental HMO, and Vision

- Several carriers requested their data be kept proprietary and confidential.
- Keenan has provided unidentified Carrier Cost Ranking:
  - LACERS has ranked the cost of administration, projected claim cost, and total cost (administration cost + projected claim cost) for the self-funded coverage.
  - The DHMO is fully-insured and only shows total cost ranking.
- Cost ranking shows the most favored carrier results ranked as 1.

Dental PPO Cost Ranking	PPO ASO Fee	PPO Claim Cost	PPO Total Cost
Carrier 1	6	1	1
Carrier 2	3	5	6
Carrier 3	1	6	5
Carrier 4	2	4	3
Carrier 5	4	2	2
Carrier 6	5	3	4
Dental HMO Cost Ranking			DHMO Total Cost
Carrier 1			4
Carrier 2			5
Carrier 3			1
Carrier 4			3
Carrier 5			2
Vision Cost Ranking	PPO ASO Fee	PPO Claim Cost	PPO Total Cost
Carrier 1	2	4	3
Carrier 2	4	3	4
Carrier 3	3	2	2
Carrier 4	1	1	1

# Cost Summary – Rate Guarantees

- The following chart shows each Rate/Fee guarantees of each carrier

Rate Guarantee	Delta Dental	Ameritas	Anthem	Cigna	Metlife	United Concordia
Dental PPO	3 years 1/1/2025 - 12/31/2027 Rate Cap @ 5% 2028/2029	3 years 1/1/2025 - 12/31/2027	3 years 1/1/2025 - 12/31/2027	3 years 1/1/2025 - 12/31/2027 Rate Cap @ 4% 2028/2029	5 years 1/1/2025 - 12/31/2029	3 years 1/1/2025 - 12/31/2027
Dental DHMO	5 years 1/1/2025 - 12/31/2029 Rate Cap @ 5% 2028/2029		3 years 1/1/2025 - 12/31/2027	3 years 1/1/2025 - 12/31/2027	5 years 1/1/2025 - 12/31/2029 Rate Cap @ 4% 2028/2029	3 years 1/1/2025 - 12/31/2027
Vision		3 years 1/1/2025 - 12/31/2027	4 years 1/1/2025 - 12/31/2028	3 years 1/1/2025 - 12/31/2028	3 years 1/1/2025 - 12/31/2027	

# Plan Design Summary

# Dental PPO Plan Design

LACERS Dental DPPO	Delta Dental		Ameritas		Anthem		Cigna		Metlife		United Concordia	
General Plan Information	In	Out	In	Out	In	Out	In	Out	In	Out	In	Out
Annual Deductible (Individual)	\$25	\$25	\$25	\$25	\$25	\$25	\$25	\$25	\$25	\$25	\$25	\$25
Annual Deductible (Family)	\$75	\$75	\$75	\$75	\$75	\$75	\$75	\$75	\$75	\$75	\$75	\$75
Annual Plan Maximum	\$2,500	\$1,750	\$2,500	\$1,750	\$2,500	\$1,750	\$2,500	\$1,750	\$2,500	\$1,750	\$2,500	\$1,750
Waiting Period	None		None		None		None		None		None	
Out-of-Network Reimbursement	90th% UCR		90th% UCR		90th% UCR		90th% UCR		90th% UCR		90th% UCR	
<b>Class I: Diagnostic &amp; Preventive</b>												
Diagnostic Services	No charge	80%	No charge	80%	No charge	80%	No charge	80%	No charge	80%	No charge	80%
Sealants	No charge	80%	No charge	80%	No charge	80%	No charge	80%	No charge	80%	No charge	80%
<b>Class II: Basic</b>												
Basic Services	80%	70%	80%	70%	80%	70%	80%	70%	80%	70%	80%	70%
Endodontic Treatment	80%	70%	80%	70%	80%	70%	80%	70%	80%	70%	80%	70%
Periodontic Treatment	80%	70%	80%	70%	80%	70%	80%	70%	80%	70%	80%	70%
<b>Class III: Major</b>												
Major Services	50%	50%	50%	50%	50%	50%	50%	50%	50%	50%	50%	50%
Prostodontics	50%	50%	50%	50%	50%	50%	50%	50%	50%	50%	50%	50%
Implants	50%	50%	50%	50%	50%	50%	50%	50%	50%	50%	50%	50%
<b>Class IV: Orthodontia</b>												
Lifetime Maximum	\$1,500	\$1,500	\$1,500	\$1,500	\$1,500	\$1,500	\$1,500	\$1,500	\$1,500	\$1,500	\$1,500	\$1,500
Orthodontia (Child)	50%	50%	50%	50%	50%	50%	50%	50%	50%	50%	50%	50%
Orthodontia (Adult)	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%



# Dental HMO Plan Design

LACERS Dental DHMO		Delta Dental	Anthem	Cigna	MetLife	United Concordia
<b>Diagnostic &amp; Preventive</b>						
D0150	Comprehensive oral evaluation	\$0	\$0	\$0	\$0	\$0
D1510	Space maintainers	\$10	\$0	n/a	\$0	\$21
<b>Restorative Services</b>						
D2392	Composite filling (two surfaces, posterior)	\$55	\$10	n/a	n/a	\$109
<b>Endodontics</b>						
D3220	Therapeutic pulpotomy	\$0	\$0	n/a	\$0	\$9
D3310	Root canal therapy - Anterior	\$45	\$0	n/a	\$20	\$40
D3320	Root canal therapy - Bicuspid	\$90	\$35		\$20	\$60
D3330	Root canal therapy - Molar	\$205	\$75	\$335	\$20	\$95
<b>Periodontics</b>						
D4210	Gingivectomy (per quadrant)	\$80	\$10	n/a	\$25	\$20
D4260	Osseous surgery	\$175	\$95	n/a	\$25	\$50
D4341	Scaling and root planing (per quadrant)	\$0	\$0	\$83	\$0	\$15
<b>Prosthodontics</b>						
D5110	Complete (upper)	\$100	\$65	n/a	\$50	\$150
D5130	Immediate (upper)	\$120	\$75	n/a	\$50	\$165
<b>Implant Services</b>						
D6010	Surgical placement of implant body	Not covered	Optional Rider (\$850)	n/a	n/a	n/a
D6040	Surgical placement of epostal implant	Not covered	Optional Rider (\$850)	n/a	n/a	n/a
<b>Crown and Bridge</b>						
D6740	Crown - Porcelain/ceramic substrate	\$195	\$85	n/a	n/a	\$130
D6750	Crown - Porcelain fused to high noble metal	\$195	\$75	\$320	\$75	\$110
D6790	Crown - Full cast high noble metal	\$170	\$55	n/a	\$40	\$100
<b>Oral Surgery</b>						
D7220	Extractions (impacted tooth; soft tissue)	\$25	\$0	\$12	\$15	\$20
D7230	Extractions (impacted tooth; partial bony)	\$50	\$10	n/a	\$15	\$25
D7240	Extractions (impacted tooth; full bony)	\$70	\$20	\$115	\$15	\$30
<b>Orthodontics - Comprehensive</b>						
D8070	Children	\$1,700	\$1,695	n/a	\$1,000	\$1,500
D8090	Adults	\$1,900	\$1,895	n/a	\$1,350	\$2,000

# Vision Plan Design

Vision Plan Design	Anthem		Ameritas		Ameritas		Cigna		Superior Vision (MetLife)	
	In Network	Non-Network	In Network (EyeMed)	Non-Network	In Network (VSP)	Non-Network	In Network	Non-Network	In Network	Non-Network
<b>Copay</b>										
Examination	\$20 Copay	Up to \$49	\$20 Copay	Up to \$49	\$20 Copay	Up to \$49	\$20 Copay	Up to \$49	\$20 Copay	Up to \$49
Retinal Screening	Up to \$39	Not covered	n/a	n/a	n/a	n/a	Up to \$39	Not covered	Up to \$39	Not covered
<b>Benefit Frequency</b>										
Examination	12 months	12 months	12 months	12 months	12 months	12 months	12 months	12 months	12 months	12 months
Lenses	12 months	12 months	12 months	12 months	12 months	12 months	12 months	12 months	12 months	12 months
Contacts	12 months	12 months	12 months	12 months	12 months	12 months	12 months	12 months	12 months	12 months
Frames	24 months	24 months	24 months	24 months	24 months	24 months	24 months	24 months	24 months	24 months
<b>Lenses</b>										
Single Vision Lens	Covered in full	Up to \$45	Covered in full	Up to \$45	Covered in full	Up to \$45	Covered in full	Up to \$45	Covered in full	Up to \$45
Bifocal Lens	Covered in full	Up to \$65	Covered in full	Up to \$65	Covered in full	Up to \$65	Covered in full	Up to \$65	Covered in full	Up to \$65
Trifocal Lens	Covered in full	Up to \$85	Covered in full	Up to \$85	Covered in full	Up to \$85	Covered in full	Up to \$85	Covered in full	Up to \$85
Lenticular Lens	Covered in full	Up to \$125	Covered in full	Up to \$125	Covered in full	Up to \$125	Covered in full	Up to \$125	Covered in full	Up to \$125
Progressive - Standard	Up to \$30	Up to \$85	Varies by lens	Not covered	Covered at lined bifocal allowance	Covered at lined bifocal allowance	Up to \$65	Up to \$85	Covered at lined trifocal allowance	Up to \$85
<b>Contact Lenses</b>										
Fit-and-Follow-Up - Standard	Covered in full	n/a	Up to \$40	Not covered	Up to \$60	Not covered	Covered in full	Not covered	Covered in full	Not covered
Fit-and-Follow-Up - Premium	10% off retail; Up to \$50 allowance	n/a	10% off retail	Not covered	n/a	Not covered	n/a	n/a	\$50 retail allowance	Not covered
Medically Necessary	Covered in full	Up to \$210	Covered in full	Up to \$210	Covered in full	Up to \$210	Covered in full	Up to \$210	Covered in full	Up to \$210
Contacts - Conventional	\$120 Allowance; 15% off over allowance	Up to \$105	\$120 Allowance; 15% off over allowance \$120	Up to \$105	\$120 Allowance; 20% off over allowance \$120	Up to \$105	\$120 Allowance	Up to \$105	\$120 Allowance; 20% off over allowance \$120	Up to \$105
Contacts - Disposable	\$120 Allowance	Up to \$105	\$120 Allowance; 15% off over allowance	Up to \$105	\$120 Allowance; 20% off over allowance	Up to \$105	\$120 Allowance	Up to \$105	\$120 Allowance; 10% off over allowance	Up to \$105
<b>Frames</b>										
	\$150 allowance; 20% off over allowance	Up to \$70	\$150 allowance; 20% off over allowance	Up to \$70	\$150 allowance; 20% off over allowance	Up to \$70	\$150 allowance; 20% off over allowance	Up to \$70	\$150 allowance; 30% off over allowance	Up to \$70

# Questionnaire Summary

# Questionnaire Evaluation

- The Questionnaire asked each carrier to respond to over 150 questions.
- Keenan provided due diligence review of the carriers through analysis of the 150 question responses.
- It was determined that all proposing carriers met the minimum requirement for carrier consideration.
- The analysis provided insight to areas that needed questioning in the interview process and areas to address in the contract negotiation process.

# Performance Guarantees Summary



# Dental Performance Guarantees

Performance Guarantees	Ameritas	Anthem	CIGNA	Delta Dental	MetLife	United Concordia
Implementation	\$15,000	\$20,000	\$22,000 PPO \$4,750 DHMO	Incumbent	\$0	\$25,000
Ongoing	\$30,000	\$95,000	\$44,000 PPO \$5,250 DHMO	16% of Administration fee at risk	15% of Admin. PDP \$87,612, 2% premium DHMO \$14,882	25% of Administration fee at risk
<b>Total - Year 1</b>	<b>\$45,000</b>	<b>\$115,000</b>	<b>\$76,000</b>	<b>\$139,360</b>	<b>\$102,494</b>	<b>\$147,964</b>
<b>Total - Year 2+</b>	<b>\$30,000</b>	<b>\$95,000</b>	<b>\$49,250</b>	<b>\$139,360</b>	<b>\$102,494</b>	<b>\$122,964</b>
<b>Additional Incentives</b>						
PPO Recruitment	\$10,000	\$20,000	\$250,000 OON Outreach, \$250,000 OON Additions			
Wellness	\$15,000	\$10,000				
Network Savings / Utilization Guarantee		12%				

All six (6) respondents to the RFP provided Performance Guarantees in the following areas:

- Implementation,
- Carrier Performance, and
- Network Coverage

As part of LACERS *Well* program, LACERS will continue to negotiate the Performance Guarantees with each carriers.

# Thank You!



# **2024 Dental Plan Benefits RFP – Evaluation Summary**

July 9, 2024



# Scoring Criteria

Organizational Strength & Plan Sponsor Services	Administration Support & Account Management	Member Quality of Care, Resources, & Services	Access to Care/Network	Value of Cost & Plan Design
<p><b>10 pts</b> - Proposer demonstrated relevant background, contractual issues, firm experience, and regulatory and compliance with regards to providing health plans and health benefits to Retirees, Survivors, and Dependents.</p>	<p><b>15 pts</b> - Firm demonstrates strong delivery of health plan and benefits implementation; claims processing; billing and eligibility; plan sponsor services; call center administration; and systems and cybersecurity.</p>	<p><b>15 pts</b> - Proposer clearly discloses relevant services offered in enrollment; member call center services; customer service and Quality Control Grievances and Appeals; member advocacy and support services; quality measurement standards; online resources; wellness resources; condition management resources; and applicable/relevant miscellaneous services.</p>	<p><b>30 pts</b> - The evaluation of Access to Care/Network of each firm will be based upon the bidder's: Provider Groups/Network/ Geographic Access; Emergency/Urgent Care Access &amp; Extended Hours. This evaluation will also consider cost on a qualitative basis, not necessarily on a quantitative basis.</p>	<p><b>30 pts</b> - The evaluation of the relative cost and value for each firm based upon its submission of the proposed fee schedule by premium costs and rate commitments; provider reimbursements and discounts; fee guarantee and/or fee caps; performance guarantees; and plan design adequacy. This evaluation will also consider cost on a qualitative basis, not necessarily on a quantitative basis. LACERS expects the cost proposal to include details of all costs associated with the scope of services contained in this RFP</p>

# Dental PPO Carrier Ranking

Maximum 100 points

6 Carriers

**Ranking based on points:**

- 1. Delta Dental
- 2. Cigna & Metlife (*tie*)
- 3. Anthem
- 4. United Concordia
- 5. Ameritas

Rank 1 = Highest score

	Strength & Services	Support & Management	Quality	Access	Value	Overall
Ameritas	5	3	4	5	6	5
Anthem	3	2	2	3	5	3
Cigna	4	2	4	2	3	2
Delta Dental	1	1	1	1	1	1
MetLife	2	2	3	3	2	2
United Concordia	6	4	4	4	4	4

# DPPPO Proposal Analysis: Ameritas

Member Disruption	GeoAccess	Cost	Plan Design
<ul style="list-style-type: none"> <li>• Number of in-network providers, in-network procedures coverage, and in-network coverage for submitted charges were the lowest compared to other carriers' proposals.</li> <li>• The percentage of discount was second-to-last among the bidders.</li> </ul>	<ul style="list-style-type: none"> <li>• Although the count of providers was the highest among the carriers, the number of locations was second-to-lowest. Moreover, the percentage of access was lowest compared to the other proposers.</li> </ul>	<ul style="list-style-type: none"> <li>• 3-year rate guarantee</li> <li>• Ameritas did not indicate a rate cap if the contract is extended by two years.</li> <li>• The overall administration and claims cost was the highest.</li> </ul>	<ul style="list-style-type: none"> <li>• Ameritas matches current plan benefits.</li> <li>• Wellness:               <ul style="list-style-type: none"> <li>• Ameritas would implement surveys to help benchmark dental wellness levels and share a wellness blog.</li> <li>• Ameritas will provide onsite support at wellness fairs and resources for LACERS events.</li> <li>• Ameritas was unclear on the wellness contribution.</li> </ul> </li> </ul>

# DPPO Proposal Analysis: Anthem

Member Disruption	GeoAccess	Cost	Plan Design
<ul style="list-style-type: none"> <li>• Their number of in-network procedures and in-network coverage for submitted charges were second-to-lowest in ranking.</li> <li>• The number of in-network providers is in the middle range among proposals.</li> <li>• Compared to other carriers, Anthem had the lowest discount.</li> </ul>	<ul style="list-style-type: none"> <li>• Compared to other bidders, Anthem’s numbers were generally in the middle of the range.</li> </ul>	<ul style="list-style-type: none"> <li>• 3-year rate guarantee</li> <li>• Anthem did not indicate a rate cap if the contract is extended by two years.</li> <li>• The overall administration and claims cost was second-to-highest.</li> </ul>	<ul style="list-style-type: none"> <li>• Anthem matches current plan benefits.</li> <li>• Wellness:               <ul style="list-style-type: none"> <li>• They emphasize preventative dental care.</li> <li>• Anthem will continue co-sponsoring and participating in LACERS Well events.</li> <li>• \$10,000 annual credit to support the LACERS Well initiatives that is not separate or additional from their medical or vision contribution.</li> </ul> </li> </ul>

# DPPPO Proposal Analysis: Cigna

Member Disruption	GeoAccess	Cost	Plan Design
<ul style="list-style-type: none"> <li>• Cigna’s in-network procedures is second after Delta Dental’s but the percentage difference is significant (19.5%).</li> <li>• The number of their in-network providers is mid-rank to other bidders.</li> <li>• Cigna’s discount was assessed at slightly below mid-rank.</li> </ul>	<ul style="list-style-type: none"> <li>• While their percentages of subscribers with access to providers was highest to other bidders, Cigna’s number of providers was second-to-lowest.</li> </ul>	<ul style="list-style-type: none"> <li>• 3-year rate guarantee</li> <li>• Cigna indicated a rate cap of 4% for 2028 and 2029.</li> <li>• The administration and claims cost ranked in the middle of bidders.</li> </ul>	<ul style="list-style-type: none"> <li>• They did not indicate variances of their proposal to LACERS’ current plan benefits.</li> <li>• Wellness:               <ul style="list-style-type: none"> <li>• Cigna is willing to cosponsor events.</li> <li>• \$20,000 proposed annual contribution that is not separate from their dental DHMO and vision proposal.</li> </ul> </li> </ul>

# DPPO Proposal Analysis: Delta Dental

Member Disruption	GeoAccess	Cost	Plan Design
<ul style="list-style-type: none"> <li>Delta Dental had the highest percentages to other bidders in: in-network procedures coverage, in-network coverage for submitted charges, and number of in-network providers.</li> </ul>	<ul style="list-style-type: none"> <li>Rating for their PPO offering was generally lowest or second-to-lowest.</li> <li>Their Delta Premier had the second-to-most number of providers and the most number of locations. Access was generally mid-rank compared to other bidders’.</li> </ul>	<ul style="list-style-type: none"> <li>3-year rate guarantee</li> <li>Delta Dental indicated a rate cap of 5% for 2028 and 2029.</li> <li>The administration fee was the highest among the bidders but is 0% change from current.</li> <li>Overall, the administration and claim cost is the lowest.</li> </ul>	<ul style="list-style-type: none"> <li>They match current plan benefits.</li> <li>Wellness:               <ul style="list-style-type: none"> <li>Delta Dental has integrated services with the LACERS Well program. They have demonstrated the ability to integrate wellness services with the LACERS Well program.</li> <li>\$10,000 annual contribution that is not separate from their DHMO proposal.</li> </ul> </li> </ul>

# DPPPO Proposal Analysis: MetLife

Member Disruption	GeoAccess	Cost	Plan Design
<ul style="list-style-type: none"> <li>MetLife had the second-to-lowest number of in-network providers among the bidders.</li> <li>Their percentage of in-network procedures and in-network coverage for submitted charges were mid-rank.</li> <li>Among the bidders, MetLife had one of the top percentage discounts.</li> </ul>	<ul style="list-style-type: none"> <li>Their number of providers and locations was mid-rank to other bidders, but the percentage of access was generally near the mid-low rank.</li> </ul>	<ul style="list-style-type: none"> <li>5-year rate guarantee</li> <li>The overall administrative and claim cost is the second-to-lowest.</li> </ul>	<ul style="list-style-type: none"> <li>Most of the benefits match LACERS' current plan benefits. They offered enhancements.</li> <li>Wellness:               <ul style="list-style-type: none"> <li>MetLife will help create educational outreach programs custom to participants' needs.</li> <li>They have educational materials available.</li> <li>\$10,000 credit that is not separate from their dental DHMO and vision proposal.</li> <li>They require +100 attendees for events.</li> </ul> </li> </ul>

# DPPO Proposal Analysis: United Concordia

Member Disruption	GeoAccess	Cost	Plan Design
<ul style="list-style-type: none"> <li>• United Concordia’s in-network procedures and in-network coverage for submitted charges were at slightly below mid-rank among bidders.</li> <li>• Their in-network provider coverage is second to Delta Dental’s, at Rank 2.</li> </ul>	<ul style="list-style-type: none"> <li>• While their number of providers seems second-to-lowest, the number of locations is second-to-highest.</li> <li>• Compared to other bidders, United Concordia’s access seems very good, ranking second after Cigna.</li> </ul>	<ul style="list-style-type: none"> <li>• 3-year rate guarantee</li> <li>• No rate cap was indicated for 2028 and 2029 if contract is extended.</li> <li>• The overall administrative and claim cost is one of the higher costs.</li> </ul>	<ul style="list-style-type: none"> <li>• They match current plan benefits.</li> <li>• Wellness:               <ul style="list-style-type: none"> <li>• A one-time credit for wellness contribution but did not specify amount.</li> <li>• An Oral Wellness Consultant will be provided to encourage routine dental visits.</li> <li>• They have a preventative member education approach with monthly email campaigns.</li> <li>• Additional charges for communication.</li> </ul> </li> </ul>



# Dental HMO Carrier Ranking

Maximum 100 points

5 Carriers

Ranking based on points:

1. Delta Dental
2. Anthem
3. Cigna
4. Metlife
5. United Concordia

Rank 1 = Highest score

	Strength & Services	Support & Management	Quality	Access	Value	Overall
Anthem	2	3	3	2	2	2
Cigna	2	4	2	3	1	3
Delta Dental	1	1	1	1	1	1
MetLife	2	2	5	4	4	4
United Concordia	3	5	4	5	3	5

# DHMO Proposal Analysis: Anthem

GeoAccess	Cost	Plan Design
<ul style="list-style-type: none"> <li>While Anthem did not provide information for the number of providers and locations, their access numbers were second-to-lowest among the bidders.</li> </ul>	<ul style="list-style-type: none"> <li>3-year rate guarantee</li> <li>No rate cap indicated for 2028 and 2029 if contract is extended.</li> <li>Anthem’s DHMO cost is the highest among the bidders.</li> </ul>	<ul style="list-style-type: none"> <li>Anthem does not match current plan benefits.</li> <li>Wellness:               <ul style="list-style-type: none"> <li>They emphasize preventative dental care.</li> <li>Anthem will continue co-sponsoring and participating in LACERS Well events.</li> <li>\$10,000 annual credit to support the LACERS Well initiatives that is not separate or additional from their medical or vision contribution.</li> </ul> </li> </ul>

# DHMO Proposal Analysis: Cigna

GeoAccess	Cost	Plan Design
<ul style="list-style-type: none"> <li>Cigna’s numbers for providers and locations are less than that of Delta Dental’s proposal – over 10,600 less providers and 2,400 less locations..</li> </ul>	<ul style="list-style-type: none"> <li>3-year rate guarantee</li> <li>No rate cap indicated for Plan Years 2028 and 2029 if contract is extended.</li> <li>Cigna’s rate structure is the lowest cost among the bidders.</li> </ul>	<ul style="list-style-type: none"> <li>They did not indicate variances of their proposal to LACERS’ current plan benefits.</li> <li>Wellness:               <ul style="list-style-type: none"> <li>Cigna is willing to cosponsor events.</li> <li>\$20,000 proposed annual contribution that is not separate from their dental PPO and vision proposal.</li> </ul> </li> </ul>

# DHMO Proposal Analysis: Delta Dental

GeoAccess	Cost	Plan Design
<ul style="list-style-type: none"> <li>Among the carriers who provided information, Delta Dental’s had the highest number of providers and locations.</li> </ul>	<ul style="list-style-type: none"> <li>5-year rate guarantee with a rate cap of 5% for 2028 and 2029 plan years.</li> <li>Delta Dental’s proposal ranked in the middle in terms of costs.</li> </ul>	<ul style="list-style-type: none"> <li>They match current plan benefits and provided an alternative plan for LACERS to consider.</li> <li>Wellness:               <ul style="list-style-type: none"> <li>Delta Dental has integrated services with the LACERS Well program. They have demonstrated the ability to integrate wellness services with the LACERS Well program.</li> <li>\$10,000 annual contribution that is not separate from their dental PPO proposal.</li> <li>Delta Dental is willing to attend events.</li> </ul> </li> </ul>

# DHMO Proposal Analysis: MetLife

GeoAccess	Cost	Plan Design
<ul style="list-style-type: none"> <li>Keenan was unable to provide analysis; MetLife provided information for New Jersey and Nevada.</li> </ul>	<ul style="list-style-type: none"> <li>5-year rate guarantee, with rate cap of 4% for 2028 and 2028 plan years.</li> <li>One of the lower costs compared to proposals of other bidders.</li> </ul>	<ul style="list-style-type: none"> <li>Most of the benefits match LACERS' current plan benefits. They offered enhancements.</li> <li>Wellness:               <ul style="list-style-type: none"> <li>MetLife will help create educational outreach programs custom to participants' needs.</li> <li>They have educational materials available.</li> <li>\$10,000 credit that is not separate from their dental DHMO and vision proposal.</li> <li>They require +100 attendees for events.</li> </ul> </li> </ul>

# DHMO Proposal Analysis: United Concordia

GeoAccess	Cost	Plan Design
<ul style="list-style-type: none"> <li>United Concordia did not show good DHMO GeoAccess coverage for the number of providers and locations.</li> </ul>	<ul style="list-style-type: none"> <li>3-year rate guarantee</li> <li>No rate cap indicated for Plan Years 2028 and 2029 if contract is extended.</li> <li>One of the lower costs among the proposals.</li> </ul>	<ul style="list-style-type: none"> <li>They proposed a comparable DHMO product as they are unable to match the current benefits.</li> <li>Wellness:               <ul style="list-style-type: none"> <li>A one-time credit for wellness contribution but did not specify amount.</li> <li>An Oral Wellness Consultant will be provided to encourage routine dental visits.</li> <li>They have a preventative member education approach with monthly email campaigns.</li> <li>Additional charges for communication.</li> </ul> </li> </ul>

FINAL DENTAL CARRIER FOR  
LACERS DENTAL PLANS  
FOR PLAN YEAR 2025

PROPOSED RESOLUTION

WHEREAS, the Los Angeles Administrative Code establishes that Los Angeles City Employees' Retirement System (LACERS) provide health and welfare programs for retired employees and their eligible dependents;

WHEREAS, on March 5, 2024, LACERS issued a Request for Proposal (RFP) for dental plan benefits;

WHEREAS, on July 9, 2024, the Benefits Administration Committee considered a staff report on the recommended finalist to the RFP;

WHEREAS, on July 9, 2024, the Benefits Administration Committee approved forwarding a recommendation to the Board to continue with the current dental plan carrier;

WHEREAS, on July 9, 2024, the Benefits Administration Committee approved forwarding to the Board a recommendation to contract with Delta Dental for Dental PPO and Dental HMO coverage of LACERS eligible retirees, survivors, and eligible dependents' dental benefits;

NOW, THEREFORE, BE IT RESOLVED, that the Board of Administration hereby approves the 2025 dental carriers and authorizes the General Manager to negotiate and execute these contracts, subject to City Attorney review:

Delta Dental PPO (Self-Funded)  
Delta Dental HMO (Fully Insured)



**REPORT TO BOARD OF ADMINISTRATION**

**From: Benefits Administration Committee**  
Michael R. Wilkinson, Chair  
Thuy T. Huynh  
Sung Won Sohn

**MEETING: JULY 9, 2024**  
**ITEM: VI - B**

**SUBJECT: VISION PLAN REQUEST FOR PROPOSAL CONTRACT AWARD  
RECOMMENDATIONS AND POSSIBLE BOARD ACTION**

ACTION:  CLOSED:  CONSENT:  RECEIVE & FILE:

**Recommendation**

That the Board:

- 1) Award the Vision Plan contract to Anthem for the three-year period beginning with the 2025 plan year, with the option to renew up to two additional plan years, provided that renewal secures a pricing advantage for the Plan and premiums remain competitive, and
- 2) Delegate to the General Manager the authority to negotiate and execute these contracts, subject to City Attorney review.

**Executive Summary**

At the Benefits Administration Committee meeting to be held on July 9, 2024, preceding the Board meeting, staff will present a recommendation regarding the Vision Plan Request for Proposal (RFP) as described in the attached Committee report (Attachment 1). Should the Committee approve staff's recommendation of the vision plan carrier selection for the 2025 plan year, this report on the vision plan recommendation will move forward to the Board for approval.

The final negotiated 2025 vision plan premiums will be presented to the Benefits Administration Committee and Board at a future meeting.

Staff and Keenan & Associates, LACERS' Health and Welfare Consultant, are available to answer any questions regarding the 2025 Vision Plan RFP.



Prepared By: Rainbow Sun, Senior Benefits Analyst I, Maricel Martin, Senior Benefits Analyst I, and Anni Quach, Benefits Analyst, of the Health, Wellness, and Buyback Division

NMG/DW:KF/RS/MM/aq

Attachments: 1. July 9, 2024 Benefits Administration Committee Report – Vision Plan Request for Proposal Contract Award Recommendations and Possible Committee Action  
2. Proposed Resolution



**REPORT TO BENEFITS ADMINISTRATION COMMITTEE**  
**From: Neil M. Guglielmo, General Manager**

**MEETING: JULY 9, 2024**  
**ITEM: IV**

*Neil M. Guglielmo*

**SUBJECT: VISION PLAN REQUEST FOR PROPOSAL CONTRACT AWARD  
RECOMMENDATIONS AND POSSIBLE COMMITTEE ACTION**

ACTION:  CLOSED:  CONSENT:  RECEIVE & FILE:

**Recommendation**

That the Committee recommend the Board:

- 1) Award the Vision Plan contract to Anthem for the three-year period beginning with the 2025 plan year, with the option to renew up to two additional plan years, provided that renewal secures a pricing advantage for the Plan and premiums remain competitive, and
- 2) Delegate to the General Manager the authority to negotiate and execute these contracts, subject to City Attorney review.

**Executive Summary**

LACERS released a Request for Proposal (RFP) for Vision Plan Benefits in March 2024 to assess the marketplace for qualified vendors to provide a vision plan for LACERS' eligible Retired Members, Survivors (i.e., surviving spouse or domestic partner), and eligible Dependents. The last vision plan RFP was conducted in February 2014. For 2023, LACERS paid \$892,146.85 in premiums and \$57,952.32 in administrative fees. The amounts are unaudited, and the 2023 year-end accounting is expected to be brought to the Committee in August.

This Vision RFP received proposals from four carriers. Anthem, the incumbent, was determined to provide the best combination of quality, price, and various qualitative elements of required services based on the RFP criteria and is recommended as the finalist for Vision Plan. Upon approval by the Board, LACERS and its Health & Wellness Consultant, Keenan & Associates (Keenan), will conduct final contract negotiations in a timely manner to meet 2025 Open Enrollment timelines.

**Discussion**

LACERS has been administering its self-funded vision plan since 2022. A self-funded plan means LACERS assumes the risk for providing plan experience via claims, whereas a fully insured plan

means the carrier assumes the risk for the plan experience via claims. The RFP invited proposals for a fully insured plan as an option; however, LACERS will continue with the self-funded option.

The RFP asked proposers to duplicate the current plan design. Keenan conducted a review of the proposals and met with LACERS staff to discuss how well each proposal met the requirements of the RFP.

<b>Respondents for Vision Plan</b>
1) Ameritas (self-funded and fully insured)
2) Anthem (self-funded and fully insured)
3) CIGNA (self-funded and fully insured)
4) MetLife (self-funded only)

Keenan and LACERS Health Division staff considered each carrier’s plan offerings, options, and proposals. The evaluation was based on analysis of the bidders’ ability to meet the RFP requirements, reflective of constituents’ needs. Additionally, the best combination of quality and costs were weighed in consideration of the disruptions to Members and vision plan benefit designs. LACERS interviewed the finalist on June 21, 2024.

**Selection**

The following are the results of the evaluation based on the RFP criteria (Attachment 1):

*Level I* – All carriers satisfactorily met the Level I preliminary review, which consists of completeness of required documentation, compliance with LACERS’ administrative and general contracting requirements, and ability to meet the minimum requirements outlined in RFP.

*Level II* – LACERS Health staff evaluated the proposers’ questionnaire responses and analyzed and considered Keenan’s evaluation of the technical competencies and assessment of responses.

*Level III* – From the evaluation results of Level II, the finalist was chosen based on the best overall value, considering the combination of each proposal’s strength of service orientation, benefit offerings, costs, and other terms stated in the RFP.

The evaluation resulted in the following rankings, with Rank 1 being the best overall respondent:

	<b>Respondent</b>
<b>Rank 1</b>	<b>Anthem</b>
<b>Rank 2</b>	<b>Cigna</b>
<b>Rank 3</b>	<b>MetLife</b>
<b>Rank 4</b>	<b>Ameritas</b>

## ***Evaluation and Analysis***

Keenan and a team of LACERS Health staff conducted a comprehensive assessment, evaluation, and analysis. Along with the costs and ranges of coverage, staff also considered plan continuity and how a plan transition may impact Retired Members and Survivors by resulting in a service disruption and cost difference.

The premium rates and overall administrative costs were ranked and analyzed. Keenan will negotiate the final premium rates and present them to the Board for approval.

All vision carriers provided a three-year rate guarantee except for Anthem, which had a four-year rate guarantee. In general, the benefits coverage for all bidders were the same except for those indicated in Attachment 3.

Keenan's marketing report (Attachment 2) and staff's ranking and analysis (Attachment 3) are included in this report. Keenan and staff are present to answer questions.

## ***Conclusion***

Based on overall value to LACERS Retired Members and Survivors, with consideration to plan design, network, disruptions to plan benefits, access to care and services, and cost for both LACERS Retired Members/Survivors and LACERS, Anthem is recommended to the Board for consideration.

Overall, Anthem's proposal presents the highest value to LACERS, considering the cost, plan design, and services provided to Members. Further, Anthem's network size is competitive, ranking second among the other providers. Having Anthem as a medical and vision provider would make it easier for Members to coordinate care with their physicians and provide ease of administration. In addition, Costco, a popular optometry retailer for Members, could be added as an in-network provider for glasses, frames, and contacts, subject to negotiations with Anthem.

Based on staff and Keenan's analyses, it is proposed that the Committee support the staff's recommendation to award the Vision Plan contract to Anthem. Additionally, providing the Board with the option to extend this contract an additional two years presents the opportunity to secure a pricing advantage for the Plan. The industry standard for carrier contracts is negotiating for terms exceeding three years. Prior to recommending a renewal, LACERS Health staff can work in consultation with Keenan to ensure premiums remain competitive by performing market checks.

The premiums for 2025 will be brought forth in a future report once negotiations are finalized.

Prepared By: Maricel Martin, Senior Benefits Analyst I, Anni Quach, Benefits Analyst, and Rainbow Sun, Benefits Analyst, of the Health, Wellness, and Buyback Division

NMG/DW/KF/RS/MM/aq

Attachments: 1. Vision Plan Request for Proposal Evaluation Criteria  
2. LACERS 2025 Dental and Vision RFP Results – Keenan report  
3. 2024 Vision Plan RFP Evaluation Summary

**Vision Plan Request for Proposal  
 Evaluation Criteria**

Proposers were evaluated based on the following levels of review:

*Level I – Preliminary Review Process*

The first level review included determination of: completeness of required documentation; compliance with LACERS’ administrative and general contracting requirements; and ability to meet the minimum requirements outlined in this RFP.

*Level II – Review Criteria and Evaluation Process*

The second level review included evaluation of qualitative ratings. The qualitative evaluation ratings were based on the Consultant’s assessment of the responses. The evaluations included objective assessments of each Proposer’s responses.

Evaluation of written responses was based on the following categories and the weights associated with each factor.

<b>EVALUATION CRITERIA</b>	<b>POSSIBLE WEIGHT</b>
<p><b>Organizational Strength and Plan Sponsor Services</b></p> <p>Proposer demonstrated relevant background, contractual issues, firm experience, and regulatory and compliance with regards to providing health plans and health benefits to Retirees, Survivors, and Dependents.</p>	10
<p><b>Administration Support and Account Management</b></p> <p>Firm demonstrates strong delivery of health plan and benefits implementation; claims processing; billing and eligibility; plan sponsor services; call center administration; and systems and cybersecurity.</p>	15
<p><b>Member Quality of Care, Resources, and Services</b></p> <p>Proposer clearly discloses relevant services offered in enrollment; member call center services; customer service and Quality Control Grievances and Appeals; member advocacy and support services; quality measurement standards; online resources; wellness resources; condition management resources; and applicable/relevant miscellaneous services.</p>	15

<p><b>Access to Care/Network</b></p> <p>The evaluation of Access to Care/Network of each firm will be based upon the bidder's: Provider Groups/Network/Geographic Access; Emergency/Urgent Care Access &amp; Extended Hours. This evaluation will also consider cost on a qualitative basis, not necessarily on a quantitative basis.</p>	<p>30</p>
<p><b>Value of Cost and Plan Design</b></p> <p>The evaluation of the relative cost and value for each firm based upon its submission of the proposed fee schedule by premium costs and rate commitments; provider reimbursements and discounts; fee guarantee and/or fee caps; performance guarantees; and plan design adequacy. This evaluation will also consider cost on a qualitative basis, not necessarily on a quantitative basis. LACERS expects the cost proposal to include details of all costs associated with the scope of services contained in this RFP.</p>	<p>30</p>
<p><b>TOTAL POINTS</b></p>	<p><b>100</b></p>

*Level III – Selection of Finalists, Reference Checks, Site Visits, Interviews*

The third level review included evaluation based on the following criteria:

- Qualification and experience of the firm and the key personnel assigned to the project,
- Demonstrated understanding and ability to address LACERS' unique needs,
- Strength of client service orientation,
- Reasonableness of costs and value, and
- Positive contracting history.

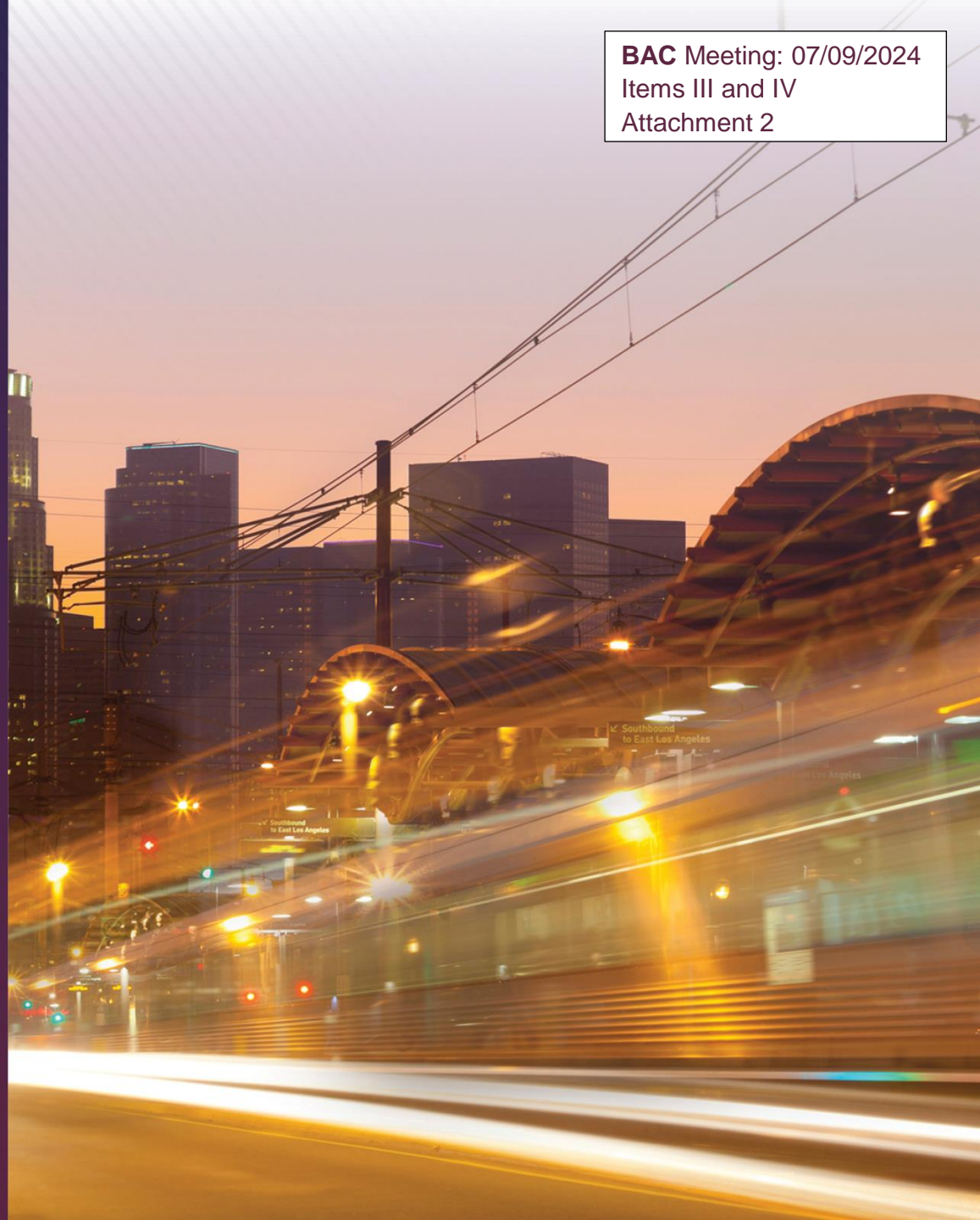
*Keenan*<sup>®</sup>

**BAC Meeting: 07/09/2024**  
Items III and IV  
Attachment 2

# LACERS 2025 Dental and Vision RFP Results

May 21, 2024

*Respectfully Submitted by:*  
*Bordan Darm, Lead Consultant*  
*Erin Robinson, Service Consultant*  
*James Takamatsu, Actuary*



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# Introduction

# Dental and Vision RFP Response

LACERS conducted an RFP for PPO dental, DHMO dental, and vision coverage for a January 1, 2025, effective date.

The following carriers provided proposals:

- Delta Dental (dental only)
- Ameritas (dental and vision)
- Anthem (dental and vision)
- United Concordia (dental only)
- CIGNA (dental and vision)
- MetLife (dental and vision)

All carriers were asked to duplicate the current plan design

Quotes were to be provided on a fully insured basis and/or self-funded

LACERS	Delta Dental	Ameritas	Anthem	CIGNA	MetLife	United Concordia
<b>Coverage: SF (self-funded), FI (fully-insured), BU (dental and vision quote offered bundled and unbundled)</b>						
Dental PPO	SF	SF / BU	SF	SF	SF	SF
Dental HMO	FI	n/a	FI	FI	FI	FI
Vision	n/a	SF / BU	SF / FI	SF / FI	SF (Superior Vision)	n/a

# Attachment A	Ameritas	Anthem	CIGNA	Delta	MetLife	United Concordia
A Intent to Bid	Yes	Yes	Yes	Yes	Yes	Yes
A Minimum Qualifications	Yes	Yes	Yes	Yes	Yes	Yes
A Sub-contractor Disclosure	Yes	Yes	Yes	Yes	Yes	Yes
A Value Propositions	Yes	Yes	Yes	Yes	Yes	Yes
A Public Agency References	Yes	Yes	Yes	Yes	Yes	Yes
# Attachment B						
B Network Analysis	Yes	Yes	Yes	Yes	Yes	Yes
B Network Analysis Summary	Yes	Yes	Yes	Yes	Yes	Yes
B Questionnaire	Yes	Yes	Yes	Yes	Yes	Yes
B Exception to RFP	Yes	Yes	Yes	Yes	Yes	Yes
B Exceptions to Scope of Services	Yes	Yes	Yes	Yes	Yes	Yes
B Exceptions to Plan Design	Yes	Yes	Yes	Yes	Yes	Yes
B Sample Reports	Yes	Yes	Yes	Yes	Yes	Yes
B Geo Access	Yes	Yes	Yes	Yes	Yes	Yes
B Request for Proposal Warranty/Affadavit	Yes	Yes	Yes	Yes	Yes	No
B Proposer Disclosure Form	Yes	Yes	Yes	Yes	Yes	No
B Bidder CEC Form 50 - Bidders Disclosure	Yes	Yes	Yes	Yes	Yes	No
B Bidder CEC Form 55 - Prohibited Contricutions	Yes	Yes	Yes	Yes	No	No
B Sexual Harassment Policy Disclosure Form	Yes	Yes	Yes	Yes	Yes	No

# Network Summary

# Dental PPO Member Disruption

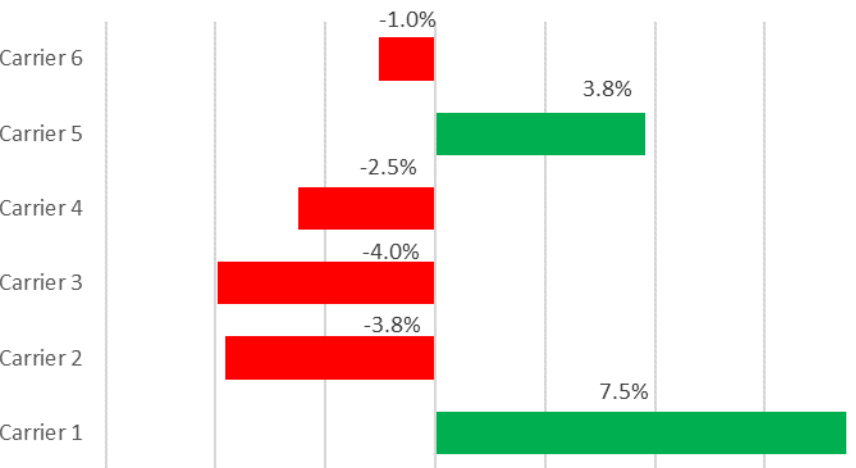
LACERS	DPPO Analysis	Delta Dental	Ameritas	Anthem	CIGNA	MetLife	United
Procedures	In-Network	115,573	82,614	84,598	90,580	89,566	84,826
	Out-of-Network	12,595	45,554	43,570	37,588	38,602	43,342
	Total	128,168	128,168	128,168	128,168	128,168	128,168
	% In-Network	90.2%	64.5%	66.0%	70.7%	69.9%	66.2%
Submitted Charges	In-Network	\$ 25,894,133	\$ 18,618,096	\$ 18,918,840	\$ 20,724,111	\$ 20,613,093	\$ 19,193,397
	Out-of-Network	\$ 3,320,812	\$ 10,596,849	\$ 10,296,105	\$ 8,490,834	\$ 8,601,852	\$ 10,021,548
	Total	\$ 29,214,945	\$ 29,214,945	\$ 29,214,945	\$ 29,214,945	\$ 29,214,945	\$ 29,214,945
	% In-Network	88.6%	63.7%	64.8%	70.9%	70.6%	65.7%
Providers	In-Network	6,618	4,697	6,003	5,268	5,162	6,050
	Out-of-Network	607	2,528	1,222	1,957	2,063	1,175
	Total	7,225	7,225	7,225	7,225	7,225	7,225
	% In-Network	91.6%	65.0%	83.1%	72.9%	71.4%	83.7%

- Keenan had proposers reprice 128,168 PPO procedures done by 7,225 PPO providers, totaling \$29,214,945 in PPO submitted charges (plan year 2023)
  - Delta Dental had the highest coverage for in-network procedures at 90.2%, the remaining carriers were between 64.5% and 70.7%
  - Delta Dental had the highest in-network provider coverage with 91.6%, the remaining carriers were between 65.0% and 83.7%
  - Delta Dental had the highest in-network coverage for submitted charges at 88.6%, the remaining carriers were between 63.7% and 70.9%.

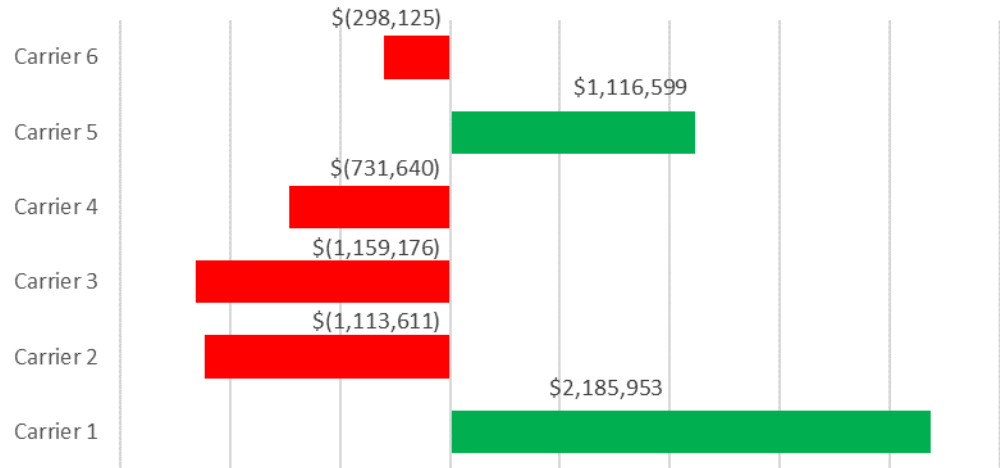


# Dental In-Network Discount

Percentage Discount Relativity



Network Savings Relativity



- The In-Network discount is confidential and proprietary to each carrier.
- To give LACERS a discount perspective, Keenan prepared exhibits which show the relativity of each carriers' percentage discount and dollar discount to the overall average for all competitors combined on an unidentified basis.

# Dental PPO and DHMO GeoAccess

GeoAccess Dental PPO	Ameritas	Anthem PPO	CIGNA PPO	Delta PPO	Delta Premier	MetLife PDP +	United Concordia PPO
Providers	453,055		111,888	91,280	123,961	113,107	106,574
Locations	69,454		70,164	63,197	84,434	73,216	75,709
2 Providers within 10 miles	97.8%	98.2%	98.5%	97.7%	98.0%	98.0%	98.5%
Retirees with Access	20,430	20,507	20,568	20,458	20,538	20,467	20,572
2 Providers within 5 miles	95.9%	96.4%	96.8%	95.7%	96.3%	96.0%	96.7%
Retirees with Access	20,023	20,131	20,216	20,054	20,174	20,044	20,202
2 Providers within 2 miles	89.6%	90.6%	92.8%	89.5%	90.6%	90.0%	92.7%
Retirees with Access	18,717	18,920	19,387	18,750	18,985	18,801	19,367
GeoAccess Dental HMO		Anthem DHMO	CIGNA DHMO		Delta DHMO	MetLife DHMO	United Concordia DHMO
Providers			9,251		19,870		514
Locations			9,109		11,579		546
2 Providers within 10 miles	Not provided	97.4%	93.2%	n/a	93.9%	Provided for NJ and NV only	93.3%
Retirees with Access		17,316	19,455		19,668		17,057
2 Providers within 5 miles		95.4%	90.0%		90.8%		83.9%
Retirees with Access		16,969	18,798		19,019		15,328
2 Providers within 2 miles		74.2%	76.9%		75.3%		45.1%
Retirees with Access		13,187	16,067		15,767		8,240

GeoAccess reports measure the number of in-network providers within a desired parameter. Keenan requested each carrier run the GeoAccess report based on 2 providers within 10 miles, 2 providers within 5 miles, and 2 providers within 2 miles of member’s zip codes. The study does not take into consideration member’s current providers.

- All carriers show good PPO GeoAccess coverage.
- With the exception of United Concordia, all carriers show good DHMO GeoAccess coverage.

# Vision GeoAccess

GeoAccess Vision Optometrists	Ameritas (EyeMed)	Ameritas (VSP)	Anthem	Cigna (EyeMed)	MetLife
Providers	34,620	28,803	35,633	46,047	26,430
Locations	25,342	24,772	n/a	31,822	8,402
2 Providers within 10 miles	95.3%	96.1%	95.4%	97.2%	93.5%
Retirees with Access	10,317	10,402	10,321	20,303	8,642
2 Providers within 5 miles	90.9%	91.9%	91.5%	94.3%	86.0%
Retirees with Access	9,842	9,945	9,903	19,694	7,950
2 Providers within 2 miles	72.9%	73.8%	74.5%	78.5%	54.3%
Retirees with Access	7,890	7,984	8,063	16,390	5,017

GeoAccess reports measure the number of in-network providers within a desired parameter. Keenan requested each carrier run the GeoAccess report based on 2 providers within 10 miles, 2 providers within 5 miles, and 2 providers within 2 miles of member's zip codes. The study does not take into consideration member's current providers.

- Ameritas, Anthem, and Cigna show good Vision GeoAccess coverage
- MetLife has the lowest coverage



# Cost Ranking

# Cost Summary – Dental PPO, Dental HMO, and Vision

- Several carriers requested their data be kept proprietary and confidential.
- Keenan has provided unidentified Carrier Cost Ranking:
  - LACERS has ranked the cost of administration, projected claim cost, and total cost (administration cost + projected claim cost) for the self-funded coverage.
  - The DHMO is fully-insured and only shows total cost ranking.
- Cost ranking shows the most favored carrier results ranked as 1.

Dental PPO Cost Ranking	PPO ASO Fee	PPO Claim Cost	PPO Total Cost
Carrier 1	6	1	1
Carrier 2	3	5	6
Carrier 3	1	6	5
Carrier 4	2	4	3
Carrier 5	4	2	2
Carrier 6	5	3	4
Dental HMO Cost Ranking			DHMO Total Cost
Carrier 1			4
Carrier 2			5
Carrier 3			1
Carrier 4			3
Carrier 5			2
Vision Cost Ranking	PPO ASO Fee	PPO Claim Cost	PPO Total Cost
Carrier 1	2	4	3
Carrier 2	4	3	4
Carrier 3	3	2	2
Carrier 4	1	1	1

# Cost Summary – Rate Guarantees

- The following chart shows each Rate/Fee guarantees of each carrier

Rate Guarantee	Delta Dental	Ameritas	Anthem	Cigna	Metlife	United Concordia
Dental PPO	3 years 1/1/2025 - 12/31/2027 Rate Cap @ 5% 2028/2029	3 years 1/1/2025 - 12/31/2027	3 years 1/1/2025 - 12/31/2027	3 years 1/1/2025 - 12/31/2027 Rate Cap @ 4% 2028/2029	5 years 1/1/2025 - 12/31/2029	3 years 1/1/2025 - 12/31/2027
Dental DHMO	5 years 1/1/2025 - 12/31/2029 Rate Cap @ 5% 2028/2029		3 years 1/1/2025 - 12/31/2027	3 years 1/1/2025 - 12/31/2027	5 years 1/1/2025 - 12/31/2029 Rate Cap @ 4% 2028/2029	3 years 1/1/2025 - 12/31/2027
Vision		3 years 1/1/2025 - 12/31/2027	4 years 1/1/2025 - 12/31/2028	3 years 1/1/2025 - 12/31/2028	3 years 1/1/2025 - 12/31/2027	

# Plan Design Summary

# Dental PPO Plan Design

LACERS Dental DPPO	Delta Dental		Ameritas		Anthem		Cigna		Metlife		United Concordia	
General Plan Information	In	Out	In	Out	In	Out	In	Out	In	Out	In	Out
Annual Deductible (Individual)	\$25	\$25	\$25	\$25	\$25	\$25	\$25	\$25	\$25	\$25	\$25	\$25
Annual Deductible (Family)	\$75	\$75	\$75	\$75	\$75	\$75	\$75	\$75	\$75	\$75	\$75	\$75
Annual Plan Maximum	\$2,500	\$1,750	\$2,500	\$1,750	\$2,500	\$1,750	\$2,500	\$1,750	\$2,500	\$1,750	\$2,500	\$1,750
Waiting Period	None		None		None		None		None		None	
Out-of-Network Reimbursement	90th% UCR		90th% UCR		90th% UCR		90th% UCR		90th% UCR		90th% UCR	
<b>Class I: Diagnostic &amp; Preventive</b>												
Diagnostic Services	No charge	80%	No charge	80%	No charge	80%	No charge	80%	No charge	80%	No charge	80%
Sealants	No charge	80%	No charge	80%	No charge	80%	No charge	80%	No charge	80%	No charge	80%
<b>Class II: Basic</b>												
Basic Services	80%	70%	80%	70%	80%	70%	80%	70%	80%	70%	80%	70%
Endodontic Treatment	80%	70%	80%	70%	80%	70%	80%	70%	80%	70%	80%	70%
Periodontic Treatment	80%	70%	80%	70%	80%	70%	80%	70%	80%	70%	80%	70%
<b>Class III: Major</b>												
Major Services	50%	50%	50%	50%	50%	50%	50%	50%	50%	50%	50%	50%
Prosthodontics	50%	50%	50%	50%	50%	50%	50%	50%	50%	50%	50%	50%
Implants	50%	50%	50%	50%	50%	50%	50%	50%	50%	50%	50%	50%
<b>Class IV: Orthodontia</b>												
Lifetime Maximum	\$1,500	\$1,500	\$1,500	\$1,500	\$1,500	\$1,500	\$1,500	\$1,500	\$1,500	\$1,500	\$1,500	\$1,500
Orthodontia (Child)	50%	50%	50%	50%	50%	50%	50%	50%	50%	50%	50%	50%
Orthodontia (Adult)	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%



# Dental HMO Plan Design

LACERS Dental DHMO		Delta Dental	Anthem	Cigna	MetLife	United Concordia
<b>Diagnostic &amp; Preventive</b>						
D0150	Comprehensive oral evaluation	\$0	\$0	\$0	\$0	\$0
D1510	Space maintainers	\$10	\$0	n/a	\$0	\$21
<b>Restorative Services</b>						
D2392	Composite filling (two surfaces, posterior)	\$55	\$10	n/a	n/a	\$109
<b>Endodontics</b>						
D3220	Therapeutic pulpotomy	\$0	\$0	n/a	\$0	\$9
D3310	Root canal therapy - Anterior	\$45	\$0	n/a	\$20	\$40
D3320	Root canal therapy - Bicuspid	\$90	\$35		\$20	\$60
D3330	Root canal therapy - Molar	\$205	\$75	\$335	\$20	\$95
<b>Periodontics</b>						
D4210	Gingivectomy (per quadrant)	\$80	\$10	n/a	\$25	\$20
D4260	Osseous surgery	\$175	\$95	n/a	\$25	\$50
D4341	Scaling and root planing (per quadrant)	\$0	\$0	\$83	\$0	\$15
<b>Prosthodontics</b>						
D5110	Complete (upper)	\$100	\$65	n/a	\$50	\$150
D5130	Immediate (upper)	\$120	\$75	n/a	\$50	\$165
<b>Implant Services</b>						
D6010	Surgical placement of implant body	Not covered	Optional Rider (\$850)	n/a	n/a	n/a
D6040	Surgical placement of epostal implant	Not covered	Optional Rider (\$850)	n/a	n/a	n/a
<b>Crown and Bridge</b>						
D6740	Crown - Porcelain/ceramic substrate	\$195	\$85	n/a	n/a	\$130
D6750	Crown - Porcelain fused to high noble metal	\$195	\$75	\$320	\$75	\$110
D6790	Crown - Full cast high noble metal	\$170	\$55	n/a	\$40	\$100
<b>Oral Surgery</b>						
D7220	Extractions (impacted tooth; soft tissue)	\$25	\$0	\$12	\$15	\$20
D7230	Extractions (impacted tooth; partial bony)	\$50	\$10	n/a	\$15	\$25
D7240	Extractions (impacted tooth; full bony)	\$70	\$20	\$115	\$15	\$30
<b>Orthodontics - Comprehensive</b>						
D8070	Children	\$1,700	\$1,695	n/a	\$1,000	\$1,500
D8090	Adults	\$1,900	\$1,895	n/a	\$1,350	\$2,000

# Vision Plan Design

Vision Plan Design	Anthem		Ameritas		Ameritas		Cigna		Superior Vision (MetLife)	
	In Network	Non-Network	In Network (EyeMed)	Non-Network	In Network (VSP)	Non-Network	In Network	Non-Network	In Network	Non-Network
<b>Copay</b>										
Examination	\$20 Copay	Up to \$49	\$20 Copay	Up to \$49	\$20 Copay	Up to \$49	\$20 Copay	Up to \$49	\$20 Copay	Up to \$49
Retinal Screening	Up to \$39	Not covered	n/a	n/a	n/a	n/a	Up to \$39	Not covered	Up to \$39	Not covered
<b>Benefit Frequency</b>										
Examination	12 months	12 months	12 months	12 months	12 months	12 months	12 months	12 months	12 months	12 months
Lenses	12 months	12 months	12 months	12 months	12 months	12 months	12 months	12 months	12 months	12 months
Contacts	12 months	12 months	12 months	12 months	12 months	12 months	12 months	12 months	12 months	12 months
Frames	24 months	24 months	24 months	24 months	24 months	24 months	24 months	24 months	24 months	24 months
<b>Lenses</b>										
Single Vision Lens	Covered in full	Up to \$45	Covered in full	Up to \$45	Covered in full	Up to \$45	Covered in full	Up to \$45	Covered in full	Up to \$45
Bifocal Lens	Covered in full	Up to \$65	Covered in full	Up to \$65	Covered in full	Up to \$65	Covered in full	Up to \$65	Covered in full	Up to \$65
Trifocal Lens	Covered in full	Up to \$85	Covered in full	Up to \$85	Covered in full	Up to \$85	Covered in full	Up to \$85	Covered in full	Up to \$85
Lenticular Lens	Covered in full	Up to \$125	Covered in full	Up to \$125	Covered in full	Up to \$125	Covered in full	Up to \$125	Covered in full	Up to \$125
Progressive - Standard	Up to \$30	Up to \$85	Varies by lens	Not covered	Covered at lined bifocal allowance	Covered at lined bifocal allowance	Up to \$65	Up to \$85	Covered at lined trifocal allowance	Up to \$85
<b>Contact Lenses</b>										
Fit-and-Follow-Up - Standard	Covered in full	n/a	Up to \$40	Not covered	Up to \$60	Not covered	Covered in full	Not covered	Covered in full	Not covered
Fit-and-Follow-Up - Premium	10% off retail; Up to \$50 allowance	n/a	10% off retail	Not covered	n/a	Not covered	n/a	n/a	\$50 retail allowance	Not covered
Medically Necessary	Covered in full	Up to \$210	Covered in full	Up to \$210	Covered in full	Up to \$210	Covered in full	Up to \$210	Covered in full	Up to \$210
Contacts - Conventional	\$120 Allowance; 15% off over allowance	Up to \$105	\$120 Allowance; 15% off over allowance	Up to \$105	\$120 Allowance; 20% off over allowance	Up to \$105	\$120 Allowance	Up to \$105	\$120 Allowance; 20% off over allowance	Up to \$105
Contacts - Disposable	\$120 Allowance	Up to \$105	\$120 Allowance; 15% off over allowance	Up to \$105	\$120 Allowance; 20% off over allowance	Up to \$105	\$120 Allowance	Up to \$105	\$120 Allowance; 10% off over allowance	Up to \$105
<b>Frames</b>										
	\$150 allowance; 20% off over allowance	Up to \$70	\$150 allowance; 20% off over allowance	Up to \$70	\$150 allowance; 20% off over allowance	Up to \$70	\$150 allowance; 20% off over allowance	Up to \$70	\$150 allowance; 30% off over allowance	Up to \$70

# Questionnaire Summary



# Questionnaire Evaluation

- The Questionnaire asked each carrier to respond to over 150 questions.
- Keenan provided due diligence review of the carriers through analysis of the 150 question responses.
- It was determined that all proposing carriers met the minimum requirement for carrier consideration.
- The analysis provided insight to areas that needed questioning in the interview process and areas to address in the contract negotiation process.

# Performance Guarantees Summary

# Dental Performance Guarantees

Performance Guarantees	Ameritas	Anthem	CIGNA	Delta Dental	MetLife	United Concordia
Implementation	\$15,000	\$20,000	\$22,000 PPO \$4,750 DHMO	Incumbent	\$0	\$25,000
Ongoing	\$30,000	\$95,000	\$44,000 PPO \$5,250 DHMO	16% of Administration fee at risk	15% of Admin. PDP \$87,612, 2% premium DHMO \$14,882	25% of Administration fee at risk
<b>Total - Year 1</b>	<b>\$45,000</b>	<b>\$115,000</b>	<b>\$76,000</b>	<b>\$139,360</b>	<b>\$102,494</b>	<b>\$147,964</b>
<b>Total - Year 2+</b>	<b>\$30,000</b>	<b>\$95,000</b>	<b>\$49,250</b>	<b>\$139,360</b>	<b>\$102,494</b>	<b>\$122,964</b>
<b>Additional Incentives</b>						
PPO Recruitment	\$10,000	\$20,000	\$250,000 OON Outreach, \$250,000 OON Additions			
Wellness	\$15,000	\$10,000				
Network Savings / Utilization Guarantee		12%				

All six (6) respondents to the RFP provided Performance Guarantees in the following areas:

- Implementation,
- Carrier Performance, and
- Network Coverage

As part of LACERS *Well* program, LACERS will continue to negotiate the Performance Guarantees with each carriers.



# Thank You!



# 2024 Vision Plan RFP Evaluation Summary

July 9, 2024



# Scoring Criteria

Organizational Strength & Plan Sponsor Services	Administration Support & Account Management	Member Quality of Care, Resources, & Services	Access to Care/Network	Value of Cost & Plan Design
<p><b>10 pts</b> - Proposer demonstrated relevant background, contractual issues, firm experience, and regulatory and compliance with regards to providing health plans and health benefits to Retirees, Survivors, and Dependents.</p>	<p><b>15 pts</b> - Firm demonstrates strong delivery of health plan and benefits implementation; claims processing; billing and eligibility; plan sponsor services; call center administration; and systems and cybersecurity.</p>	<p><b>15 pts</b> - Proposer clearly discloses relevant services offered in enrollment; member call center services; customer service and Quality Control Grievances and Appeals; member advocacy and support services; quality measurement standards; online resources; wellness resources; condition management resources; and applicable/relevant miscellaneous services.</p>	<p><b>30 pts</b> - The evaluation of Access to Care/Network of each firm will be based upon the bidder's: Provider Groups/Network/ Geographic Access; Emergency/Urgent Care Access &amp; Extended Hours. This evaluation will also consider cost on a qualitative basis, not necessarily on a quantitative basis.</p>	<p><b>30 pts</b> - The evaluation of the relative cost and value for each firm based upon its submission of the proposed fee schedule by premium costs and rate commitments; provider reimbursements and discounts; fee guarantee and/or fee caps; performance guarantees; and plan design adequacy. This evaluation will also consider cost on a qualitative basis, not necessarily on a quantitative basis. LACERS expects the cost proposal to include details of all costs associated with the scope of services contained in this RFP</p>

# Vision Carrier Ranking

Maximum 100 points

4 Carriers

Ranking based on points:

1. Anthem
2. Cigna
3. Ameritas
4. Metlife

Rank 1 = Highest score

	Strength & Services	Support & Management	Quality	Access	Value	Overall
Ameritas	3	3	2	3	4	4
Anthem	1	1	1	1	1	1
Cigna	2	2	3	2	3	2
MetLife	4	4	4	4	2	3

# Proposal Analysis: Ameritas (EyeMed network)

GeoAccess	Cost – Self-Funded	Cost – Fully Insured	Plan Design
<ul style="list-style-type: none"> <li>Utilizing the EyeMed network, Ameritas’ number of providers ranked in the middle among the proposals.</li> <li>They had the second-best number of locations.</li> </ul>	<ul style="list-style-type: none"> <li>3-year rate guarantee</li> <li>Ameritas provided bundled and unbundled pricing.</li> <li>Generally, their costs were highest.</li> </ul>	<ul style="list-style-type: none"> <li>3-year rate guarantee</li> <li>They were mid-rank in costs except for their rates for the family plan, which were the lowest cost.</li> </ul>	<p>Plan design differences:</p> <p><i>In- &amp; non-network</i></p> <ul style="list-style-type: none"> <li>Copay for retinal screening</li> <li>Lenses – Progressive</li> </ul> <p><i>In-network</i></p> <ul style="list-style-type: none"> <li>Contact Lenses</li> </ul> <p>Costco is not in-network but can be by dual choice with their VSP plan.</p> <ul style="list-style-type: none"> <li>\$5,000 annual contribution for Wellness program and survey combined.</li> <li>Contribution is the lowest but is independent of rates.</li> <li>Can provide onsite support at wellness fairs.</li> </ul>



# Proposal Analysis: Ameritas (VSP network)

GeoAccess	Cost – Self-Funded	Cost – Fully Insured	Plan Design
<ul style="list-style-type: none"> <li>• Their VSP network proposal has 5,817 less providers than their EyeMed proposal.</li> <li>• The percentages of accessing 2 providers within 5 and 10 miles are second to Cigna’s.</li> </ul>	<ul style="list-style-type: none"> <li>• 3-year rate guarantee</li> <li>• Ameritas provided bundled and unbundled pricing.</li> <li>• Generally, their costs were highest.</li> </ul>	<ul style="list-style-type: none"> <li>• 3-year rate guarantee</li> <li>• They were mid-rank in costs except for their rates for the family plan, which were the lowest cost.</li> </ul>	<p>Plan design differences:</p> <p><i>In- &amp; non-network</i></p> <ul style="list-style-type: none"> <li>• Copay for retinal screening</li> <li>• Lenses – Progressive</li> </ul> <p><i>In-network</i></p> <ul style="list-style-type: none"> <li>• Contact Lenses</li> </ul> <p>Costco is in-network.</p> <ul style="list-style-type: none"> <li>• \$5,000 annual contribution for Wellness program and survey combined.</li> <li>• Contribution is the lowest annual but is independent of rates.</li> <li>• Can provide onsite support at wellness fairs.</li> </ul>

# Proposal Analysis: Anthem (EyeMed network)

GeoAccess	Cost – Self-Funded	Cost – Fully Insured	Plan Design
<ul style="list-style-type: none"> <li>Anthem’s providers were second-highest at 25,633. However, they did not provide information for locations.</li> <li>The percentage of access to 2 providers within 2 miles is second to Cigna’s.</li> </ul>	<ul style="list-style-type: none"> <li>4-year rate guarantee</li> <li>Their administrative fee was second-to-lowest.</li> <li>The funding levels was mid-rank among the proposals.</li> </ul>	<ul style="list-style-type: none"> <li>3-year rate guarantee</li> <li>Anthem generally had the lowest cost.</li> </ul>	<p>Plan design differences:</p> <p><i>In-network</i></p> <ul style="list-style-type: none"> <li>Lenses – Progressive</li> <li>Contact Lenses</li> </ul> <p>Costco can be added to the network, but most Costco locations do not have a provider who would be considered in-network for the vision exam.</p> <ul style="list-style-type: none"> <li>\$10,000 coordinated for both medical and vision plans. This amount is not separate or additional to their dental PPO and HMO proposal.</li> <li>Anthem will continue to cosponsor and participate in LACERS Well events.</li> </ul>

# Proposal Analysis: Cigna (EyeMed network)

GeoAccess	Cost – Self-Funded	Cost – Fully Insured	Plan Design
<ul style="list-style-type: none"> <li>Cigna, utilizing the EyeMed network, has the highest number of providers and locations.</li> <li>The number of subscribers who would have access to 2 providers within 2, 5, and 10 miles were the highest.</li> </ul>	<ul style="list-style-type: none"> <li>3-year rate guarantee</li> <li>The cost of their administrative fee was mid-rank to others.</li> <li>Cigna’s funding levels were second-to-lowest.</li> </ul>	<ul style="list-style-type: none"> <li>3-year rate guarantee</li> <li>Cigna had the highest costs.</li> </ul>	<p>Plan design differences: <i>In-network</i></p> <ul style="list-style-type: none"> <li>Lenses – Progressive</li> <li>Contact Lenses</li> </ul> <p>Costco is in-network.</p> <ul style="list-style-type: none"> <li>\$20,000 proposed annual contribution that is not separate from their dental PPO and HMO proposal.</li> <li>Cigna is willing to cosponsor events with no conditions.</li> <li>It is part of the rate load.</li> <li>Cigna did not state Wellness campaigns.</li> </ul>

# Proposal Analysis: MetLife (Superior Vision network)

GeoAccess	Cost – Self-Funded	Cost – Fully Insured	Plan Design
<ul style="list-style-type: none"> <li>Generally, MetLife’s proposal had the lowest coverage of providers, locations, and subscriber’s access to 2 providers within 2, 5, and 10 miles.</li> </ul>	<ul style="list-style-type: none"> <li>3-year rate guarantee</li> <li>Their rate structure and funding levels were the lowest costs.</li> </ul>	<ul style="list-style-type: none"> <li>N/A</li> </ul>	<p>Plan design differences: <i>In- &amp; non-network</i></p> <ul style="list-style-type: none"> <li>Lenses – Progressive</li> <li>Contact Lenses</li> <li>Frames</li> </ul> <p>Costco is in-network.</p> <ul style="list-style-type: none"> <li>One-time \$5,000 contribution. Is part of rate load. Not separate from the stated contribution for their Dental PPO and HMO proposal.</li> <li>Co-sponsoring is subject to their review and negotiation.</li> <li>MetLife would provide a platform to integrate and build LACERS Well.</li> </ul>

FINAL VISION CARRIERS FOR  
LACERS VISION PLANS  
FOR PLAN YEAR 2025

PROPOSED RESOLUTION

WHEREAS, the Los Angeles Administrative Code establishes that Los Angeles City Employees' Retirement System (LACERS) provide health and welfare programs for retired employees and their eligible dependents;

WHEREAS, on March 5, 2024, LACERS issued a Request for Proposal (RFP) for vision plans;

WHEREAS, on July 9, 2024, the Benefits Administration Committee considered a staff report on recommended finalist to the RFP;

WHEREAS, on July 9, 2024, the Benefits Administration Committee approved forwarding a recommendation to the Board to continue with the current vision plan carrier;

WHEREAS, on July 9, 2024, the Benefits Administration Committee approved forwarding to the Board a recommendation to contract with Anthem for vision coverage of LACERS eligible retirees, survivors, and their eligible dependents;

NOW, THEREFORE, BE IT RESOLVED, that the Board of Administration hereby approves the 2025 vision carrier and authorizes the General Manager to negotiate and execute these contracts, subject to City Attorney review:

Anthem



**REPORT TO BOARD OF ADMINISTRATION**

**From: Neil M. Guglielmo, General Manager**

*Neil M. Guglielmo*

**MEETING: JULY 9, 2024**

**ITEM: VII – B**

**SUBJECT: TRAVEL AUTHORITY – ELLEN CHEN, INVESTMENT OFFICER III; PRINCIPLES FOR RESPONSIBLE INVESTMENT (PRI) INTERNATIONAL CONFERENCE, TORONTO, CANADA; OCTOBER 7-11, 2024; AND POSSIBLE BOARD ACTION**

ACTION:  CLOSED:  CONSENT:  RECEIVE & FILE:

**Recommendation**

That the Board:

1. Authorize Ellen Chen, Director of Private Markets and ESG Risk Officer, Investment Officer III, to attend the Principles for Responsible Investment (PRI) in Person International Conference on October 8-10, 2024 (travel dates October 7-11) in Toronto, Canada.
2. Authorize the reimbursement of up to an estimated \$6,500 for reasonable expenses in connection with the conference.

**Executive Summary**

The PRI in Person 2024 conference will be held in Toronto, Canada from October 8-10. Staff attendance at this conference will affirm LACERS' commitment to PRI and strengthen networking with fellow signatories to exchange ideas and best practices. Pursuant to the Board Education and Travel Policy, Board approval is required for international travel. Staff and NEPC, LLC, LACERS' ESG Consultant, recommend that LACERS attend this conference (Attachment 1).

**Discussion**

LACERS became a PRI signatory in September of 2019 after the Board received and considered several educational presentations from ESG experts and practitioners. Becoming a signatory was an important step in developing LACERS' ESG Program, which has been designed to address material ESG risk factors that might otherwise be overlooked when evaluating investment approaches and strategies. Understanding and recognizing such risk factors should lead to better investment decision making and enhance long-term risk adjusted portfolio performance. LACERS' ESG Program is currently managed according to several guideline documents including the Responsible Investment Policy and ESG Risk Framework, both of which incorporate the PRI principles.

PRI signatories have an opportunity each year to convene at PRI's annual global conference to receive education on ESG integration and implementation, participate in discussions of ESG issues and proposed initiatives, be apprised of recent developments with the evolving PRI reporting framework, and network with fellow signatories to exchange ideas and best practices. LACERS' last in person attendance at PRI in Person was in 2023 at Tokyo, Japan.

The PRI in Person 2024 agenda (<https://pip2024.unpri.org/toronto/agenda/?VID=1557&EVID=7899>) include relevant topics like:

- Achieving a “just transition” in emerging markets and carbon intensive economies.
- Geopolitics, instability and the impact on ESG.
- What's stopping progress? Overcoming barriers to responsible investment.

Staff have joined the PRI in Person Signatory Advisory Forum to ensure that topics relevant to LACERS will be considered at the 2024 conference. Staff's proposed agenda topics may include, but are not limited to, a discussion on how signatories might navigate stakeholder misunderstandings and concerns about incorporating ESG risk factors in the investment process, and specific breakout sessions according to the maturity of signatories' ESG programs so that peers may congregate and share best practices. As an additional benefit of being an Advisory Forum member, LACERS staff may attend the PRI in Person Conference at a 25% discount, saving LACERS \$431. LACERS would still be required to cover the remaining registration fee and other costs associated with travel and lodging not to exceed an estimated total of \$6,500 (Attachment 2).

Given the importance of evaluating ESG risk factors in LACERS' Investment Program, staff believes it is important to attend PRI in Person in order to stay abreast of the issues confronting signatories. Such information will assist LACERS refine its ESG Program and help poise its multi-billion dollar investment program to be relevant and ESG risk-aware into the future. Staff and NEPC, LLC, LACERS' ESG Consultant, recommend that LACERS attend this conference.

Pursuant to the Board Education and Travel Policy, Board approval is necessary for this international travel to Toronto, Canada. Upon return from the PRI in Person Conference, the attending staff will be prepared to submit a conference report and present to the Board the conference findings and takeaway benefits.

In order to best benefit LACERS, Ellen Chen, Director of Private Markets and ESG Risk Officer and Investment Officer III, has been designated to represent LACERS at the conference. Ellen is co-architect of the ESG Risk Framework and co-author of the Responsible Investment Policy and attends ESG related meetings with like-minded investors. Each year, she reviews and updates the ESG Risk Framework and PRI Action Plan and prepares LACERS' obligatory PRI Reporting Framework.

## **Strategic Plan Impact Statement**

This request to attend the annual PRI in Person International Conference, which requires international travel, conforms to the LACERS Strategic Plan Board Governance Goal of upholding good governance practices which affirm transparency, accountability, and fiduciary duty (Goal V).

Prepared By: Ellen Chen, Director of Private Markets and ESG Risk Officer, Investment Officer III, Investment Division

NMG/RJ/WL/EC:rm

Attachments:       1. Consultant Recommendation – NEPC, LLC  
                          2. Estimate of Reimbursable Expenses  
                          3. Proposed Resolution





**To: Ellen Chen**

**From: NEPC, LLC**

**Date: June 26, 2024**

**Subject: PRI Conference Attendance**

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### **Recommendation**

NEPC supports LACERS attendance in person at the 'PRI in Person 2024' event scheduled to be held in Toronto, Canada on October 8<sup>th</sup> to 10<sup>th</sup>.

### **Background**

As a signatory to the Principles for Responsible Investment, NEPC believes that LACERS will benefit from this knowledge sharing event in context of its long-term goals in executing on its ESG-related activities and policies. We have reviewed the agenda for this event and believe that there are several sessions that will be beneficial for LACERS. The conference is likely to be an avenue to expand LACERS knowledge on the latest developments, prevailing and best practices within the field of ESG risk and meet with peers.

This event is typically the largest gathering focused on ESG and responsible investing held each year and it should provide a networking opportunity to meet with industry leaders and other PRI signatories. PRI signatories include asset owners similar to LACERS, investment managers and other service providers. PRI is predicting over 2,000 delegates will be in attendance at their Toronto conference.

**CITY OF LOS ANGELES**  
**Intra-Departmental Correspondence**

DATE: July 9, 2024  
TO: Accounting Section, LACERS  
FROM: Amy Petrique, Executive Administrative Assistant II  
SUBJECT: ESTIMATE OF REIMBURSABLE EXPENSES

Name of Attendee Title	Ellen Chen Director of Private Markets and ESG Risk Officer, Investment Officer III	
Event	Principles for Responsible Investment (PRI) in Person International Conference	
Organization	Principles for Responsible Investment (PRI)	
Date(s) of Event	October 8-10 (Travel Dates October 7-11, 2024)	
Location of Event	Toronto, Canada	
<b>ESTIMATED EXPENSES:</b>		
	PRI in Person Registration (with the 25% discount for Signatory Advisory Forum members)	\$1,294
	Airfare (RT) LAX/YYZ (Toronto, Canada)	\$1,100
	Hotel: \$570.00/ Night x 5 (USD Conversion)	\$2,850
	Miscellaneous: (\$30 per day) x 5 days	\$150
	State Department Per diem (\$141/day) 5 days (October 7-11)	\$705
	Taxi Estimates	\$401
	<b>TOTAL ESTIMATE:</b>	<b>\$6,500</b>

TRAVEL AUTHORITY  
ATTENDANCE TO PRINCIPLES FOR RESPONSIBLE INVESTMENT (PRI)  
INTERNATIONAL CONFERENCE  
OCTOBER 8-10, 2024  
TORONTO, CANADA

PROPOSED RESOLUTION

WHEREAS, Board approval is required for all international travel requests; and,

WHEREAS, the attendance to Principles for Responsible Investment (PRI) in Person International Conference requires international travel to Toronto, Canada, and therefore requires approval; and,

WHEREAS, the request to attend the conference conforms to the LACERS Strategic Plan Board Governance Goal of upholding good governance practices which affirm transparency, accountability, and fiduciary duty.

NOW, THEREFORE, BE IT RESOLVED, that Ellen Chen, Director of Private Market and ESG Risk Officer, Investment Officer III is hereby authorized to travel to Toronto, Canada to attend the PRI in Person International Conference, on October 8-10, 2024 (travel dates October 7-11, 2024).

BE IT FURTHER RESOLVED, that the reimbursement of up to \$6,500 for Ellen Chen, Director of Private Markets and ESG Risk Officer, Investment Officer III is hereby authorized for reasonable expenses in connection with participation and will be applied to the 2024-25 Fiscal Year budget.

July 9, 2024



**REPORT TO BOARD OF ADMINISTRATION**

**From: Investment Committee**  
Elizabeth Lee, Chair  
Annie Chao  
Gaylord "Rusty" Roten

**MEETING: JULY 9, 2024**  
**ITEM: VII - C**

**SUBJECT: INVESTMENT GOVERNANCE AND REVIEW PROCESSES, PROPOSED POLICY AND POSSIBLE BOARD ACTION**

ACTION:  CLOSED:  CONSENT:  RECEIVE & FILE:

**Recommendation**

That the Board adopt revisions to the Manager Search and Selection Policy (MSSP) and the Investment Committee Charter (Charter).

**Executive Summary**

On June 11, 2024, the Investment Committee approved proposed changes to the MSSP and Charter for Board adoption. These changes will streamline oversight of the Investment Program, making the process more efficient in terms of time and impact.

**Discussion**

*Background*

The Committee met on November 14, 2023 and January 9, 2024, and considered staff recommendations as presented in a written report and verbal discussion. On June 11, 2024, the Committee further discussed the changes and subsequently adopted the recommendations proposed by Staff with minor edits.

This report incorporates updates to the MSSP to enhance efficiency in the manager selection process. Staff reviewed the existing MSSP and Charter and identified areas of improvement in line with the Committee's directive as outlined in the attachments. The Committee indicated a preference to make changes in the Public Market Investment Manager Search process including the delegation of investment manager candidate interviews to staff and consultant where the exchange of deep and sometimes proprietary information is best conducted as a part of routine manager selection due diligence.

During the meeting on June 11, 2024, the Committee requested that the processes for public active and passive mandates be further separated to allow staff greater discretion in reviewing public passive mandates.

**Strategic Plan Impact Statement**

Consideration and evaluating the Committee's review of existing Investment Program policies and practices aligns with the Strategic Plan Goal to uphold good governance practices that affirm transparency, accountability, and fiduciary duty (Goal V).

Prepared By: James Wang, Investment Officer I, Investment Division

NMG/RJ/WL/EC/JW:jp

- Attachments:
1. Investment Committee Recommendation Report dated June 11, 2024
  2. Manager Search and Selection Policy (Clean)
  3. Manager Search and Selection Policy (Redlined)
  4. Investment Committee Charter (Clean)
  5. Investment Committee Charter (Redlined)



**LACERS**  
LA CITY EMPLOYEES'  
RETIREMENT SYSTEM



**REPORT TO INVESTMENT COMMITTEE**  
**From: Neil M. Guglielmo, General Manager**

**MEETING: JUNE 11, 2024**  
**ITEM: V**

*Neil M. Guglielmo*

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**SUBJECT: CONTINUED DISCUSSION OF INVESTMENT GOVERNANCE AND REVIEW PROCESSES, PROPOSED POLICY AND POSSIBLE COMMITTEE ACTION**

ACTION:  CLOSED:  CONSENT:  RECEIVE & FILE:

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### **Recommendation**

That the Committee review the existing Manager Search and Selection Policy (MSSP) and the Investment Committee Charter (Charter) to review processes and consider the proposed changes to recommend to the Board.

### **Executive Summary**

During the January 9, 2024 Investment Committee meeting, the committee tasked staff with revising and enhancing the existing process for selecting managers. The proposed changes to the MSSP and Charter will streamline oversight of the Investment Program, making the process more efficient in terms of time and impact.

### **Discussion**

#### *Background*

The Committee met on November 14, 2023 and January 9, 2024, and considered staff recommendations as presented in a written report and verbal discussion. This follow-up report incorporates revisions to the existing Investment Program governance practices and processes to determine alternative approaches and processes that could lead to a more time-efficient and impact-effective oversight of the Investment Program particularly as it relates to the Committee's time commitment to the investment governance and review processes within their jurisdiction.

On January 9, 2024, the Committee requested an update to the MSSP to enhance efficiency in the manager selection process. Staff reviewed the existing MSSP and Charter and has identified areas of improvement in line with the Committee's directive as outlined in the attachments. The Committee indicated a preference to make changes in the Public Market Investment Manager Search process including the delegation of investment manager candidate interviews to staff and consultant where the exchange of deep and sometimes proprietary information is best conducted as a part of routine manager selection due diligence.

An example of a delegated authority, which is typically included in a Board report when staff requests approval of an RFP, is provided below.

*Example of a Delegated Authority Manager Selection Process – Public Markets*

Step	Responsibility	Activity	Approximate Timing
1	Board	Board approves the Request for Proposal, Announcement, Evaluation Criteria, Timeline. (Responsibilities of Committee and Staff will be codified in a revised selection policy.)	Time 0
2	Investment Committee	Receives a notification report of the proposals received; firms that met the minimum qualifications; and firms that have advanced to semi-finalist firm status along with staff/consultant initial analysis.	Up to 2 months later
	Staff/Consultant	Conducts due diligence of semi-finalists; determines finalists proposed for contract.	
3	Investment Committee	Receives a notification and analysis report of the finalist firms recommended by staff for contract.	Up to 2 months later
4	Board	Board approves staff recommendations of finalist firms proposed for contracting.	Up to 1 month later
	Staff	Staff proceeds with contracting with finalist firm(s) within scope of delegated authority criteria. Contracting terms and conditions outside of delegated authority are considered and approved by Board.	
		DURATION OF RFP SEARCH	Up to 5 months

**Strategic Plan Impact Statement**

Consideration and evaluating the Committee’s review of existing Investment Program policies and practices aligns with the Strategic Plan Goal to uphold good governance practices that affirm transparency, accountability, and fiduciary duty (Goal V).

Prepared By: James Wang, Investment Officer I, Investment Division

NMG/RJ/WL/EC/JW:jp

- Attachments:
1. Manager Search and Selection Policy (Clean)
  2. Manager Search and Selection Policy (Redlined)
  3. Investment Committee Charter (Clean)
  4. Investment Committee Charter (Redlined)



**VII. MANAGER SEARCH AND SELECTION POLICY**

The purpose of the Manager Search and Selection Policy is to provide a comprehensive framework for the manager search and selection decision making process for the liquid market strategies. It specifically defines responsibilities and processes for the LACERS Board, Staff and General Fund Consultant.

**A. Roles and Responsibilities**

Role of Board	Role of Staff	Role of General Fund Consultant
<ul style="list-style-type: none"> <li>• The Board is responsible for the authorization of the search for the investment manager(s).</li> <li>• The Board reviews and adopts the active and passive investment manager minimum qualifications and search and selection process based upon the written recommendation provided by the Staff and General Fund Consultant.</li> <li>• The Board reviews the semifinalist candidates as presented in the investment manager candidate evaluation report prepared by the Staff and General Fund Consultant or as delegated.</li> <li>• The Board authorizes the finalist(s) investment manager(s) and approves contracting as recommended by Staff</li> <li>• The Board may delegate certain Board duties to the Investment Committee as described in the Investment Committee Charter.</li> <li>• The Board may request manager presentations.</li> </ul>	<ul style="list-style-type: none"> <li>• Staff, with input from the General Fund Consultant, recommends mandates for Board approval.</li> <li>• Staff is responsible for the implementation of the manager search and selection process.</li> <li>• Staff develops a written set of minimum qualifications. Unique criteria not specified in the pre-approved minimum qualifications list will require Board approval.</li> <li>• Upon Staff concurrence of the semifinalists, Staff and the General Fund Consultant provides the Board a written investment manager candidate evaluation and comparison report which will summarize the methodology for developing the list of semi-finalist candidates from the Qualified Respondents.</li> <li>• Staff conducts due diligence on the semi-finalist firms as reviewed by the Board or as delegated.</li> <li>• Based on the findings of the due diligence, Staff will present a list of finalist investment managers for Board approval and contracting.</li> </ul>	<ul style="list-style-type: none"> <li>• The General Fund Consultant works with Staff to develop a manager search initiation recommendation.</li> <li>• The General Fund Consultant works with Staff on additional written minimum qualifications for Board approval as necessary.</li> <li>• The General Fund Consultant applies the System's minimum qualifications and any additional Board-approved criteria in order to arrive at list of "Qualified Respondents" who pass the minimum qualifications.</li> <li>• The General Fund Consultant employs the investment manager candidate evaluation process to arrive at a list of semi-finalist candidates for Staff to then review and conduct due diligence upon. The investment manager candidate evaluation process will utilize the Evaluation Criteria as summarized in Section VII.B and may be adjusted as necessary.</li> </ul>

**B. Sequential Search and Selection Process**

1. Staff and General Fund Consultant recommend mandate(s) for approval by the Board.
2. The Board authorizes the search of specific mandate(s) including minimum qualifications and the selection process for the search and will seek Board approval for unique minimum qualifications not specified in Section VII.C & Section VII.D.
3. The General Fund Consultant applies the minimum qualifications and any additional Board criteria to the Request for Proposal (RFP).
4. The General Fund Consultant develops a list of respondents that meet the minimum qualifications (“Qualified Respondents”).
5. The General Fund Consultant employs the investment manager candidate evaluation process to arrive at a list of semi-finalist candidates for Staff to review and approve.
6. Staff and General Fund Consultant provide for the Board’s review an investment manager candidate evaluation and comparison report which summarizes the methodology for developing a list of semi-finalist candidates from the list of Qualified Respondents.
7. Staff conducts due diligence on the semi-finalist firms.
8. Based on the findings of the due diligence, Staff develops a suitable list of finalist candidate(s) for the Board to review, consider, and authorize for hire and contracting based on Staff’s recommendation.

**C. Evaluation Criteria**

<u>Evaluation Criteria - Active</u>	<u>Weighting</u>
Qualitative Assessment	70%
<i>Organization/People</i>	30%
<i>Investment Process</i>	40%
<i>Risk Management</i>	30%
Quantitative Assessment <sup>1</sup>	20%
Expected Fees	10%

<u>Evaluation Criteria - Passive</u>	<u>Weighting</u>
Qualitative Assessment	10%
<i>Organization/People</i>	50%
<i>Product AUM</i>	50%
Tracking Error	40%
Expected Fees	50%

**D. Active Investment Management – Search and Selection Criteria**

Minimum qualifications will focus on the key characteristics required by the LACERS Board and Staff for a candidate firm to receive consideration for hire. The following minimum

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<sup>1</sup>The quantitative assessment includes, but is not limited to, a skill test, information ratio, consistency means test and batting average.

qualifications will be applied for all active, liquid market strategy investment manager searches.

- a) Firm is a registered investment advisor under the Investment Advisors Act of 1940 or possesses bank exemption.
- b) Must have a proven and verifiable track record, which conforms to the CFA Institute's Global Investment Performance Standards ("GIPS"), of at least five (5) years as of the most recent quarter end.
- c) At least 60% of rolling four (4) quarter information ratios (i.e., excess return divided by excess risk) must be positive versus a mandate-appropriate benchmark, gross of fees, for the last five (5) years (12 of 20 quarters).
- d) Strategy AUM must be of sufficient size that LACERS' expected mandate size would not comprise more than 25% of the proposed product assets.

Staff and the General Fund Consultant submits revised and/or additional minimum qualifications for each active, liquid market investment manager search as deemed appropriate given the mandate and asset class.

#### **E. Passive Investment Management – Search and Selection Criteria**

The following minimum qualifications will be used for all passive investment manager searches

- a) Firm is a registered investment advisor under the Investment Advisors Act of 1940 or possesses bank exemption.
- b) Must have a proven and verifiable track record, which conforms to the CFA Institute's Global Investment Performance Standards ("GIPS"), of at least five (5) years as of the most recent quarter end.
- c) Strategy AUM must be of sufficient size that LACERS' expected mandate size would not comprise more than 50% of the proposed product assets.

#### **F. Emerging Managers**

The recommendation by Staff and the General Fund Consultant to initiate a search will include the expected number of firms that may meet LACERS' investment management search minimum criteria segregated by emerging and non-emerging investment managers. Emerging managers, as defined by LACERS' Emerging Investment Manager Policy (within Section IX of this document), will be highlighted in the investment management candidate evaluation summary report to the Board.

**VII. MANAGER SEARCH AND SELECTION POLICY**

The purpose of the Manager Search and Selection Policy is to provide a comprehensive framework for the manager search and selection decision making process for the liquid market strategies. It specifically defines responsibilities and processes for the LACERS Board, Staff and General Fund Consultant.

**A. Roles and Responsibilities**

Role of Board	Role of Staff	Role of General Fund Consultant
<ul style="list-style-type: none"> <li>The Board is responsible for the authorization of the search for the investment manager(s).</li> <li>The Board reviews and adopts the active and passive investment manager minimum qualifications <u>and search and selection process</u> based upon the written recommendation provided by the Staff and General Fund Consultant.</li> <li>The Board reviews the semifinalist candidates as presented in the investment manager candidate evaluation report prepared by the Staff and General Fund Consultant <u>or as delegated</u>.</li> <li><del>Upon the completion of Staff's due diligence, the Board interviews investment manager finalist candidates.</del></li> <li>The Board authorizes the <u>finalist(s) selection and hiring of</u> investment manager(s) <u>and approves contracting as recommended by Staff</u>.</li> <li><u>The</u> Board may delegate certain Board duties to the Investment Committee as described in the Investment Committee Charter.</li> </ul>	<ul style="list-style-type: none"> <li>Staff, with input from the General Fund Consultant, recommends mandates for Board approval.</li> <li>Staff is responsible for the implementation of the manager search and selection process.</li> <li>Staff develops a written set of minimum qualifications. Unique criteria not specified in the pre-approved minimum qualifications list will require Board approval.</li> <li>Upon Staff concurrence of the semifinalists, Staff and the General Fund Consultant provides the Board a written investment manager candidate evaluation and comparison report which will summarize the methodology for developing the list of semi-finalist candidates from the Qualified Respondents.</li> <li>Staff conducts due diligence on the semi-finalist firms as reviewed by the Board <u>or as delegated</u>.</li> <li>Based on the findings of the due diligence, Staff will present a <u>list of finalist investment managers for</u> <del>list of suitable semi-finalist</del></li> </ul>	<ul style="list-style-type: none"> <li>The General Fund Consultant works with Staff to develop a manager search initiation recommendation.</li> <li>The General Fund Consultant works with Staff on additional written minimum qualifications for Board approval as necessary.</li> <li>The General Fund Consultant applies the System's minimum qualifications and any additional Board-approved criteria in order to arrive at list of "Qualified Respondents" who pass the minimum qualifications.</li> <li>The General Fund Consultant employs the investment manager candidate evaluation process to arrive at a list of semi-finalist candidates for Staff to then review and conduct due diligence upon. The investment manager candidate evaluation process will utilize the Evaluation Criteria as summarized in Section VII.B and may be adjusted as necessary.</li> </ul>

<ul style="list-style-type: none"><li><a href="#">The Board may request manager presentations.</a></li></ul>	<p><del>candidates as finalist candidate(s) for the</del> Board <a href="#">approval and contracting</a><del>to interview.</del></p>	
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**B. Sequential Search and Selection Process**

1. Staff and General Fund Consultant recommend mandate(s) for approval by the Board.
- ~~2.~~ The Board authorizes the search of specific mandate(s) including.
- ~~3.~~ ~~2.~~ ~~Staff and General Fund Consultant develop~~ minimum qualifications and the selection process for the search and will seek Board approval for unique minimum qualifications not specified in Section VII.C & Section VII.D.
- ~~4.~~ ~~3.~~ The General Fund Consultant applies the minimum qualifications and any additional Board criteria to the Request for Proposal (RFP).
- ~~5.~~ ~~4.~~ The General Fund Consultant develops a list of respondents that meet the minimum qualifications (“Qualified Respondents”).
- ~~6.~~ ~~5.~~ The General Fund Consultant employs the investment manager candidate evaluation process to arrive at a list of semi-finalist candidates for Staff to review and approve.
- ~~7.~~ ~~6.~~ Staff and General Fund Consultant provide for the Board’s review an investment manager candidate evaluation and comparison report which summarizes the methodology for developing a list of semi-finalist candidates from the list of Qualified Respondents.
- ~~8.~~ ~~7.~~ Staff conducts due diligence on the semi-finalist firms.
- ~~9.~~ Based on the findings of the due diligence, Staff develops a suitable list of finalist candidate(s) for the Board to review, consider, and interview.
- ~~10.~~ ~~The Board interviews the investment manager finalist candidates.~~
- ~~11.~~ ~~8.~~ The Board authorizes for hire and contracting ~~the selection and hiring of investment manager(s)~~ based on Staff’s recommendation ~~the information presented in the interview and Staff’s report.~~

**C. Evaluation Criteria**

<u>Evaluation Criteria - Active</u>	<u>Weighting</u>
Qualitative Assessment	70%
<i>Organization/People</i>	30%
<i>Investment Process</i>	40%
<i>Risk Management</i>	30%
Quantitative Assessment <sup>1</sup>	20%
Expected Fees	10%
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Minimum qualifications will focus on the key characteristics required by the LACERS Board and Staff for a candidate firm to receive consideration for hire. The following minimum qualifications will be applied for all active, liquid market strategy investment manager searches.

- a) Firm is a registered investment advisor under the Investment Advisors Act of 1940 or possesses bank exemption.
- b) Must have a proven and verifiable track record, which conforms to the CFA Institute’s Global Investment Performance Standards (“GIPS”), of at least five (5) years as of the most recent quarter end.
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Staff and the General Fund Consultant— submits revised and/or additional minimum qualifications for each active, liquid market investment manager search as deemed appropriate given the mandate and asset class.

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- c) Strategy AUM must be of sufficient size that LACERS’ expected mandate size would not comprise more than 50% of the proposed product assets.

#### **F. Emerging Managers**

The recommendation by Staff and the General Fund Consultant to initiate a search will include the expected number of firms that may meet LACERS’ investment management search minimum criteria segregated by emerging and non-emerging investment managers. Emerging managers, as defined by LACERS’ Emerging Investment Manager Policy (within Section IX of this document), will be highlighted in the investment management candidate evaluation summary report to the Board.

ARTICLE I. BOARD GOVERNANCE STATEMENT

Section 3.0 DUTIES AND RESPONSIBILITIES

**3.9 Investment Committee Charter**

*Adoption: March 24, 2020*

**I. PURPOSE/ROLE**

The purpose of the Investment Committee (Committee) is to provide assistance to the Board in fulfilling its fiduciary oversight of the LACERS Investment Program.

**II. AUTHORITY**

The Committee is authorized by this Investment Committee Charter to:

- Present investment recommendations to the Board for consideration and action.
- Seek information from readily-available research resources to include (but not limited to) LACERS' investment staff, investment consultants, investment managers, master trust custodian, and proxy voting agent.
- Render opinions on investment matters that are either delegated by the Board or delineated in the Investment Policy Statement.

**III. COMMITTEE MEETINGS**

The Committee shall meet no less than four times a year, and more often as needed. Through the General Manager, the Chief Investment Officer will support the Committee's designated duties and responsibilities. Coordinating through the Commission Assistant, the Chief Investment Officer will assist the Chair of the Committee with administrative tasks, as follows:

- Establish dates and times of the Committee meetings.
- Develop the Committee agenda.
- Review the minutes.
- Draft Committee reports.
- Provide other assistance to prepare for future Committee meetings.

**IV. DUTIES AND RESPONSIBILITIES**

The Committee's primary duty is to consider investment matters and make appropriate recommendations to the Board for further consideration and action. The Committee's oversight duties and responsibilities extends to three broad but distinct investment functions:

1. Policy and Strategy

- Review the Investment Policy Statement at least annually; propose revisions and amendments as necessary.
- Review and monitor the asset allocation policy on a periodic basis.
- Review investment benchmarks as needed.



## ARTICLE I. BOARD GOVERNANCE STATEMENT

### Section 3.0 DUTIES AND RESPONSIBILITIES

- Consider other investment matters that are consistent with the Committee Charter.

#### 2. Operations

- Oversee the selection processes for hiring public market investment managers, investment consultants, and third-party investment support providers; present finalist candidate(s) and contracting recommendations consistent with the Investment Policy Statement and/or Board direction.
- Monitor public market investment managers, private market funds, investment consultants, and third-party investment support providers.
- Consider the termination of public market investment managers, consultants, and third-party investment support providers consistent with the Investment Policy Statement.
- Review investment activity reports including (but not limited to) the Emerging Investment Manager Program, Securities Lending Program, Proxy Voting, and Brokerage Commissions.
- Request presentations from investment managers, investment-related consultants, investment support vendors, and other investment experts at the direction of the Board or as necessary to fulfill committee duties and responsibilities as prescribed under the Investment Committee Charter.
- Provide advisory input to the General Manager regarding the selection of the Chief Investment Officer.
- Consider investment opportunities and strategies as recommended by staff and consultant.
- Refer investment opportunities to staff for further review and consideration.

#### 3. Education

- Request investment education.
- Hear investment manager presentations.
- Receive off-site investment education as necessary.

## V. CHARTER REVIEW

The Committee and the Board will review this Charter at least once every three years to ensure it remains appropriate. The Committee will recommend any changes to the Board for review and approval. The Board may amend the Charter at any time.

ARTICLE I. BOARD GOVERNANCE STATEMENT

Section 3.0 DUTIES AND RESPONSIBILITIES

**3.9 Investment Committee Charter**

*Adoption: March 24, 2020*

**I. PURPOSE/ROLE**

The purpose of the Investment Committee (Committee) is to provide assistance to the Board in fulfilling its fiduciary oversight of the LACERS Investment Program.

**II. AUTHORITY**

The Committee is authorized by this Investment Committee Charter to:

- Present investment recommendations to the Board for consideration and action.
- Seek information from readily-available research resources to include (but not limited to) LACERS' investment staff, investment consultants, investment managers, master trust custodian, and proxy voting agent.
- Render opinions on investment matters that are either delegated by the Board or delineated in the Investment Policy Statement.

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The Committee shall meet no less than four times a year, and more often as needed. Through the General Manager, the Chief Investment Officer will support the Committee's designated duties and responsibilities. Coordinating through the Commission Assistant, the Chief Investment Officer will assist the Chair of the Committee with administrative tasks, as follows:

- Establish dates and times of the Committee meetings.
- Develop the Committee agenda.
- Review the minutes.
- Draft Committee reports.
- Provide other assistance to prepare for future Committee meetings.

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The Committee's primary duty is to consider investment matters and make appropriate recommendations to the Board for further consideration and action. The Committee's oversight duties and responsibilities extends to three broad but distinct investment functions:

1. Policy and Strategy

- Review the Investment Policy Statement at least annually; propose revisions and amendments as necessary.
- Review and monitor the asset allocation policy on a periodic basis.
- Review investment benchmarks as needed.

## ARTICLE I. BOARD GOVERNANCE STATEMENT

### Section 3.0 DUTIES AND RESPONSIBILITIES

- Consider other investment matters that are consistent with the Committee Charter.

#### 2. Operations

- Oversee the selection processes for hiring public market investment managers, investment consultants, and third-party investment support providers; present finalist candidate(s) and contracting recommendations consistent with the Investment Policy Statement and/or Board direction.
- Monitor public market investment managers, private market funds, investment consultants, and third-party investment support providers.
- Consider the termination of public market investment managers, consultants, and third-party investment support providers consistent with the Investment Policy Statement.
- Review investment activity reports including (but not limited to) the Emerging Investment Manager Program, Securities Lending Program, Proxy Voting, and Brokerage Commissions.
- [Request presentations from investment managers, investment-related consultants, investment support vendors, and other investment experts at the direction of the Board or as necessary to fulfill committee duties and responsibilities as prescribed under the Investment Committee Charter.](#)
- Provide advisory input to the General Manager regarding the selection of the Chief Investment Officer.
- Consider investment opportunities and strategies as recommended by staff and consultant.
- Refer investment opportunities to staff for further review and consideration.

#### 3. Education

- Request investment education.
- Hear investment manager presentations.
- Receive off-site investment education as necessary.

## V. CHARTER REVIEW

The Committee and the Board will review this Charter at least once every three years to ensure it remains appropriate. The Committee will recommend any changes to the Board for review and approval. The Board may amend the Charter at any time.

## VII. MANAGER SEARCH AND SELECTION POLICY

The purpose of the Manager Search and Selection Policy is to provide a comprehensive framework for the manager search and selection decision making process for the liquid market strategies. It specifically defines responsibilities and processes for the LACERS Board, Staff and General Fund Consultant.

### A. Roles and Responsibilities

Role of Board	Role of Staff	Role of General Fund Consultant
<ul style="list-style-type: none"> <li>• The Board is responsible for the authorization of the search for the investment manager(s).</li> <li>• The Board reviews and adopts active investment manager minimum qualifications and search and selection process based upon the written recommendation provided by the Staff and General Fund Consultant.</li> <li>• The Board reviews the semifinalist candidates as presented in the investment manager candidate evaluation report prepared by the Staff and General Fund Consultant.</li> <li>• The Board authorizes the finalist(s) investment manager(s) and approves contracting as recommended by Staff</li> <li>• The Board may delegate certain Board duties to the Investment Committee as described in the Investment Committee Charter.</li> <li>• The Board may request manager presentations.</li> </ul>	<ul style="list-style-type: none"> <li>• Staff, with input from the General Fund Consultant, recommends mandates for Board approval.</li> <li>• Staff reviews and adopts passive investment manager minimum qualifications and search and selection process.</li> <li>• Staff is responsible for the implementation of the manager search and selection process.</li> <li>• Staff develops a written set of minimum qualifications. Unique criteria not specified in the pre-approved minimum qualifications list will require Board approval.</li> <li>• Upon Staff concurrence of the semi-finalists, Staff and the General Fund Consultant provides the Board a written investment manager candidate evaluation and comparison report which will summarize the methodology for developing the list of semi-finalist candidates from the Qualified Respondents.</li> <li>• Staff conducts due diligence on the semi-finalist firms as reviewed by the Board.</li> </ul>	<ul style="list-style-type: none"> <li>• The General Fund Consultant works with Staff to develop a manager search initiation recommendation.</li> <li>• The General Fund Consultant works with Staff on additional written minimum qualifications for Board approval as necessary.</li> <li>• The General Fund Consultant applies the System's minimum qualifications and any additional Board-approved criteria in order to arrive at list of "Qualified Respondents" who pass the minimum qualifications.</li> <li>• The General Fund Consultant employs the investment manager candidate evaluation process to arrive at a list of semi-finalist candidates for Staff to then review and conduct due diligence upon. The investment manager candidate evaluation process will utilize the Evaluation Criteria as summarized in Section VII.B and may be adjusted as necessary.</li> </ul>

	<ul style="list-style-type: none"><li>• Based on the findings of the due diligence, Staff will present a list of finalist investment managers for Board approval and contracting.</li></ul>	
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**B. Sequential Search and Selection Process**

1. Staff and General Fund Consultant recommend mandate(s) for approval by the Board.
2. The Board authorizes the search of specific mandate(s) including minimum qualifications and the selection process for the search and will seek Board approval for unique minimum qualifications not specified in Section VII.C & Section VII.D.
3. The General Fund Consultant applies the minimum qualifications and any additional Board criteria to the Request for Proposal (RFP).
4. The General Fund Consultant develops a list of respondents that meet the minimum qualifications ("Qualified Respondents").
5. The General Fund Consultant employs the investment manager candidate evaluation process to arrive at a list of semi-finalist candidates for Staff to review and approve.
6. Staff and General Fund Consultant provide for the Board's review an investment manager candidate evaluation and comparison report which summarizes the methodology for developing a list of semi-finalist candidates from the list of Qualified Respondents.
7. Staff conducts due diligence on the semi-finalist firms.
8. Based on the findings of the due diligence, Staff develops a suitable list of finalist candidate(s) for the Board to review, consider, and authorize for hire and contracting based on Staff's recommendation.

**C. Evaluation Criteria**

<b><u>Evaluation Criteria - Active</u></b>	<b><u>Weighting</u></b>
Qualitative Assessment	70%
<i>Organization/People</i>	30%
<i>Investment Process</i>	40%
<i>Risk Management</i>	30%
Quantitative Assessment <sup>1</sup>	20%
Expected Fees	10%

<b><u>Evaluation Criteria - Passive</u></b>	<b><u>Weighting</u></b>
Qualitative Assessment	10%
<i>Organization/People</i>	50%
<i>Product AUM</i>	50%
Tracking Error	40%
Expected Fees	50%

**D. Active Investment Management – Search and Selection Criteria**

Minimum qualifications will focus on the key characteristics required by the LACERS Board and Staff for a candidate firm to receive consideration for hire. The following minimum

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<sup>1</sup>The quantitative assessment includes, but is not limited to, a skill test, information ratio, consistency means test and batting average.

qualifications will be applied for all active, liquid market strategy investment manager searches.

- a) Firm is a registered investment advisor under the Investment Advisors Act of 1940 or possesses bank exemption.
- b) Must have a proven and verifiable track record, which conforms to the CFA Institute's Global Investment Performance Standards ("GIPS"), of at least five (5) years as of the most recent quarter end.
- c) At least 60% of rolling four (4) quarter information ratios (i.e., excess return divided by excess risk) must be positive versus a mandate-appropriate benchmark, gross of fees, for the last five (5) years (12 of 20 quarters).
- d) Strategy AUM must be of sufficient size that LACERS' expected mandate size would not comprise more than 25% of the proposed product assets.

Staff and the General Fund Consultant submits revised and/or additional minimum qualifications for each active, liquid market investment manager search as deemed appropriate given the mandate and asset class.

#### **E. Passive Investment Management – Search and Selection Criteria**

Passive investment manager selection recommendations will focus on comparison of competitive fee structures subject to due diligence that will consider key manager selection criteria such as robustness of business operations, incorporation of best industry practices, and degree of passive investment management experience for said mandate. The following minimum qualifications will be used for all passive investment manager searches

- a) Firm is a registered investment advisor under the Investment Advisors Act of 1940 or possesses bank exemption.
- b) Must have a proven and verifiable track record, which conforms to the CFA Institute's Global Investment Performance Standards ("GIPS"), of at least five (5) years as of the most recent quarter end.
- c) Strategy AUM must be of sufficient size that LACERS' expected mandate size would not comprise more than 50% of the proposed product assets.

#### **F. Emerging Managers**

The recommendation by Staff and the General Fund Consultant to initiate a search will include the expected number of firms that may meet LACERS' investment management search minimum criteria segregated by emerging and non-emerging investment managers. Emerging managers, as defined by LACERS' Emerging Investment Manager Policy (within Section IX of this document), will be highlighted in the investment management candidate evaluation summary report to the Board.

## VII. MANAGER SEARCH AND SELECTION POLICY

The purpose of the Manager Search and Selection Policy is to provide a comprehensive framework for the manager search and selection decision making process for the liquid market strategies. It specifically defines responsibilities and processes for the LACERS Board, Staff and General Fund Consultant.

### A. Roles and Responsibilities

Role of Board	Role of Staff	Role of General Fund Consultant
<ul style="list-style-type: none"> <li>• The Board is responsible for the authorization of the search for the investment manager(s).</li> <li>• The Board reviews and adopts <del>the active and passive</del> investment manager minimum qualifications <u>and search and selection process</u> based upon the written recommendation provided by the Staff and General Fund Consultant.</li> <li>• The Board reviews the semifinalist candidates as presented in the investment manager candidate evaluation report prepared by the Staff and General Fund Consultant.</li> <li>• <del>Upon the completion of Staff's due diligence, the Board interviews investment manager finalist candidates.</del></li> <li>• The Board authorizes the <u>finalist(s) selection and hiring of</u> investment manager(s) <u>and approves contracting as recommended by Staff</u>.</li> <li>• <u>The Board</u> may delegate certain Board duties to the Investment Committee as described in the Investment Committee Charter.</li> </ul>	<ul style="list-style-type: none"> <li>• Staff, with input from the General Fund Consultant, recommends mandates for Board approval.</li> <li>• <u>Staff reviews and adopts passive investment manager minimum qualifications and search and selection process.</u></li> <li>• Staff is responsible for the implementation of the manager search and selection process.</li> <li>• Staff develops a written set of minimum qualifications. Unique criteria not specified in the pre-approved minimum qualifications list will require Board approval.</li> <li>• Upon Staff concurrence of the semi-finalists, Staff and the General Fund Consultant provides the Board a written investment manager candidate evaluation and comparison report which will summarize the methodology for developing the list of semi-finalist candidates from the Qualified Respondents.</li> <li>• Staff conducts due diligence on the semi-finalist firms as reviewed by the Board.</li> </ul>	<ul style="list-style-type: none"> <li>• The General Fund Consultant works with Staff to develop a manager search initiation recommendation.</li> <li>• The General Fund Consultant works with Staff on additional written minimum qualifications for Board approval as necessary.</li> <li>• The General Fund Consultant applies the System's minimum qualifications and any additional Board-approved criteria in order to arrive at list of "Qualified Respondents" who pass the minimum qualifications.</li> <li>• The General Fund Consultant employs the investment manager candidate evaluation process to arrive at a list of semi-finalist candidates for Staff to then review and conduct due diligence upon. The investment manager candidate evaluation process will utilize the Evaluation Criteria as summarized in Section VII.B and may be adjusted as necessary.</li> </ul>



<ul style="list-style-type: none"><li>• <u>The Board may request manager presentations.</u></li></ul>	<ul style="list-style-type: none"><li>• Based on the findings of the due diligence, Staff will present a <u>list of finalist investment managers for</u> <del>list of suitable semi finalist candidates as finalist candidate(s) for the</del> Board <u>approval and contracting</u> <del>to interview.</del></li></ul>	
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## B. Sequential Search and Selection Process

1. Staff and General Fund Consultant recommend mandate(s) for approval by the Board.
- ~~2.~~ The Board authorizes the search of specific mandate(s) including.
- ~~3.~~~~2.~~ ~~Staff and General Fund Consultant develop~~ minimum qualifications and the selection process for the search and will seek Board approval for unique minimum qualifications not specified in Section VII.C & Section VII.D.
- ~~4.~~~~3.~~ The General Fund Consultant applies the minimum qualifications and any additional Board criteria to the Request for Proposal (RFP).
- ~~5.~~~~4.~~ The General Fund Consultant develops a list of respondents that meet the minimum qualifications ("Qualified Respondents").
- ~~6.~~~~5.~~ The General Fund Consultant employs the investment manager candidate evaluation process to arrive at a list of semi-finalist candidates for Staff to review and approve.
- ~~7.~~~~6.~~ Staff and General Fund Consultant provide for the Board's review an investment manager candidate evaluation and comparison report which summarizes the methodology for developing a list of semi-finalist candidates from the list of Qualified Respondents.
- ~~8.~~~~7.~~ Staff conducts due diligence on the semi-finalist firms.
- ~~9.~~ Based on the findings of the due diligence, Staff develops a suitable list of finalist candidate(s) for the Board to review, consider, and interview.
- ~~10.~~ ~~The Board interviews the investment manager finalist candidates.~~
- ~~11.~~~~8.~~ ~~The Board~~ authorizes for hire and contracting ~~the selection and hiring of investment manager(s)~~ based on Staff's recommendation ~~the information presented in the interview and Staff's report.~~

## C. Evaluation Criteria

<u>Evaluation Criteria - Active</u>	<u>Weighting</u>
Qualitative Assessment	70%
<i>Organization/People</i>	30%
<i>Investment Process</i>	40%
<i>Risk Management</i>	30%
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ARTICLE I. BOARD GOVERNANCE STATEMENT

Section 3.0 DUTIES AND RESPONSIBILITIES

**3.9 Investment Committee Charter**

*Adoption: March 24, 2020*

**I. PURPOSE/ROLE**

The purpose of the Investment Committee (Committee) is to provide assistance to the Board in fulfilling its fiduciary oversight of the LACERS Investment Program.

**II. AUTHORITY**

The Committee is authorized by this Investment Committee Charter to:

- Present investment recommendations to the Board for consideration and action.
- Seek information from readily-available research resources to include (but not limited to) LACERS' investment staff, investment consultants, investment managers, master trust custodian, and proxy voting agent.
- Render opinions on investment matters that are either delegated by the Board or delineated in the Investment Policy Statement.

**III. COMMITTEE MEETINGS**

The Committee shall meet no less than four times a year, and more often as needed. Through the General Manager, the Chief Investment Officer will support the Committee's designated duties and responsibilities. Coordinating through the Commission Assistant, the Chief Investment Officer will assist the Chair of the Committee with administrative tasks, as follows:

- Establish dates and times of the Committee meetings.
- Develop the Committee agenda.
- Review the minutes.
- Draft Committee reports.
- Provide other assistance to prepare for future Committee meetings.

**IV. DUTIES AND RESPONSIBILITIES**

The Committee's primary duty is to consider investment matters and make appropriate recommendations to the Board for further consideration and action. The Committee's oversight duties and responsibilities extends to three broad but distinct investment functions:

1. Policy and Strategy

- Review the Investment Policy Statement at least annually; propose revisions and amendments as necessary.
- Review and monitor the asset allocation policy on a periodic basis.
- Review investment benchmarks as needed.

## ARTICLE I. BOARD GOVERNANCE STATEMENT

### Section 3.0 DUTIES AND RESPONSIBILITIES

- Consider other investment matters that are consistent with the Committee Charter.

#### 2. Operations

- Oversee the selection processes for hiring public market investment managers, investment consultants, and third-party investment support providers; present finalist candidate(s) and contracting recommendations consistent with the Investment Policy Statement and/or Board direction.
- Monitor public market investment managers, private market funds, investment consultants, and third-party investment support providers.
- Consider the termination of public market investment managers, consultants, and third-party investment support providers consistent with the Investment Policy Statement.
- Review investment activity reports including (but not limited to) the Emerging Investment Manager Program, Securities Lending Program, Proxy Voting, and Brokerage Commissions.
- Request presentations from investment managers, investment-related consultants, investment support vendors, and other investment experts at the direction of the Board or as necessary to fulfill committee duties and responsibilities as prescribed under the Investment Committee Charter.
- Provide advisory input to the General Manager regarding the selection of the Chief Investment Officer.
- Consider investment opportunities and strategies as recommended by staff and consultant.
- Refer investment opportunities to staff for further review and consideration.

#### 3. Education

- Request investment education.
- Hear investment manager presentations.
- Receive off-site investment education as necessary.

## V. CHARTER REVIEW

The Committee and the Board will review this Charter at least once every three years to ensure it remains appropriate. The Committee will recommend any changes to the Board for review and approval. The Board may amend the Charter at any time.

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- [Request presentations from investment managers, investment-related consultants, investment support vendors, and other investment experts at the direction of the Board or as necessary to fulfill committee duties and responsibilities as prescribed under the Investment Committee Charter.](#)
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**LACERS**  
LA CITY EMPLOYEES'  
RETIREMENT SYSTEM



**REPORT TO BOARD OF ADMINISTRATION**  
**From: Neil M. Guglielmo, General Manager**

**MEETING: JULY 9, 2024**  
**ITEM: VII – D**

*Neil M. Guglielmo*

**SUBJECT: ANNUAL REPORT ON LACERS EMERGING INVESTMENT MANAGER PROGRAM FOR THE PERIOD ENDING DECEMBER 31, 2023**

ACTION:  CLOSED:  CONSENT:  RECEIVE & FILE:

**Recommendation**

That the Board receive and file this report.

**Executive Summary**

LACERS' Emerging Investment Manager Program aims to hire and retain Emerging Investment Managers in order to add value to the LACERS investment portfolio. This report highlights the Emerging Investment Manager firms hired, dollar amounts awarded, and staff and consultant efforts to increase Emerging Investment Manager representation in the LACERS investment portfolio in calendar year 2023. This report has been waived from the Investment Committee as no action is needed.

**Discussion**

*Background*

LACERS' Emerging Investment Manager Policy (Policy) was adopted on February 14, 2012, and was most recently revised on May 25, 2021. The Policy identifies guidelines and sets goals to hire and retain Emerging Investment Managers that would otherwise not be identified in the standard LACERS investment manager search process in order to add value to the LACERS investment portfolio. Smaller investment management firms may generate superior performance returns due to increased market flexibility associated with smaller asset bases. The Policy sets a goal of funding Emerging Investment Managers at no less than 10% of available capital and provides minimum criteria for firms to qualify as an Emerging Investment Manager.

Pursuant to the Policy, this annual report provides the status of the Emerging Investment Manager Program for the year ending December 31, 2023, including the following information:



1. Names and dollar amounts awarded to Emerging Investment Managers
2. Report of Emerging Investment Manager goal metrics
3. List of all investment manager searches
4. Staff and consultant efforts to increase the visibility of LACERS' investment manager searches and representation of Emerging Investment Managers in the LACERS investment portfolio
5. Performance data for funds managed by Emerging Investment Managers

**1. Names and Dollar Amounts Awarded to Emerging Investment Managers in 2023**

Manager	Style	Asset Class	Investment/Commitment	Consultant
OceanSound Partners Fund II, LP	Buyout - Small	Private Equity	\$25,000,000	Aksia LLC
Ulu Ventures Fund IV, LP	Venture Capital	Private Equity	\$20,000,000	Aksia LLC
3 Boomerang Capital I, LP	Buyout - Small	Private Equity	\$20,000,000	Aksia LLC
NB Partners Fund IV, LP	Value Added	Real Estate	\$40,000,000	Townsend Group

**2. Emerging Investment Manager Goal Metrics**

The Policy sets a goal for Emerging Investment Manager exposure in public and private market asset classes at no less than 10%.

*Public Markets*

For each public markets asset class, there are two metrics for measuring Emerging Investment Manager exposure: 1) Asset Class Metric: the total market value of Emerging Investment Managers within a respective asset class divided by the total market value of the respective asset class; and 2) Manager Search Metric: total dollars awarded to Emerging Investment Managers in a particular public asset class manager search divided by the total dollars awarded for the respective manager search.

In calendar year 2023, there were no public markets search initiated.

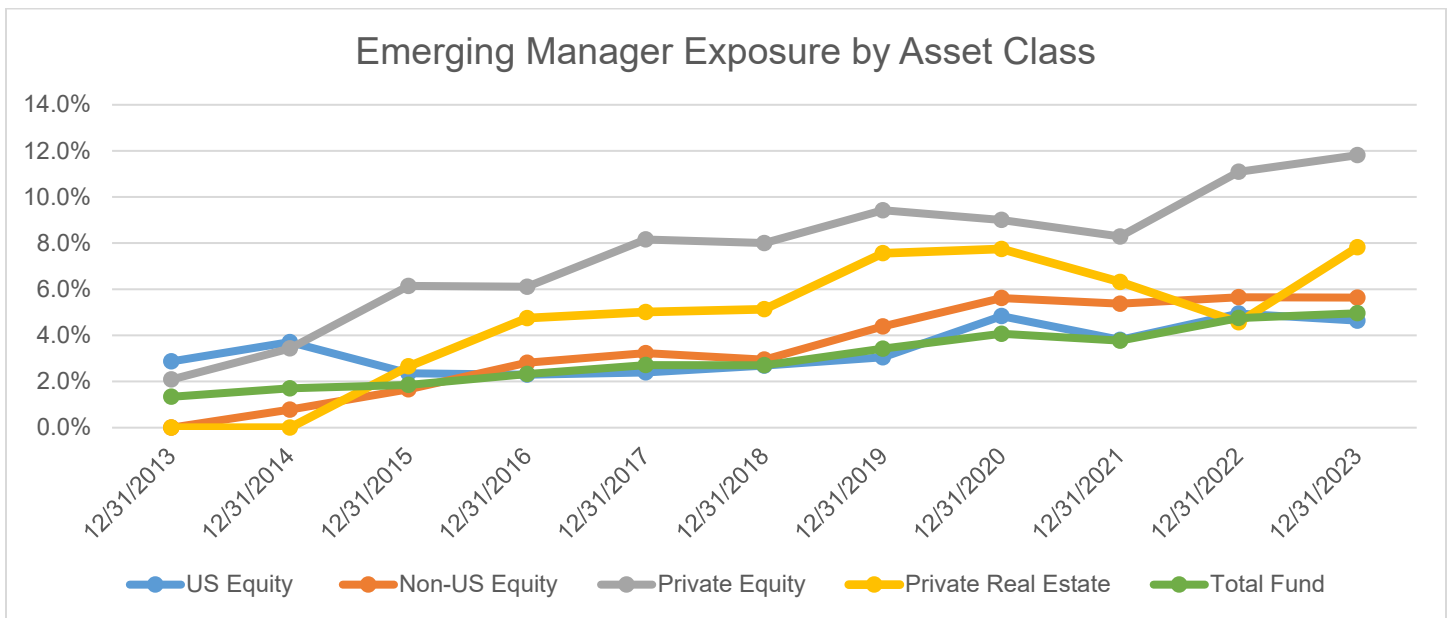
Public Market Asset Classes	Emerging Manager Exposure (Metric 1)	Public Markets Manager Searches (Metric 2)
U.S. Equity	4.6%	N/A
Non-U.S. Equity	5.6%	N/A
Core Fixed Income	0.0%	N/A
Credit Opportunities	0.0%	N/A
Public Real Assets	0.0%	N/A

## Private Markets

For each private markets asset class, there are two metrics for measuring Emerging Investment Manager exposure: 1) Asset Class Metric: the total committed dollars of Emerging Investment Managers within a respective asset class divided by all the dollars within that respective asset class on a market value basis; and 2) Manager Search Metric: the total of all committed capital awarded to Emerging Investment Managers of completed searches within a respective private market asset class divided by all committed capital awarded within the respective private market asset class over a 36-month rolling period ending December 31, 2023.

Private Market Asset Classes	Asset Class (Metric 1)	Manager Search (Metric 2)
Private Equity	11.8%	10.1%
Private Real Estate	7.8%	6.5%

On a fund-number basis for the 36-month period ending December 31, 2023, LACERS authorized commitments to a total of 13 private equity Emerging Investment Managers out of 74 private equity funds (18%) and one real estate Emerging Investment Managers out of 13 real estate funds (8%).



Asset Class	12/31/13	12/31/14	12/31/15	12/31/16	12/31/17	12/31/18	12/31/19	12/31/20	12/31/21	12/31/22	12/31/23
U.S. Equity	2.9%	3.7%	2.4%	2.3%	2.4%	2.7%	3.0%	4.8%	3.8%	4.9%	4.6%
Non-U.S. Equity	0.0%	0.8%	1.5%	2.8%	3.2%	2.9%	4.4%	5.6%	5.4%	5.7%	5.5%
Private Equity	2.1%	3.4%	6.1%	6.1%	8.2%	8.0%	9.4%	9.0%	8.3%	11.1%	11.8%
Private Real Estate	0.0%	0.0%	2.7%	4.7%	5.0%	5.1%	7.6%	7.7%	6.3%	4.6%	7.8%
Total Fund	1.3%	1.7%	1.8%	2.3%	2.7%	2.7%	3.4%	4.1%	3.8%	4.7%	5.0%

### 3. Searches Conducted in 2023

Searches Initiated:

- N/A

Searches Completed:

- N/A

### 4. Efforts to Increase Visibility and Representation of Emerging Investment Managers

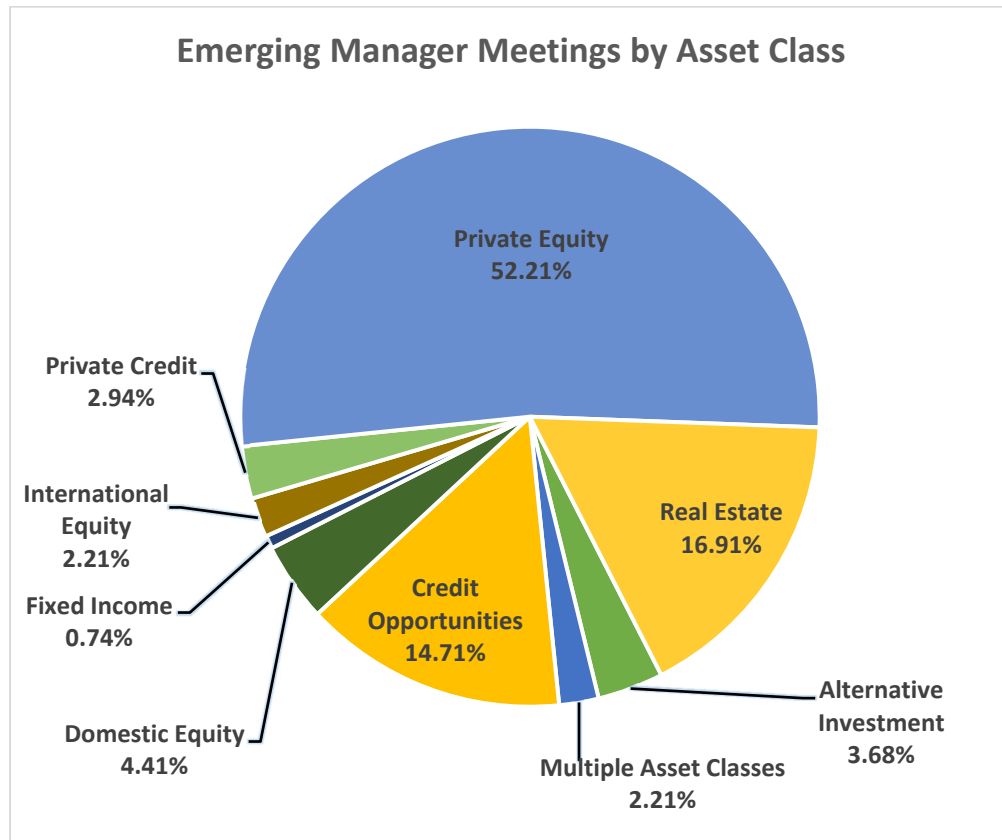
#### Staff

LACERS actively engages the emerging manager community to help achieve the policy objectives established by the Emerging Investment Manager Policy. During calendar year 2023, staff participated in the following emerging manager networking and meeting events:

2023 Emerging Manager Events	
February	The Teacher Retirement of Texas (TRS) and Employees Retirement System of Texas (ERS) Emerging Manager Conference
March	NASP Women's Forum
March	NASP So Cal Emerging Manager Conference
May	Women's Alliance, The Diversity Investing Symposium
May	GCM Grosvenor Small, Emerging, and Diverse Managers Conference
June	LACERS Emerging Manager Networking Forum
July	TIDE Exchange
September	IDAC's Annual Global Summit
October	GEPF of South Africa Thought Leadership Conference
October	AAAIM Elevate 2023 - The Power of Representation

In 2023, LACERS hosted its inaugural Emerging Manager Networking Forum. This event was geared toward qualified Emerging Managers based on LACERS' Emerging Manager Policy criteria and consisted of a limited number of twenty-five minute meeting slots randomly allocated to interested firms. In total, 18 emerging manager funds attended this event.

Additionally, staff regularly meets with emerging managers. During the calendar year 2023, staff held a total of 136 emerging manager meetings depicted by asset classes in the chart below.



**Consultants**

LACERS retains three investment consultants. The consultants’ respective emerging manager activities for the one-year period ending December 31, 2023, are summarized below.

Consultant	Meetings or Calls	Emerging Manager Conferences	Awarded to Emerging Managers
NEPC, LLC (General)	275	9	\$2.3 billion / 21 managers
Aksia LLC (Private Equity)	238	18	\$280.5 million / 7 managers
The Townsend Group (Real Estate)	80	14	\$215 million / 4 managers

Note: The definition of “Emerging Manager” for this matrix is based on the emerging investment manager criteria unique to each consultant.

## 5. Performance Data of LACERS Emerging Investment Managers (as of 12/31/2023)

Public Markets Managers Performance (Net-of-Fees)	Inception Date	One Year	Two Years	Three Years	Five Years	Since Inception
Oberweis Asset Management, Inc. <sup>1</sup> MSCI EAFE Small Cap Index	Jan-2014	6.18	-18.40	-11.55	7.42	4.70
		13.16	-5.68	-0.69	6.58	4.67
		<i>Excess Return</i>	-6.98	-12.72	-10.86	0.84
EAM Investors LLC <sup>2</sup> Russell 2000 Growth Index	Sep-2015	7.17	-14.08	-8.50	7.89	7.95
		18.66	-6.52	-3.50	9.22	8.76
		<i>Excess Return</i>	-11.49	-7.56	-5.00	-1.33
Granahan Investment Management, Inc. <sup>3</sup> Russell 2000 Growth Index	Aug-2020	10.68	-12.85	-8.89	-	1.18
		18.66	-6.52	-3.50	-	4.80
		<i>Excess Return</i>	-7.98	-6.33	-5.39	-

Public Markets Managers Peer Comparison	Universe	Number of Peers in Universe	5-Year Return % (Peer Rank)	5-Year Peer Median Return %	5-Year Sharpe Ratio (Peer Rank)	5-Year Sharpe Ratio Median
Oberweis Asset Management, Inc.	eV EAFE Small Cap Equity Net Median	72	7.42 (46 <sup>th</sup> )	7.02	0.34 (26 <sup>th</sup> )	0.35
EAM Investors LLC	eV US Small Cap Growth Equity Net Median	157	7.89 (92 <sup>nd</sup> )	11.27	0.36 (91 <sup>st</sup> )	0.49
Granahan Investment Management, Inc. <sup>4</sup>	eV US Small Cap Growth Equity Net Median	157	15.66 (11 <sup>th</sup> )	11.27	0.57 (22 <sup>nd</sup> )	0.49

Private Real Estate Emerging Fund Managers	Vintage Year	Net IRR <sup>5</sup>	Return Multiple	Sourced By
Gerrity Retail Fund 2, LP	2015	2.4%	1.1x	Townsend Group
Asana Partners Fund I, LP	2017 <sup>6</sup>	11.8%	1.8x	Townsend Group
Broadview Real Estate Partners Fund, LP	2019	10.0%	1.2x	Townsend Group
NB Partners Fund IV, LP	2023	-24.2%	0.8x	Townsend Group

<sup>1</sup> Account funded on January 15, 2014. Manager no longer meets the LACERS definition of an emerging manager as firm assets under management exceed \$2 billion.

<sup>2</sup> Account funded on October 1, 2015. Manager no longer meets the LACERS definition of an emerging manager as firm assets under management exceed \$2 billion.

<sup>3</sup> Account funded on October 1, 2020. Manager no longer meets the LACERS definition of an emerging manager as firm assets under management exceed \$2 billion.

<sup>4</sup> Composite strategy performance was used to determine the 5-year peer rankings due to the limited track record of LACERS' accounts.

<sup>5</sup> A private market fund typically yields a low or negative IRR during its early life "J Curve" period.

<sup>6</sup> LACERS committed to fund in calendar year 2016.

Private Equity Emerging Fund Managers	Vintage Year	Net IRR <sup>5</sup>	Return Multiple	Sourced By
High Road Capital Partners Fund II, LP	2013	13.8%	1.7x	Hamilton Lane
Blue Sea Capital Fund I, LP	2014	19.4%	2.3x	Portfolio Advisors
Oak HC/FT Partners, LP	2014	24.6%	3.0x	Portfolio Advisors
1315 Capital, LP	2015	17.6%	2.1x	Portfolio Advisors
New Water Capital Partners, LP	2015	12.4%	1.5x	Portfolio Advisors
Angeles Equity Partners I, LP	2015	17.3%	1.5x	Portfolio Advisors
CenterGate Capital Partners I, LP	2015	20.3%	1.7x	Portfolio Advisors
Sunstone Partners I, LP	2016	34.8%	2.8x	Portfolio Advisors
Defy Partners I, LP	2016 <sup>7</sup>	6.4%	1.3x	Portfolio Advisors
NMS Fund III, LP	2017	19.3%	1.7x	Portfolio Advisors
Oak HC/FT Partners II, LP	2017	30.9%	2.8x	Portfolio Advisors
Astra Partners I, LP	2017	3.8%	1.1x	Portfolio Advisors
Mill Point Capital Partners, LP	2018	25.3%	2.2x	Portfolio Advisors
1315 Capital Fund II, LP	2018	16.4%	1.4x	Portfolio Advisors
DEFY Partners II, LP	2019	10.7%	1.3x	Aksia LLC
P4G Capital Partners I, LP	2019	37.6%	1.7x	Aksia LLC
Sunstone Partners II, LP	2019	21.5%	1.4x	Aksia LLC
OceanSound Partners Fund, LP	2020	29.0%	1.9x	Aksia LLC
Builders VC Fund II, LP	2020	1.6%	1.0x	Aksia LLC
ULU Ventures Fund III, LP	2021	-3.9%	0.9x	Aksia LLC
Mill Point Capital Partners II, LP	2021	44.8%	1.5x	Aksia LLC
Avance Investment Partners, LP	2021	6.7%	1.1x	Aksia LLC
Biospring Partners Fund, LP	2021	4.4%	1.1x	Aksia LLC
DEFY Partners III, LP	2021	-	0.8x	Aksia LLC
LightBay Investment Partners II, L.P.	2022	-	0.6x	Aksia LLC
1315 Capital III, L.P.	2022	-	1.0x	Aksia LLC
L2 Point Opportunities I, L.P.	2022	-	1.2x	Aksia LLC
Auldbrass Partners Secondary Opportunity Fund III, L.P.	2022	-	0.9x	Aksia LLC
Sunstone Partners III-Main, LP	2022	-	0.7x	Aksia LLC
OceanSound Partners Fund II, LP	2023	-	0.9x	Aksia LLC
Ulu Ventures Fund IV, LP	2023	-	0.8x	Aksia LLC
3 Boomerang Capital	2023	-	-	Aksia LLC

<sup>7</sup> LACERS committed to fund in calendar year 2017.

## **Strategic Plan Impact Statement**

The Emerging Investment Manager Policy aims to add value to the LACERS investment portfolio by hiring Emerging Investment Managers, consistent with Goal IV, which aims to optimize long-term risk adjusted investment returns. The presentation and discussion of the Policy's goals, metrics, manager outreach and manager performance are consistent with Goal V, which aims to uphold good governance practices which affirm transparency, accountability, and fiduciary duty.

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NMG/RJ/WL/EC/RM