



Memorandum

**TO: Board of Administrations for the
Police and Fire Retirement Plan
and the FCERS**

FROM: John Flynn

**SUBJECT: Authorization for the Secretary to negotiate
and execute a third amendment with Cortex
to extend the term of the agreement to
March 31, 2025 and increase the not to exceed
by \$5000 to \$80,000**

Date: October 25, 2024

APPROVED:

DATE: 11/7/2024

RECOMMENDATION

Discussion and action on authorizing the secretary to negotiate and execute the third amendment to the agreement with Cortex Consulting for governance consulting services to extend the term of the agreement to March 31, 2025 and increase the compensation payable under the agreement by \$5,000 to a not to exceed amount of \$80,000.

BACKGROUND

Cortex Applied Research was originally selected by the board governance consultant in August 2011 following a request for quote for board governance consulting services. Cortex provides consulting services to the Boards governance committee. In 2023, the Board entered into a one-year agreement with Cortex Consulting, formerly known as Cortex Applied Research, for a not to exceed amount of \$30,000. In February 2024, the Board extended the Cortex agreement to December 31, 2024 and added \$20,000, and in April 2024 the Board added \$25,000 to increase the maximum compensation to \$75,000.

ANALYSIS

Cortex provides the Board with governance-related consulting services that includes, policy review, support for various performance evaluations, organizational planning and education. Cortex also provides evaluation and recommendations to update the Office of Retirement Services' ("ORS") policies and procedures, this includes the development of new policies related to procurement and contracting which resulted from an internal audit conducted on contracting and procurement in 2023. Cortex also appears before the Board to present oral reports on the services performed when needed.

In August 2024 the Boards appointed a new Chief Executive Officer (CEO), the CEO will work closely with the Boards governance vendor to provide the required support for Board governance. It has been several years since the Office of Retirement Service (ORS) has conducted a procurement search for a qualified governance vendor. With the new CEO on board, ORS plan on issuing a Request for Proposal (RFP) for Governance Services in the coming months, however, the

procurement may not be completed by December 2024, therefore staff are requesting to extend the term of the agreement with the current governance vendor, Cortex, to allow time for a competitive procurement process to be conducted.

It is expected the additional compensation will be sufficient to cover expenses associated with the development of procurement procedures that will complement the Boards most recent procurement policy.

CONCLUSION

Staff recommends authorizing the secretary to negotiate and execute a third amendment to the agreement with Cortex Consulting for governance consulting services to extend the term of the agreement to March 31, 2025 and increase the compensation payable under the agreement by \$5,000 to a not to exceed amount of \$80,000.