

MEETING OF THE TRUSTEES

CITY OF CHATTANOOGA GENERAL PENSION PLAN

October 25, 2023

This called meeting of the City of Chattanooga General Pension Plan Board of Trustees was held on October 25, 2023 at 1:00 p.m. in the J. B. Collins Conference Room, City Council Building. Trustees present were Aon Miller, Carl Levi, Jeffrey Wilson, Katie Reinsmidt and Ryan Ewalt. Others in attendance at the meeting were Jed Cooper, First Horizon Bank; Valerie Malueg, Office of the City Attorney; Cheryl Powell, City Human Resources Department; Alan Syler (driver for Carl Levi).

Definitions in the document: GPP is General Pension Plan, OPEB is Other Post-Employment Benefits, RFP is Request for Proposal

The meeting was called to order by Vice Chair Katie Reinsmidt.
A quorum was present at the beginning of the meeting.

The date on the Agenda provided to the board members will be corrected to October 25, 2023.

Investment Consulting Contract

Cheryl Powell provided each member a draft of the contract with Marquette as a result of the RFP process.

The meeting discussion regards the intent to award a contract to Marquette Associates. This was the company that received the highest score in the RFP evaluation process. This is a follow-up to the discussion at the August regularly scheduled meeting and the Executive session held for education and understanding about the City's procurement and evaluation process.

Valerie Malueg made some introductory comments reminding the board of the timeline of the events since August. She pointed out that the provision in the RFP section 3.10(c) states

“The City reserves the right, after opening the Proposals or at any other point during the selection process, to reject any or all Proposals, modify or postpone the proposed project, evaluate any alternatives offered or accept the Proposal that, in the City's sole judgment, is in its best interest.”

The letter sent to Marquette stated only an intent to award. Debbie Talley, Interim Director of Purchasing, explained to the board during the executive session that a rejection today would prevent the City from reissuing this RFP unless the scope of services are substantially changed. Since the services required are specialized, this essentially means that the City will not be able to reissue this RFP and be in line with procurement rules.

Ryan asked for Valerie to clarify whether the clause allows the City to revisit the RFP that would be in line with procurement rules, where the board may not want to object to the entire RFP but only the outcome of the evaluation.

Valerie pointed out that the RFP does not state anywhere in the document that the decision is subject to the board's approval. It is possible that Marquette Associates could object to the decision made. At the same time, because the services are so specialized, it would be difficult to re-write this RFP any differently to pass procurement standards and for the City to issue a new RFP.

Jeffrey made some additional comments that part of the issue was the process of evaluation of the RFP that did not allow a board member to be on the evaluation committee. Valerie reminded Jeffrey that Ryan was asked to be part of the evaluation committee and he delegated his responsibility to a member of his staff. Additionally, she reiterated the fact that procurement rules have not been changed to allow a board member on the evaluation committee. While there was an intent to allow this in the update of the rules, for whatever reason the procurement rules have not been changed to allow this.

Katie asked if the board members had any reservations about voting on this contract today.

Valerie stated that Debbie Talley said that

- The board could postpone voting and invite the company (Marquette Associates) to come to a meeting to provide an in person presentation to the board as part of the board's due diligence.
- The board must also consider any ramifications with the current contract and consultant if the board delays a decision at this time.
- Reissuing the RFP at a later date, after a specified passage of time, would still require that the procurement manual be changed before the next time an RFP is issued to allow a board member on the evaluation committee, and this requires approval by City Council.

Carl Levi expressed the opinion that from his point of view, he did not see the need to change consultants and that he is happy with the current consultants. He favors keeping the status quo.

The board members expressed an interest in voting in this meeting on the contract.

At this point there was a call for the question: Per agenda item III, should the board accept the recommendation of the evaluation committee and award the contract to Marquette Associates?

The board members voted by roll call as follows:

Ryan – yes

Aon – no

Katie – no

Carl – no

Jeffrey – no

Marquette will not be awarded the contract.

As a result of the discussion, the board made a recommendation that the procurement rules allow a member of the board to be on the evaluation committee. Ryan Ewalt stated that updating the procurement manual will be one of the priorities of the recently hired Director of Purchasing.

Carl Levi made a motion to adjourn the meeting. Jeffrey Wilson seconded the motion.

Katie Reinsmidt adjourned the meeting.

APPROVED:


Chairman


Secretary