



DELEGATION OF AUTHORITY FOR CONTRACTS AND CLAIMS POLICY

PURPOSE

The purpose of this Policy is to provide for the efficient and effective management of SCERS by delegating authority from the Board to the SCERS Chief Executive Officer (CEO) to enter into contracts and to settle or otherwise dispose of claims as specified.

POLICY

The Board hereby delegates and/or confirms its delegation of authority to the CEO as follows:

A. Contract Authority

The CEO is authorized, on behalf of and in the name of SCERS, to enter into contracts for such goods and services as the CEO shall determine to be reasonably necessary for:

1. Securing the services and service providers that the CEO deems necessary and appropriate to properly process and evaluate disability retirement applications, to incur the costs therefor, and to designate an appropriate staff member to review the need for and approve such activities, including the reasonable and necessary payment for such services.
2. The administration of SCERS consistent with the budget adopted by the Board and as otherwise limited by this Policy, as follows:
 - a. Without written approval of the Board President, the CEO may enter into contracts or contract amendments that do not obligate SCERS to pay more than \$50,000 in total for the term of the contract.
 - b. With written approval of the Board President (which may include approval by electronic mail or facsimile transmission), the CEO may enter into contracts that do not obligate SCERS to pay more than \$100,000 in total for the term of the contract. The Board hereby authorizes the Board President to grant or deny such written approval in his or her sole discretion as the most senior officer of the Board duly elected by the members of the Board.

In delegating such authority to the CEO, it is not the intent of the Board to alter the selection of certain third party service providers that have traditionally been selected by the Board itself by long-standing practice (e.g., SCERS' actuary, auditor, investment consultants or investment managers).

B. Claims Authority

The Board hereby delegates to the CEO authority, on behalf of and in the name of SCERS, to allow, deny, compromise, or settle any claims, litigation, demands, actions, liabilities, losses, damages, injuries, and expenses (including attorneys' fees and defense costs) in any matter involving the SCERS Board of Retirement or its officers and/or members, or SCERS employees, provided that:

1. The amount to be paid pursuant to such claim, allowance, compromise, or settlement does not exceed \$50,000. If the amount to be paid exceeds \$50,000, the allowance, compromise, or settlement must be approved by the Board of Retirement.
2. The claim, allowance, compromise or settlement is with the concurrence of the General Counsel; and,
3. The claim, allowance, compromise or settlement is not subject to the terms of an insurance policy wherein the insurer is granted the authority to allow, deny, compromise, or settle claims or actions within the scope of such policy.

APPLICATION

Any contracts or contract amendments entered into pursuant to Section A.2. of this delegation shall comply with the budget adopted by the Board.

General Counsel shall review any contracts entered into pursuant to this delegation of an amount or complexity, as determined by the CEO or his or her designee, to warrant such review, and any claims settled pursuant to this delegation.

The CEO shall provide a quarterly report to the Board of any contracts entered into pursuant to Section A.2. of this delegation for an amount greater than \$5,000 and any claims settled pursuant to this delegation.

BACKGROUND

The CEO has been appointed by the Board in accordance with Government Code Sections 31522.1 and 31522.2 and is responsible for the management of SCERS including the retirement fund, operating budget, appointment and management of personnel, and the other day-to-day activities of the retirement system.

The CEO serves as Secretary of the Retirement Board in its management of the retirement system. Pursuant to Government Code Sections 31522.2 and 31590, the CEO has authority on behalf of the Board: to sign or authorize all warrants, checks, and electronic fund transfers drawn on the retirement fund, and to sign all documents, including contracts, necessary to carry out any decision, including investment decisions, made or approved by the Board; to negotiate and sign contracts with vendors, consultants, and payees of the system as required by contract or applicable law; and any other decision made or approved by the CEO pursuant to a delegation of authority granted by the Board to the CEO for such decision.

RESPONSIBILITIES

Executive Owner: Chief Executive Officer

POLICY HISTORY

Date	Description
04-18-2018	Board combined and amended all three delegations in revised policy format
04-17-2013	Board approved Delegation of Claims Settlement Authority in Resolution 2013-06
07-15-2010	Amended Delegation of Contract Authority in Resolution 2010-12
10-21-2004	Board approved Delegation of Contract Authority for Services for Disability Retirement Application Processing and Evaluation in Resolution 2004-06
06-21-2001	Board approved Delegation of Contract Authority in Resolution 2001-02