STATE OF WISCONSIN
Department of Employee Trust Funds
David A. Stella
SECRETARY

801 W Badger Road
PO Box 7931
Madison WI 53707-7931

1-877-533-5020 (toll free)
Fax (608) 267-4549
http://etf.wi.gov

CORRESPONDENCE MEMORANDUM

DATE: November 17, 2011

TO: Employee Trust Funds Board

FROM: Jon Kranz, Director
Office of Budget and Trust Finance

SUBJECT: Delegation of Authority to Solicit Proposals from Qualified Firms to Assist with Information Technology System Upgrades and Business Process Re-engineering

Staff requests the Employee Trust Funds Board (Board) delegate authority under Wis. Stat. s. 40.03 (1)(c) to the Secretary of the Department of Employee Trust Funds (Department) to solicit proposals from qualified firms to assist with technology upgrades and business process re-engineering.

The Department is in the process of implementing the 2010-2015 strategic plan. The strategic priorities of this plan include offering self-service tools to members and employers, expanding outreach efforts to members and employers, and strengthening internal workforce training programs to maintain a highly skilled and knowledgeable workforce. Various efforts are underway to implement the components of this plan. Progress updates on implementing the strategic plan are provided to the Board on a periodic basis.

In order to effectively implement aspects of this strategic plan, the Department has determined that significant information technology upgrades and some business process modifications will be required. This effort will require a combination of internal staff and external resources to ensure these changes meet the current and future needs of Wisconsin Retirement System (WRS) participants. The Department believes that partnering with some external entities will allow the Department to implement the desired technology and business process changes. These external resources will provide the necessary expertise while leveraging the skills and knowledge of Department staff while implementing the next generation of systems.

Reviewed and approved by Robert J. Conlin, Deputy Secretary.

Signature _____ Date 11/18/2011

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BUD	12.1.11	5

We anticipate needing to contract with two or more vendors to assist with these changes. Staff is currently researching options and hopes to solicit proposals in early 2012. Procuring these services via Board authority under Wis. Stat. s.40.03 (1)(c) provides the Board and Department with the necessary flexibility while ensuring that appropriate oversight is maintained.

Should the Board concur with this recommendation, Department staff would complete the necessary research and solicit proposals beginning early in 2012. We anticipate presenting you with recommendations for contracting with vendors at the March 2012 or June 2012 Board meetings.

The Board is authorized by law to employ or select contractors as required for the effective administration of the Trust. The Board may delegate its powers and duties as deemed necessary and desirable. The Department believes that delegating this task is appropriate, as it provides the flexibility to acquire critical resources while ensuring the necessary oversight to meet the Board's fiduciary duty.