March 18, 2009

TO: Vice Chancellors of Administration
         Chief Human Resources Officers
         Benefits Managers

FROM: Michael Baptista, Executive Director-Quality Assurance &
         Compliance, Human Resources

RE: Retirement Administration RFP

I am writing to you today to let you know that President Yudof has made a decision regarding the outsourcing of the Retirement Administration function. After review of all relevant information including the bids from vendors, current information on the cost and efficiency of the Retirement Administration unit, and concerns raised by the Academic Senate, President Yudof has decided not to pursue outsourcing this function at this time. Instead, he has directed Executive Vice President Katie Lapp to begin a process to structure the Retirement Administration unit as an Office of the President Service Center distinct from the Human Resources Department.

In a letter to Mary Croughan, Chair of the UC Academic Council, President Yudof wrote that he believes significant improvements can be made in the functioning of the unit, particularly in the areas of process redesign, enhanced training and infrastructure investments. He envisions a Service Center headed by an Executive Director with an Advisory Board chaired by the Vice President for Human Resources and with representation from campuses and the Office of the President, including the OP Budget Director, the Associate Vice President for Information Resources and Communications, the Assistant Vice President for Financial Management, the Associate Vice President for Communications and a member of the General Counsel staff. The Advisory Board's role will be to assess the needs of the unit, recommend resource allocations to ensure priority requirements are being addressed, monitor whether appropriate performance benchmarks are being met, and help coordinate communications on retirement benefits.

We look forward to working with EVP Lapp as she begins the process of implementing this structure. We will keep you informed as we work through the details of implementation.