

**The California Department of Human Resources
1515 S Street, North Building, Suite 500.
Sacramento, California 95811**

Title 2. Administration
Division 1. Administrative Personnel
Chapter 3. Department of Human Resources
Subchapter 1. General Civil Service Rules
Article 27. 457 Deferred Compensation Plan
Section 599.943 Contract Bidding Process

**NOTICE OF MODIFICATION TO TEXT OF PROPOSED REGULATION, INITIAL STATEMENT OF REASONS &
NOTICE OF ADDITIONAL DOCUMENTS TO RULEMAKING FILE**

The proposed modification is to prior submitted rulemaking file #2023-0609-04S originally noticed on December 2, 2022.

Pursuant to the requirements of Government Code sections 11346.8(c), 11346.8(d), 11346.9(a)(1), 11347.1, and section 44 of Title 1 of the California Code of Regulations, the California Department of Human Resources (CalHR) provides notice of changes made to proposed regulation section 599.943, Initial Statement of Reasons, and the documents that the agency relied upon in adopting the proposed regulations. These documents related to the proposed regulatory changes have been added to the rulemaking file and are available for public inspection and comment. The text of the regulation with proposed modifications is attached to this Notice.

The documents modified to the rulemaking file are as follows:

[Initial Statement of Reasons](#)
[Text of Regulation](#)

The documents added to the rulemaking file are as follows:

[Public Contract Code 10295](#)
[Public Contract Code 10344.1](#)
[Public Contract Code 10430](#)
[Department of General Services State Contracting Manual Volume 1, Chapter 2 and Chapter 5](#)

Beginning November 1, 2023, these documents are available for public inspection on the agency's website at www.calhr.ca.gov/Pages/regulatory-announcements.aspx or by request to the agency contact, between the hours of 8:00am and 5:00 p.m. at the following address.

CalHR will accept written comments on the proposed changes from November 1, 2023 to November 17, 2023. Written comments may be submitted by mail to:

California Department of Human Resources
Joseph Mesich, Investment Analyst
1515 S Street, North Building, Suite 500

Sacramento, CA 95811
Telephone: 916-324-0519

Comments may also be submitted by facsimile (FAX) at (916) 327-1885 or by e-mail to joseph.mesich@calhr.ca.gov.

All written comments received by November 17, 2023, which pertain to the indicated changes will be reviewed by CalHR and will be summarized and responded to in the Final Statement of Reasons. Please limit your comments to the modifications to the text.

Text of Proposed Regulation 15-Day

Changes proposed during the 45-day comment period are shown in single underline. Proposed changes for this 15-day notice are shown in double-underline for additions and double-strikethrough for deletions.

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Section 599.943 ~~Savings Plus Program~~ Contract Periods Bidding Process

PROPOSED REGULATIONS

Section 599.943 ~~Contract Periods~~ Bidding Process

- (a) ~~Before awarding an agreement to potential contractor. Prior to the conclusion of each contract period with investment firms, the Department~~ California Department of Human Resources (Department) ~~shall comply with the state's competitive bid process that shall offer provide all qualified bidders with a fair opportunity to participate in enter the bidding process, and to follow state contracting best practices. To the extent feasible, the Department will utilize the the following public bidding procedures: in order, be used to select the firm to be awarded the new contract. Such process shall be undertaken at least every five calendar years.~~
- (1) Post the bid publicly through the departmental public announcement, industry related national association and national publication web pages.
 - (2) Provide instructions, including the application deadline and process, for prospective bidders to apply through the contract procurement webpage.
 - (3) Avoid unnecessary restrictions to competition.
 - (4) Follow predetermined procedures developed in compliance with applicable laws to ensure fair competition.
 - (5) Review and evaluate bidder responses to select the contract awardee.
 - (6) Publicly announce the contract winner on the department's announcement web page.
 - (7) Finalize the contract based on the solicitation specifications and the contractor's response.
- (b) Notwithstanding subsection (a) above, the Department may utilize a non-public bidding process if deemed necessary to maintain the continuity of services and if it is in the best interest of the Plan,

as determined by the Department and on a case-by-case basis. The Department will follow all public bidding processes except for publicly announcing and awarding the solicitation under subsections (a)(1), (a)(2), and (a)(6). Additionally, the Department will work with contracted consultants to source through a diverse set of firms and notify potential bidders of the upcoming request for a proposal.

Note: Authority cited: Sections 18502, 19815.4(d), 19815 and 19993, Government Code. Reference: Sections 11010.5, 19815.2, 19815.4, 19815.6, 19993, 53601 and 53602, Government Code; and Section ~~10340~~ 10295, 10344.1, and 10430, Public Contract Code.