



AGENDA STAFF REPORT

Control: 26001898

MEETING DATE: 10/27/2026
LEGAL ENTITY TAKING ACTION: Board of Supervisors
BOARD OF SUPERVISORS DISTRICT(S): All Districts
SUBMITTING AGENCY/DEPARTMENT: County Executive Office
DEPARTMENT CONTACT PERSON(S): Kim Derrick, 714-834-2564
Melvin Chua, 714-834-2778

SUBJECT: Amendment Number Six to Contract with Mercer Investments LLC, dba Mercer Investment Advisers LLC

CEO CONCUR	COUNTY COUNSEL REVIEW	CLERK OF THE BOARD
Concur	Approve agreement to form	DISCUSSION
		3 Votes Board Majority

Budgeted: Yes	Current Year Cost: 14,000	Annual Cost: FY2027-28 \$14,000
Staffing Impact: No	Funding Source: See Financial Impact	Sole Source: No
Current Fiscal Year	Section	County Audit in Last 3
Revenue: N/A		years: No

Levine Act Review

Completed? Yes

Prior Board Action: 6/24/2025 #70, 5/21/2024 #48, 9/26/2023 #37; 11/8/2022 #26

RECOMMENDED ACTION(S):

Authorize the County Procurement Officer or Deputized designee to execute Amendment Number Six with Mercer Investments LLC, dba Mercer Investment Advisers LLC, to add proxy voting questionnaire services, effective November 1, 2026, through December 31, 2027, in an amount not to exceed \$28,000, for a revised cumulative contract total amount not to exceed \$2,009,800.

SUMMARY:

Approval of Amendment Number Six to the Contract with Mercer Investments LLC, dba Mercer Investment Advisers LLC, will provide additional Investment Consulting Services for the County's Defined Contribution plans, the Health Reimbursement Arrangement plan, Extra-Help Defined Benefit plan and the Defined Contribution and Health Reimbursement Arrangement Advisory Committees.

BACKGROUND INFORMATION:

Mercer Investments LLC, dba Mercer Investment Advisers, LLC (Mercer), is the County's current provider for investment consulting services for the County's Defined Contribution plans, the Health Reimbursement

Arrangement plan, Extra-Help Defined Benefit plan and the Defined Contribution and Health Reimbursement Arrangement Advisory Committees.

In light of recent litigation surrounding proxy voting practices in the Defined Contribution landscape, Mercer has created a proxy voting questionnaire service to assist plan sponsors with oversight of their investment advisors' proxy voting practices. With these services, Mercer will:

- Define the County's mandate - Collaborate with County to confirm the project scope, gather plan details, and collect County plans' investment advisor information and contacts.
- Engage County investment advisors - Reach out directly to County plans' investment advisors to collect responses to the proxy voting questionnaire.
- Evaluate - Review investment advisors' responses and clarify any ambiguities with investment advisors.
- Deliver findings - Provide a clear, written report with each investment advisor's responses and Mercer findings

These additional services are necessary so that the Mercer consulting team can continue to assist the County's Human Resource Services, Employee Benefits Division, and the Defined Contribution and Health Reimbursement Arrangement Advisory Committees fulfill their fiduciary responsibilities. These services are designed to provide a transparent review to help plan fiduciaries determine that their investment advisors are in compliance with their proxy voting policies and procedures, helping to ensure alignment with the plans' expectations. Approval is being requested for Amendment Number Six to the contract with Mercer Investments LLC, dba Mercer Investment Advisers, LLC for Investment Consulting Services, to make updates to the current contract to add proxy voting questionnaire services to Attachment A - Scope of Work, under the same terms and conditions, effective November 1, 2026, through December 31, 2027, in an amount not to exceed \$28,000.

Prior Board Actions:

- On November 8, 2022, the Board approved Amendment Number One to the Contract, effective November 19, 2022, through November 18, 2023, in an amount not to exceed \$272,500.
- On September 26, 2023, the Board approved Amendment Number Two to the Contract, effective November 19, 2023, through November 18, 2024, in an amount not to exceed \$279,000.
- On May 21, 2024, the Board approved Amendment Number Three to the Contract, effective November 19, 2024, through November 18, 2025, in an amount not to exceed \$279,000.
- On June 24, 2025, the Board approved Amendment Number Four to the Contract under the Orange County Contract Cost Reduction Program, effective November 19, 2025, through November 18, 2027, in an aggregate amount not to exceed \$474,000.

The Contractor's performance has been confirmed as satisfactory. Human Resource Services has verified there are no concerns that must be addressed with respect to Contractor's ownership/name, litigation status or conflicts with County interests. The Orange County Preference Policy is not applicable to this contract amendment. This contract does not currently include subcontractors or pass through to other providers. See Attachment B for Contract Summary Form. The Contractor's performance has been confirmed as satisfactory.

FINANCIAL IMPACT:

Appropriations for this Amendment Number Six are included in Budget Control 056 FY 2026-27 Budget and will be included in the budgeting process for future years.

The total cost for this additional service is not to exceed \$28,000. The majority of Mercer's investment consulting fees are offset by reimbursement to the County from the Administrative Funding Accounts by the recordkeepers for the Defined Contribution and Health Reimbursement Arrangement programs and results in minimal cost to the County.

The contract, including Amendment Six, is contingent upon funding by the County during the term of the contract. If such funding is not approved, the contract will be immediately terminated without penalty to the County.

STAFFING IMPACT:

N/A

REVIEWING AGENCIES/DEPARTMENTS:

N/A

ATTACHMENTS:

Attachment A - Amendment Number Six to Contract MA-017-20011102 with Mercer Investment Advisers LLC

Attachment B - Contract Summary Form