



**PUBLIC REQUEST TO ADDRESS
THE BOARD OF SUPERVISORS
COUNTY OF LOS ANGELES, CALIFORNIA**

MEMBERS OF THE BOARD

HILDA L. SOLIS
HOLLY J. MITCHELL
LINDSEY P. HORVATH
JANICE HAHN
KATHRYN BARGER

Correspondence Received

The following individuals submitted comments on agenda item:				
Agenda #	Relate To	Position	Name	Comments
11.		Oppose	Perry Goldberg	Please see attached letter.
		Item Total	1	
Grand Total			1	

Comment re Agenda Item 11, Board Meeting on May 12, 2026

Subject: Opposition to Sole Source Extension for Empower Contract – Demand for Fiscal Transparency and Performance Metrics

To the Honorable Board of Supervisors:

I am writing to formally object to the Interim Chief Executive Officer's request for a multi-year, sole-source contract extension with Empower for Third Party Administrative Services for the Defined Contribution Program. I urge the Board to withhold approval until the Chief Executive Office provides the basic financial and performance data necessary to make an informed fiduciary decision.

Approving this extension as currently presented violates basic principles of contracting transparency for the following reasons:

1. Concealment of Total Vendor Compensation

The Board Letter states that "services will continue at current contract rates" but fails to disclose what those rates actually are. Furthermore, it completely omits the aggregate total amount Empower has collected from County employees under the existing term. While these administrative fees are deducted directly from participant accounts rather than the County's general fund, it is the Board that authorizes this extraction. The contract must mandate that the vendor provide an annual, transparent accounting of the total dollar amount collected, and the Board must review this total historical payout before authorizing any extension.

2. Complete Absence of Industry Benchmarking

By delaying a competitive solicitation in favor of a sole-source extension, the County is bypassing the open market. To justify this, the CEO should have provided the Board with comparative industry data to demonstrate that Empower's "current rates" remain highly competitive for a mega-plan of this size (\$29 billion in assets). Asking the Board to blindly extend a contract without proving the fee structure meets or beats current industry standards is irresponsible.

3. No Performance Validation or Metrics

A vendor should not be rewarded with a multi-year, uncompetitive extension without a rigorous, data-driven evaluation of their past performance. The request contains zero information regarding how well Empower has managed this program. The Board must be provided with objective metrics—such as adherence to Service Level Agreements (SLAs),

transaction error rates, participant satisfaction scores, and resolution times—to judge whether Empower has actually earned this extension.

The County’s upcoming payroll system upgrade may complicate a vendor transition, but it does not excuse the CEO from presenting a complete financial and operational picture. I respectfully request that the Board reject this sole-source extension until the actual fee structure, total historical vendor compensation, market comparisons, and performance audits are made available to both the Supervisors and the public.

Respectfully submitted,

Perry Goldberg (District 5)