



The Investment Accounting System RFI resulted in SCERS receiving five vendor responses. The information received is within expectations with respect to projected costs and schedules. The project team is currently preparing a cost benefit analysis as input to deciding whether to proceed with issuance of a Request for Proposals. The recommendation will be presented to the Board at either the August or September meeting.

### **BACKGROUND**

The SCERS Strategic Plan 2014-2018 identifies the need for modernization of IT systems to improve efficiency and reliability of business processes in the benefits and accounting operations and to improve self-service for members and benefit recipients.

At the monthly meeting of April 14, 2016, the Board received and filed the Current State Assessment and Recommendations for an Information Technology (IT) Modernization Program – Assessment Phase presentation prepared by IT consultant, Linea Solutions, and approved the recommended sequence of projects and next steps set forth in the report.

The Board was last provided an update on the overall IT Modernization Program at the March 2018 meeting.

### **ATTACHMENTS**

- Presentation by Stephen Hawley, Chief Strategy Officer

Prepared by:

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Stephen Hawley  
Chief Strategy Officer

Reviewed by:

/S/

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Eric Stern  
Chief Executive Officer

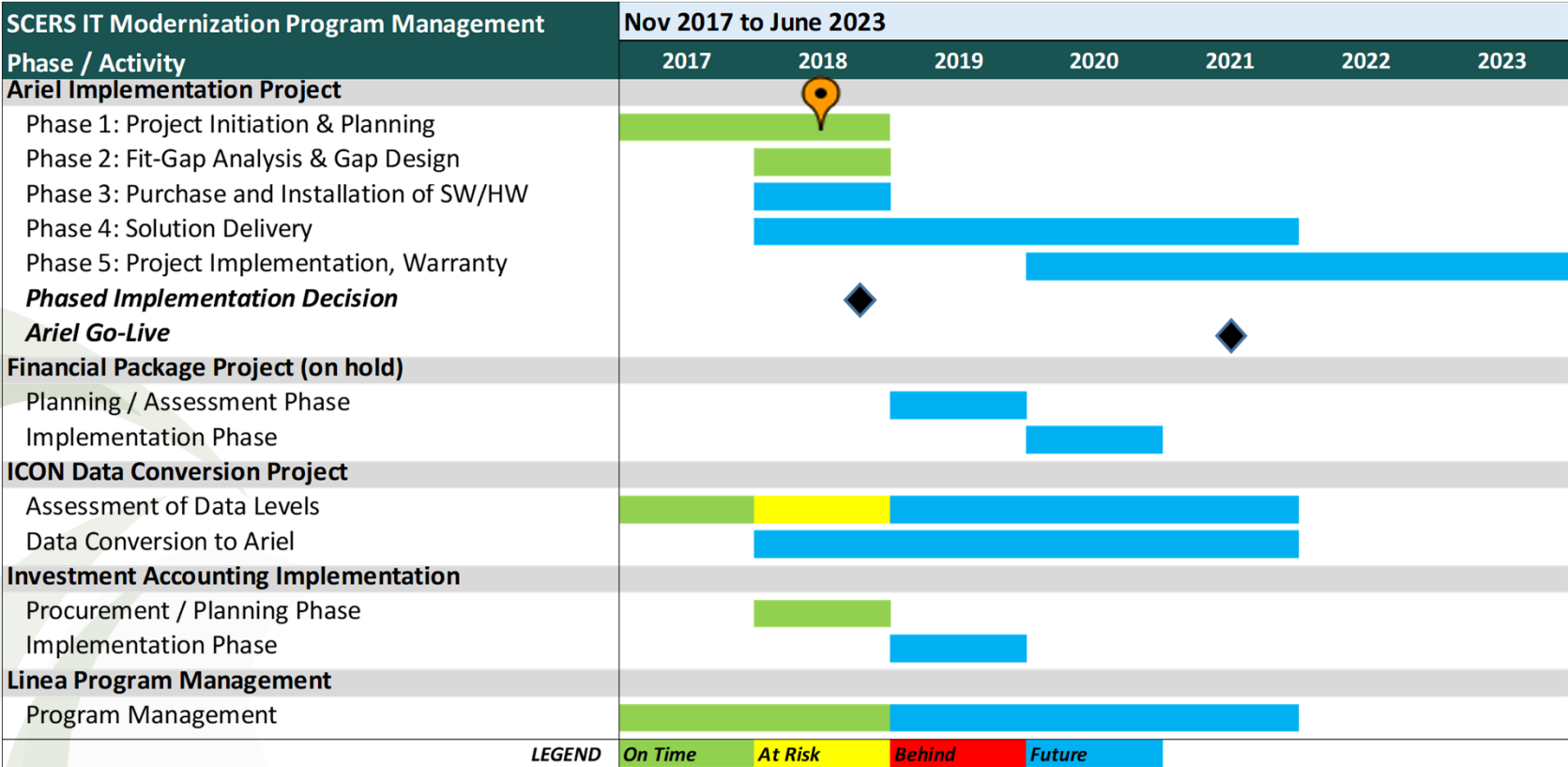
# IT Modernization Quarterly Update

Board Agenda Item 18  
July 19, 2018

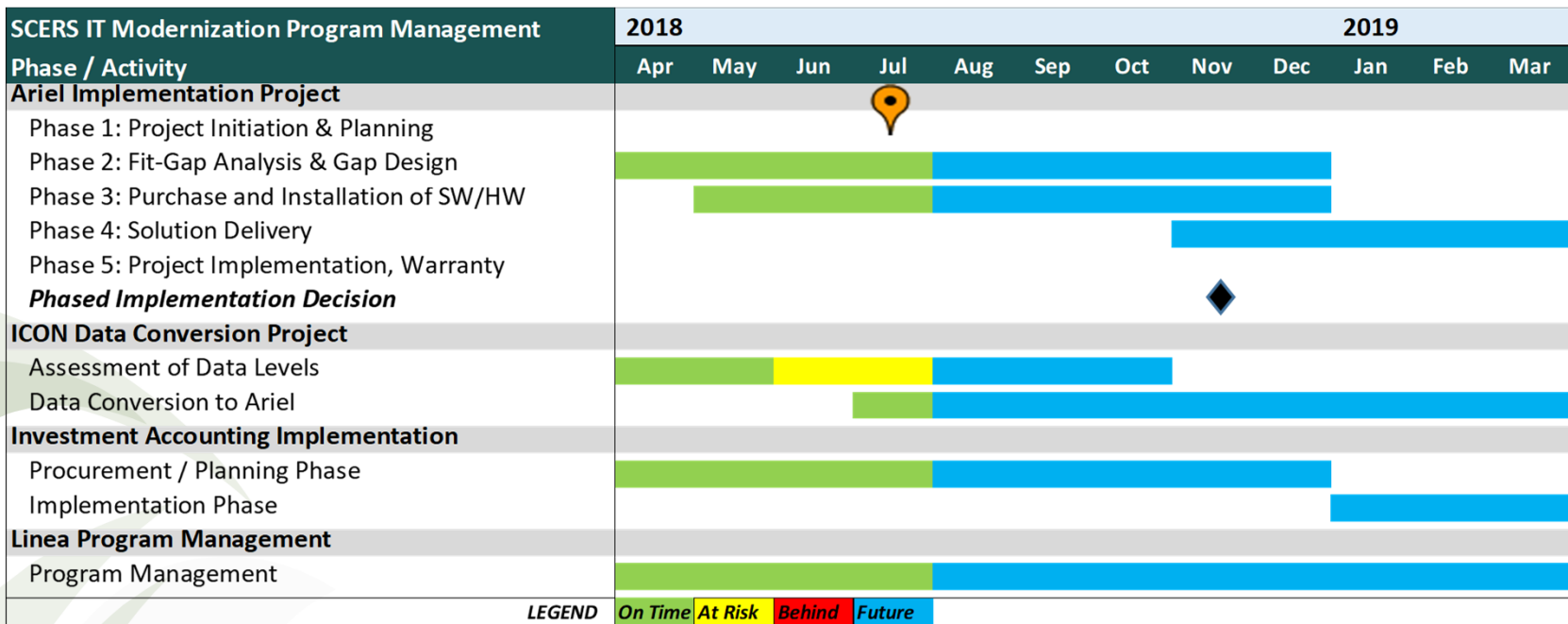
Stephen Hawley  
SCERS Chief Strategy Officer



# IT Modernization Multi-year Timeline



# 12 Month Timeline Overview



# Overall IT Modernization Budget

Project Element	Explanation	April 2016 Estimate		March 2018 Forecast	July 2018 Forecast	Notes
		Low	High			
Software	Software licensing cost (one-time).	\$500,000	\$1,100,000	\$537,600	\$537,600	Momeau Shepell Contract
Implementation	Vendor fees to design and implement solution	\$5,200,000	\$8,400,000	\$8,632,600	\$8,632,600	Momeau Shepell Contract
3 <sup>rd</sup> Party Software, Hardware or Hosting fees	Servers/hardware, or annual cost for cloud-based solution	\$150,000	\$800,000	\$459,000	\$459,000	Momeau Shepell Contract
Project Oversight	Vendor management, QA of deliverables, Requirements Traceability, Best Practices consulting	\$1,500,000	\$2,000,000	\$1,800,000	\$1,800,000	Includes current Linea contract of \$494,215 through 12/31/18
Other Consulting Services	Specialized consulting – design, testing, employer payroll, training, business process reengineering, employer integration	\$1,700,000	\$2,500,000	\$1,500,000	\$1,500,000	Includes current Linea design knowledge transfer contract of \$647,900
Data Conversion Services	Specialized consulting services for data conversion; includes Microfiche conversion	\$700,000	\$1,500,000	\$1,700,000	\$1,668,146	ICON Contract, including \$163,560 for microfiche conversion to digital images
Temporary Staffing	3-6 additional FTEs for 4 years.	\$900,000	\$1,500,000	\$979,200	\$979,200	Assumes between 2 resources at \$85/hour from Dtech or elsewhere.
IAS Implementation		\$0	\$0	\$700,000	\$700,000	
FRS Implementation		\$0	\$0	\$500,000	\$500,000	
Website Modernization		\$0	\$0	\$250,000	\$250,000	Includes current site replacement contract of \$74,000
Modernization Program, Total		\$10,650,000	\$17,800,000	\$17,058,400	\$17,026,546	Total without contingency
				\$2,558,760	\$2,553,982	15% Contingency
				\$19,617,160	\$19,580,528	Total project budget

Note: expenditures to date are approximately \$2,770,000

