Board of Retirement Regular Meeting

Sacramento County Employees' Retirement System

Agenda Item 15

MEETING DATE: October 17, 2018

SUBJECT: IT Modernization Program Quarterly Review

SUBMITTED FOR: ___ Consent ___ Deliberation and Action _X_ Receive and File

RECOMMENDATION

Staff recommends the Board receive and file this report.

PURPOSE

This item supports the 2018-19 Strategic Management Plan goal to improve performance, productivity, and efficiency through SCERS' technology platforms, by contributing to effective management and oversight of those efforts.

DISCUSSION

The portfolio of projects comprising the IT Modernization Program is progressing on time and on budget.

The Fit-Gap phase of the Ariel (PAS) project is on schedule for completion the end of this month. With 95% of requirements reviewed, the project team judged about 89% fit within the "out of the box" vendor software capabilities.

The contract negotiations and project planning for the phased PAS implementation (approved by the Board in September 2018) are in progress. As shown in the attached presentation, SCERS Staff projects that the reduced project management consultant and data conversion support costs will offset the increased implementation costs of the phased approach due to the accelerated schedule.

The modernized SCERS public website goes live in October. Staff is working with the support vendor on plans for future enhancements.

The Investment Accounting System RFI and Business Case project has been on hold pending the onboarding of SCERS' new Senior Accounting Manager. In the interim, State Street has

submitted an additional (6th) RFI response. The project will resume as soon as the accounting staff has availability following year-end audit and actuarial valuation activities.

ATTACHMENTS

- IT Modernization Program presentation

Prepared by:

/S/

Stephen Hawley
Chief Strategy Officer

Reviewed by:

/S/

Eric Stern
Chief Executive Officer

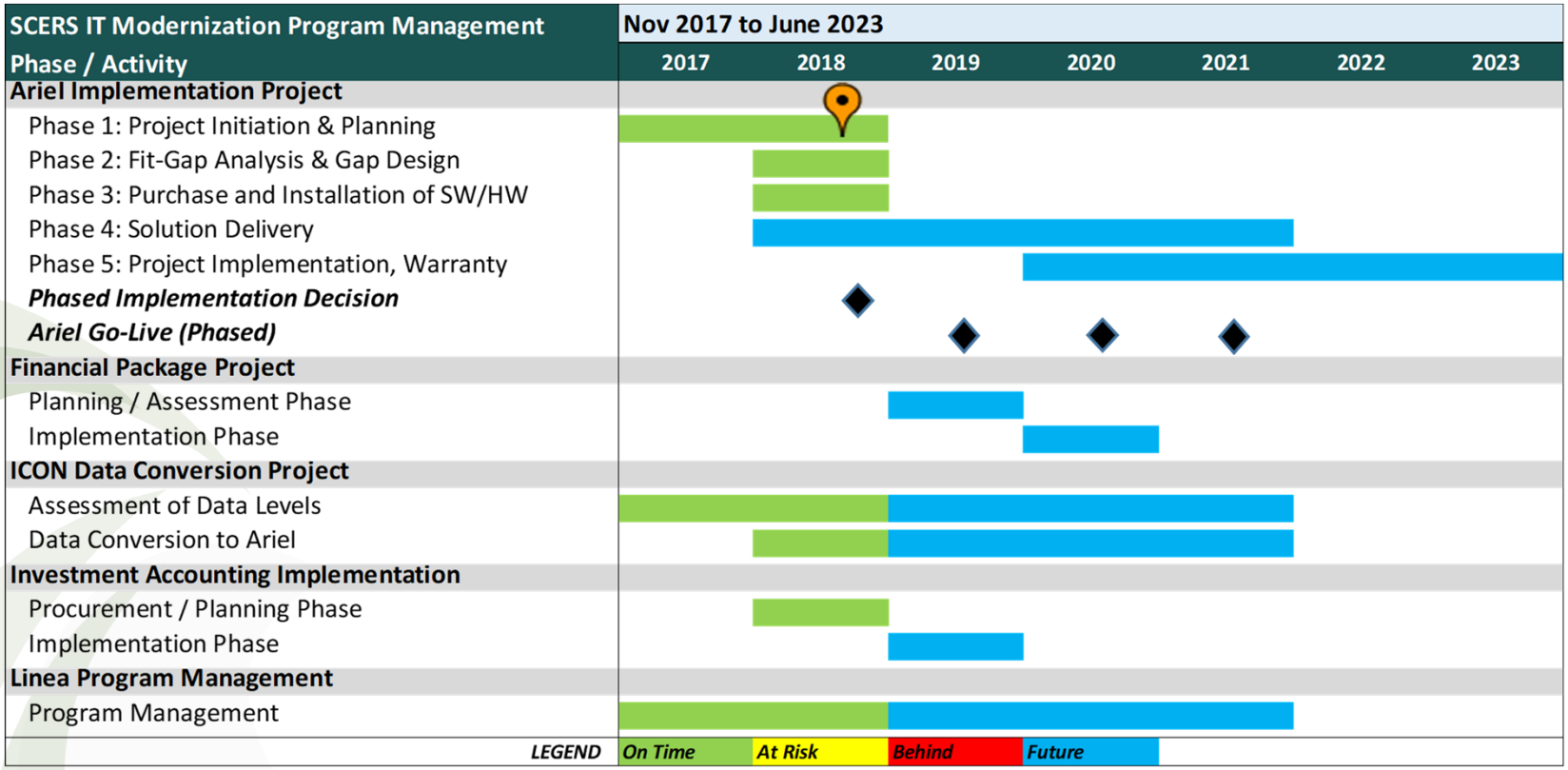
Update on SCERS' IT Modernization Program

October 17, 2018

Stephen Hawley
Chief Strategy Officer

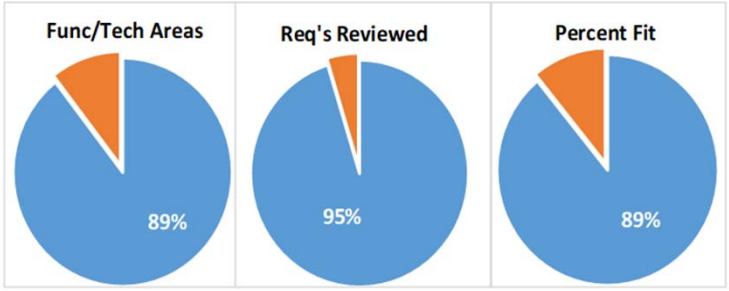
SCERS
SACRAMENTO COUNTY
EMPLOYEES' RETIREMENT SYSTEM

IT Modernization Multi-year Timeline



PAS Project Status – Fit/Gap Sessions

- We don't foresee any *significant* gaps at this time
- Process Owners are taking ownership and engaged in the potential gap review
- Fit Gap phase will complete 10/31/18
- Solution Delivery phase will commence 11/1/18



	Potential Gap	True Gap	Grand Total
COTS option rejected (True Gap)		1	1
Submitted to SCERS for review	33		33
Under review by MS	40		40
Grand Total	**73**	**1**	**74**

	Cancelled	Deferred	Fit	Planned Gap	Potential Gap	To be analyzed	True Gap	Not Started	Grand Total	Reviewed to Date	Fit to Date
Data			4		1				5		
Functional	51	57	1070	34	72	28	1	65	1378	95%	88%
Technical	7		128					7	142	95%	100%
Grand Total	**58**	**57**	**1202**	**34**	**73**	**28**	**1**	**72**	**1525**	**95%**	**89%**

Overall IT Modernization Budget

Project Element	Explanation	April 2016 Estimate		July 2018 Forecast	October 2018 Forecast	Notes
		Low	High			
Software	Software licensing cost (one-time).	$500,000	$1,100,000	$537,600	$537,600	Morneau Shepell Contract
Implementation	Vendor fees to design and implement solution	$5,200,000	$8,400,000	$8,632,600	$9,521,426	Morneau Shepell Contract
3rd Party Software, Hardware or Hosting fees	Servers/hardware, or annual cost for cloud-based solution	$150,000	$800,000	$459,000	$459,000	Morneau Shepell Contract
Project Oversight	Vendor management, QA of deliverables, Requirements Traceability, Best Practices consulting	$1,500,000	$2,000,000	$1,800,000	$1,600,000	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	$1,668,146	$1,500,000	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	$500,000	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	$17,026,546	$17,068,026	Total without contingency
				$2,553,982	$2,560,204	15% Contingency
				$19,580,528	$19,628,230	Total project budget