



Board of Retirement Regular Meeting

Sacramento County Employees' Retirement System

Agenda Item 14

MEETING DATE: October 16, 2019

SUBJECT: IT Modernization Program Quarterly Review

SUBMITTED FOR: Consent **Deliberation and Action** **Receive and File**

RECOMMENDATION

Staff recommends the Board receive and file the IT Modernization Quarterly Review.

PURPOSE

This item supports the 2019-20 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, though there are concerns about the schedule for Phase 3 of the Pension Administration System project.

Ariel (Pension Administration System or "PAS")

Ariel project plans include three major deployment phases.

Ariel Phase 1 went live for use by the Benefits staff on July 1, 2019. Ariel Phase 1 provides a paperless work management environment with integrated electronic documents (FileNet) and management metrics for most Benefits customer service processes. SCERS benefits from enhanced system security and greatly improved disaster recovery and business continuity capabilities for the Benefits area.

Morneau Shepell has informed SCERS that due to changes in the development schedule of the benefit payment module in Ariel, it is necessary to redefine the functional content of Phase 2 and Phase 3, though the overall schedule is expected to largely remain intact without cost increases.

The key schedule change is the shift of the replacement of COMPASS benefit payroll from Phase 2 (mid-year 2020) to Phase 3 (second half of 2021). The overall project completion remains the same at the end of calendar 2021. The SCERS, Linea, and Morneau Shepell project management team is working on revisions to the detailed project plan.

Ariel Phase 2 is in the software build stage and is planned to go live in July 2020. It will replace the MBASE active member system. It will also provide self-service web portals for active and retired participants. The ICON data conversion project will be completed in the same timeframe.

Ariel Phase 3, the final PAS implementation step, will begin in late 2019 with a planned go live in late-2021. It will replace the COMPASS benefit payment system, eliminate manual calculation of most benefits, and provide automation of correspondence and email notifications along with many additional features.

SCERS Website

The modernized SCERS public website went live in October 2018. The secure staff internal website (the “intranet”) is now available and in use by staff. During the rest of the 2019-20 fiscal year, the internal website will be populated with documents and data that currently reside in various network folders. This will greatly improve the security, organization, and access to enterprise knowledge.

Investment Accounting

The procurement of Private Market Accounting and Reporting Services has been completed and Colmore, Inc. has been contracted to provide services for the next three years with two options for an additional year (for a total of up to 5 years). Onboarding activities are to be completed this quarter including loading of historical information for about 112 current SCERS private market funds.

ATTACHMENTS

- IT Modernization Program Schedule
- IT Modernization Program Budget

Prepared by:

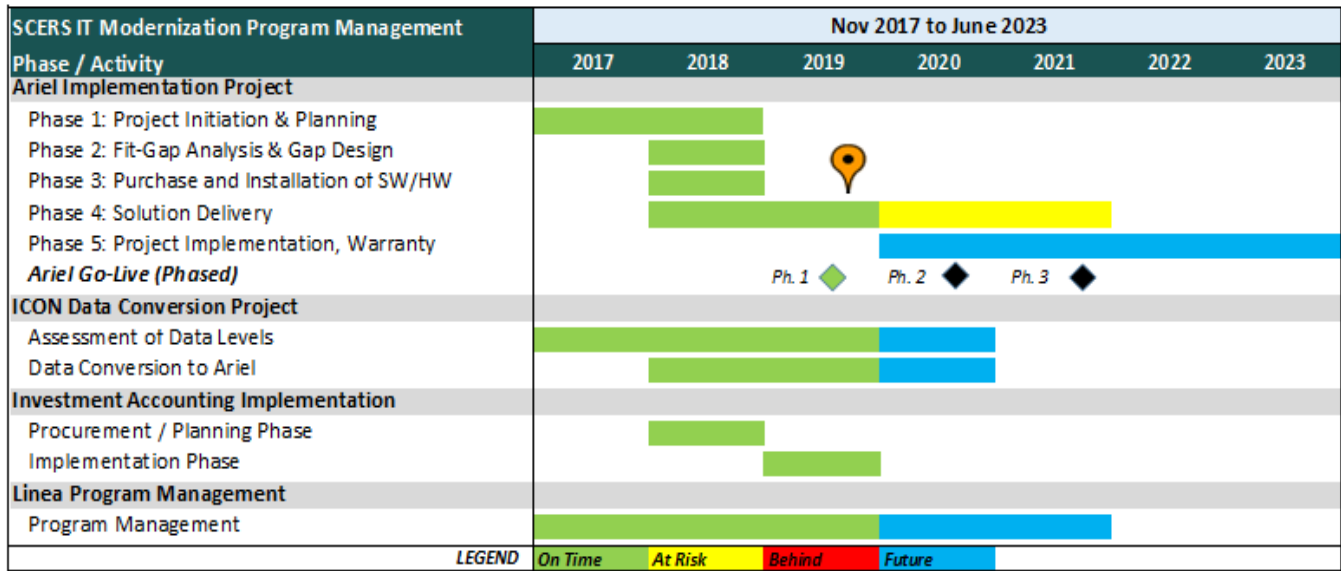
/S/

Stephen Hawley
Chief Strategy Officer

Reviewed by:

/S/

Eric Stern
Chief Executive Officer



SCERS IT Modernization: Implementation Budget

Project	Project Element	April 2016 Estimate		Paid through June 2019	Estimated Remaining	Forecast Total at Completion	Notes
		Low	High				
Pension Administration System (PAS)							
	Implementation Services	\$5,200,000	\$8,400,000	\$4,234,950	\$5,598,050	\$9,833,000	Morneau Shepell Contract
	PAS Software and Implementation Infrastructure	\$500,000	\$1,100,000	\$281,016	\$256,584	\$537,600	Morneau Shepell Contract
	Linea Project Oversight and Analysis	\$3,200,000	\$4,500,000	\$1,771,248	\$1,200,000	\$2,971,248	Master contract not-to-exceed cap of \$3,300,000
	ICON Data Conversion Services	\$700,000	\$1,500,000	\$1,208,199	\$278,817	\$1,487,016	ICON Contract, including \$163,560 for microfiche conversion to digital images
	Temporary Staffing	\$900,000	\$1,500,000	\$0	\$100,000	\$100,000	Assumes 2 resources at \$85/hour from Dtech or elsewhere.
PAS Totals		\$10,500,000	\$17,000,000	\$7,495,413	\$7,433,451	\$14,928,864	
Investment Accounting System		\$0	\$0	\$70,000	\$57,000	\$127,000	For private market data services
General Financial System		\$0	\$0	\$0	\$0	\$0	Plan to stay with COMPASS
Website Modernization		\$0	\$0	\$72,000	\$18,000	\$90,000	Includes both public and internal (private) sites
Modernization Program, Total		\$10,500,000	\$17,000,000	\$7,637,413	\$7,508,451	\$15,145,864	Total without contingency
15% Contingency						\$2,271,880	
Total project estimate						\$17,417,744	