



Board of Retirement Regular Meeting

Sacramento County Employees' Retirement System

Agenda Item 10

MEETING DATE: July 19, 2017

SUBJECT: SCERS Enterprise Solutions and IT Modernization
Program Update

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

RECOMMENDATION

Staff recommends the Board receive and file the SCERS Enterprise Solutions and IT Modernization Program Update presented by the SCERS Management Consultant and the Linea Solution Project Manager.

PURPOSE

Provide an update on the portfolio of projects in process and planned over the next few years as part of the IT Modernization and SCERS Strategic Plan initiated Continuous Improvement Program.

DISCUSSION

The Enterprise Solutions Management Office has begun development of a SCERS Enterprise Solution Project Plan to facilitate inter-project communications and coordination. The plan will provide a vehicle for communication among the SCERS Executive Team and for reporting progress to the Retirement Board. The program portfolio of projects presently includes:

- IT Modernization Program
 - IT Modernization Consultant (Linea Solutions)
 - Data Conversion (ICON Integration)
 - Pension Administration System (PAS) Replacement
 - Investment Accounting System
 - Financial Reporting System
- Continuous Improvement Projects
 - Strategic Plan Fulfillment Initiatives
 - Customer Service Performance Management Improvements

- Enterprise Knowledge Repository Implementation
- Cyber Security Risk Mitigation Initiative

Under the IT Modernization Consultant's (Linea Solutions) leadership, SCERS staff has thoroughly reviewed five large proposals from PAS solution vendors. As a result, three finalists have been designated for further consideration in the next stage of evaluation. Upon completion of the next stage, SCERS staff will have selected a vendor with which to begin contract negotiations.

BACKGROUND

At the May 11, 2017 meeting, the Board approved changes to the SCERS staff structure including the creation of the Enterprise Solutions Management (ESM) Office to provide program management leadership and interoffice coordination for initiatives and projects for implementation of the SCERS Strategic Plan 2014-2018, IT Modernization Program, operation of the SCERS Enterprise Risk Management function and ongoing Continuous Improvement Program projects.

ATTACHMENTS

Presentation by Steve Hawley, Management Consultant
Presentation by Brian Colker, Linea Solutions

Prepared by:

Reviewed by:

/s/

Stephen Hawley
Management Consultant

/s/

Annette St. Urbain
Interim Chief Executive Officer

SCERS Enterprise Solutions and IT Modernization Program Update

Presentation to the Board of Retirement
July 19, 2017



Stephen Hawley
Management Consultant

SCERS Enterprise Solutions Project Plan

Project Description	FY2017-2018				FY2018-2019	FY2019-2020	FY2020-2021	FY2021-2022		
	Q1	Q2	Q3	Q4						
IT Modernization Projects										
IT Modernization Consultant (Linea)	[Active]									
Data Conversion (ICON)	[Active]									
Pension Admin System Replacement			[Active]						[Active]	
Investment Accounting System	[Active]		[Active]							
Financial Reporting System				[Active]	[Active]					
Continuous Improvement Projects										
Strategic Plan Fulfillment Initiatives	[Active]									
Customer Service Performance Management Improvements	[Active]									
Enterprise Knowledge Repository Implementation	[Active]									
Cyber Security Risk Mitigation Initiative	[Active]									



IT Modernization Program

- Linea is contracted to provide consulting services related to the procurement and contract negotiations for Pension Administration System (PAS) vendors. SCERS may elect to extend arrangements with Linea to provide PAS implementation oversight and support services.
- The ICON data conversion contract and project plan may be modified upon selection of the PAS vendor to align project plans and schedules.
- Castle Peak Associates is providing consulting services to identify requirements and potential solutions for the Investment Accounting System.
- The timing and approach for the Financial Reporting System is being deferred until after selection of the PAS vendor because of solution interdependencies.



Continuous Improvement Projects

- The **Strategic Plan Fulfillment Initiatives** project includes the remaining items from the SCERS Strategic Plan 2014-2018
- The **Customer Service Performance Management Improvements** project will improve the oversight of key benefit claims processes considering both SCERS staff and business partner activities and will set benchmarks for measuring improvements resulting from the IT Modernization Program and other strategic initiatives
- The **Knowledge Management Repository Implementation** will improve the infrastructure for developing, collecting and communicating enterprise knowledge including policies, procedures, business rules, system designs, training materials and other important documents
- The **Cyber Security Risk Mitigation** project will follow up on recommendations from the recent risk assessment, will better define SCERS security policies and practices and will monitor the security risk profile as changes occur internally during the IT modernization and externally due to the changing county, state, federal and global regulatory and operating environments
- Detailed project plans for this set of projects are in development with ESM support





IT Modernization Program – Update on Pension Administration System (PAS) Procurement

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Brian Colker, Project Advisor



Agenda

1. Procurement Activities, January - present
2. Assessment Criteria
3. Assessment Team
4. Assessment Results
5. Next steps



Procurement Activities Undertaken Since January

- + Pension Administration System RFP issued on 2/17/2017
- + Five PAS vendors submitted intent to bid
- + Bidders' Conference held 4/17/2017
- + Individual vendor meetings held 4/17 & 4/18/2017
- + Bids submitted 5/10/2017
- + Project team completed bid assessment on 6/28/2017
- + Three finalists notified on 6/30/2017



Assessment Criteria

The project team considered the following criteria in assessing the bid responses:

- + Functional fit
- + Technical fit
- + Relevant experience
- + Company stability / longevity
- + Implementation team and approach
- + Quality of maintenance & support program
- + Cost



Assessment Team

- + The procurement process has been time intensive
 - Vendor Q&A, vendor conference, and individual vendor meetings required significant prep time
- + Bid assessment:
 - Five SCERS staff members assessed each bid
 - Two DTECH staff members assessed the technical sections
 - The bids were 300-600 pages each
 - Each staff member spent ~40 hours reading and analyzing bids
 - The project team held all-day meetings twice to discuss the analysis and to select finalists



Assessment Results

Vendor (alphabetical order)	Description	Finalist?
LRS / PensionGold	Illinois-based vendor that has several divisions, including one that focuses on pension.	Yes
Morneau-Shepell	Large Canadian vendor that specializes in pension outsourcing; has US division	Yes
Sagitec Solutions	Minneapolis-based vendor that specializes in public pension market; medium-sized company	Yes
Tegrit Technologies	Small Michigan-based vendor that specializes in public pension	No
Vitech Systems, Inc.	Med-Large NY based firm specializing in multi-employer and public pension	No



Next Steps

- + Finalist interviews and demos – 8/1-8/3; we expect to down select to 2 vendors
- + We will solicit Best and Final Offers
- + We will perform reference checks
- + We will visit retirement systems that have installed the software
- + We will begin contract negotiations
- + We will return to the BOR in September with a recommendation to award