



# Board of Retirement Regular Meeting

## Sacramento County Employees' Retirement System

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### Agenda Item 20

**MEETING DATE:** August 18, 2021

**SUBJECT:** Project Management Services

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

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#### **RECOMMENDATION**

Staff recommends the Board authorize the CEO to increase the contact maximum for project management and oversight services with Linea Solutions, not to exceed \$4.6 million.

#### **PURPOSE**

This item complies with the Strategic Management Plan objective to leverage technology and creative solutions to enhance enterprise performance.

#### **BACKGROUND**

Linea began working with SCERS in October 2015 under an initial engagement to facilitate the Requests for Proposals process to select the vendor for the Pension Administration System (PAS) project. After the selection of LifeWorks (formerly Morneau Shepell) as the software developer, the Board approved a \$3.3 million contract in November 2017 to retain Linea for ongoing consulting and oversight services as the project moved into the design, testing, and implementation stages.

Since then, the PAS project schedule has shifted from a “big bang” implementation where all functionality would “go live” in mid-2021 to a phased approach where functionality has been incrementally added into production. The final phase is now scheduled for implementation in early to mid-2022.

The extended implementation schedule required ongoing Linea support into 2022 and a corresponding adjustment to the contract maximum, which the Board approved at the April 2021 meeting. Specifically, the Board authorized the CEO to extend the Linea contract for one year, to December 31, 2022, and increase the contract maximum by \$300,000, not to exceed \$3.6 million.

#### **DISCUSSION**

In May 2021, SCERS, Linea, and LifeWorks paused most implementation activities to review the project status, review lessons learned from the prior Go-Live phases, address remediation efforts on data-clean up and functionality, and develop resource plans. As a small organization, SCERS often lacks internal capacity to devote as much attention as needed on project activities

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and maintain regular business operations. Though the initial project plan anticipated the potential use of temporary-help services, SCERS management has determined that Linea is best suited to provide additional resources to assist in coordinating and supplementing SCERS staff with time-consuming, user-acceptance testing processes that often require specialized expertise.

During the project design and initial implementation phases, SCERS was supported by two business analysts from Linea and a part-time senior project manager. Additional Linea team members have been added to the project in recent months based on their knowledge and experience with pension implementations, including some with LifeWorks experience in their backgrounds. The additional team includes:

- 1 testing coordinator and 3 testing specialists to organize and conduct thorough testing, to ensure that test cases are comprehensive in nature so that the system is fully tested, and issues are prioritized.
- 1 data technician to finish the data clean-up effort from earlier phases and coordinate data preparedness for upcoming phases.
- 1 trainer to build training documentation to fill the gap between LifeWorks training and the full end-to-end process training for Staff that is needed for upcoming project phases.

Through June 30, 2021, SCERS has expended \$3,140,000 on Linea services. With the additional extension recommended by Staff, the contract maximum will be \$4.6 million total, compared to the original contract maximum of \$3.3 million.

These additional costs are offset to some extent due to the retirement of the Chief Strategy Officer in January 2021. SCERS has now eliminated that position, which was initially created and dedicated to the IT project, and will realize approximately \$550,000 in salary and benefit savings through 2022.

As part of the Pension Administration System project budget developed in 2017, SCERS included a 15% contingency for unanticipated costs, which is equivalent to approximately \$2.3 million based on the initial contract costs for the entire project. The additional Linea costs should be considered contingency spending. However, these costs have not yet been included in the SCERS 2021-22 operational budget. SCERS staff will monitor the budget closely and may return to the Board for a mid-year adjustment if needed.

### **ATTACHMENT**

- Board Order
- Project Roadmap

Prepared by:

/S/

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Eric Stern  
Chief Executive Officer



# Retirement Board Order

## Sacramento County Employees' Retirement System

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**Before the Board of Retirement  
August 18, 2021**

MOTION:

### **Project Management Services**

THE BOARD OF RETIREMENT hereby accepts the recommendation of staff to authorize the CEO to increase the contact maximum for project management and oversight services with Linea Solutions, not to exceed \$4.6 million.

I HEREBY CERTIFY that the above order was passed and adopted on August 18, 2021 by the following vote of the Board of Retirement, to wit:

AYES:

NOES:

ABSENT:

ABSTAIN:

ALTERNATES (Present but not voting):

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Richard B. Fowler II  
Board President

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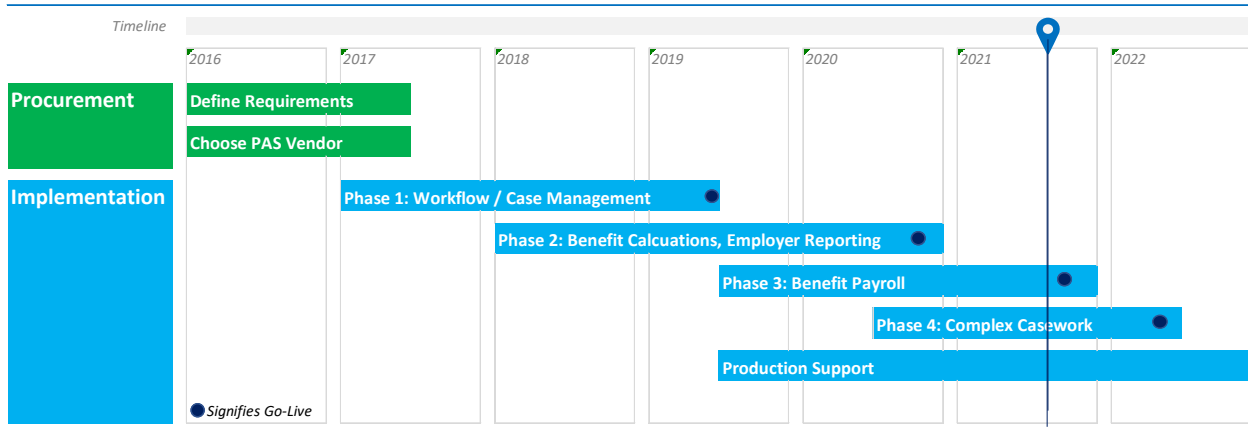
Eric Stern  
Chief Executive Officer and  
Board Secretary

# SCERS Pension Administration System Project Review

August 18, 2021



## SCERS Pension Administration System (PAS) Project Roadmap



### Project Status

Phase	Status	Comments
Project Planning	Complete	LifeWorks (formerly Morneau Shepell) selected as the solutions vendor
1: Workflow / Case Management	Live	Live July 2019
2: Benefit Calc's, Employer Reporting	Live	Live November 2020
3: Benefit Recipient Payroll	Testing	Additional testing time is required, moving the planned October 2021 go-live date to early 2022
4: Complex Casework	Development	Scheduled for early 2022, however this may move depending upon schedule of Phase 3: Benefit Payroll

### Additional Comments

- Linea has increased the current resource commitment from 2 resources (1.25 FTE) to 8 resources (6.75 FTE)
- Additional resources include a testing team (4 resources), data conversion (1 resource), and a training resource (1 resource) to compliment the existing team (2 resources) for a total of 8 resources (6.75 FTE).

### Linea Resource Commitment

