Board of Retirement Regular Meeting
Sacramento County Employees' Retirement System

Agenda Item 11

MEETING DATE: August 19, 2020

SUBJECT: IT Modernization Program Quarterly Review

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

RECOMMENDATION

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

PURPOSE

This item supports the 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. Impact of the Covid-19 emergency has not significantly impeded progress thus far.

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.

Phase 2 and Phase 3 are planned to go live in November 2020 and May 2021 respectively.

Ariel Phase 2 is in the final testing stage and will replace the MBASE active member system. It will also provide self-service web portals for active and retired participants, will eliminate

manual calculation of most pension benefits, and will provide automation of correspondence and email notifications along with many additional features.

Ariel Phase 3, the final PAS implementation step, will replace the COMPASS benefit payment system and automate most benefit administration financial transaction with a direct interface to the counties COMPASS financial system.

Note: During the past quarter, the planning details in the Morneau Shepell contract were amended for two purposes:

1. To require Morneau Shepell to provide a dedicated User Acceptance Test environment for SCERS staff to facilitate staff scheduling for testing and to accommodate further testing of employer payroll reporting file changes prior to the November 2020 Phase 2 go live.
2. Reduce the number of pre-paid support bank hours for the remainder of the project to better align to the phased go-live schedule and to allow support hours to be applied to SCERS approved change requests.

These amendments do not require any change to the overall contract not-to-exceed value and resulted in a net savings of $85,000.

ATTACHMENTS

- IT Modernization Program Budget

Prepared by: Reviewed by:

/S/   /S/
_____   _____
Stephen Hawley   Eric Stern
Chief Strategy Officer   Chief Executive Officer

Attachment 1: SCERS IT Modernization: Implementation Budget

Project	Project Element	April 2016 Estimate		Paid through June 2020	Estimated Remaining	Forecast Total at Completion	Notes
		Low	High				
Pension Administration System (PAS)							
	Implementation Services	$5,200,000	$8,400,000	$5,630,861	$4,202,139	$9,833,000	Morneau Shepell Contract
	PAS Software and Implementation Infrastructure	$500,000	$1,100,000	$329,888	$207,712	$537,600	Morneau Shepell Contract
	Linea Project Oversight and Analysis	$3,200,000	$4,500,000	$2,520,507	$779,493	$3,300,000	Master contract not-to-exceed cap of $3,300,000
	ICON Data Conversion Services	$700,000	$1,500,000	$1,407,126	$114,112	$1,541,355	ICON Contract, including $163,560 for microfiche conversion to digital images
	Temporary Staffing	$900,000	$1,500,000	$0	$0	$0	Assumes 2 resources at $85/hour from Dtech or elsewhere.
PAS Totals		$10,500,000	$17,000,000	$9,888,382	$5,303,456	$15,211,955	
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	$90,000	$0	$90,000	Includes both public and internal (private) sites
Modernization Program, Total		$10,500,000	$17,000,000	$10,048,382	$5,360,456	$15,428,955	Total without contingency
15% Contingency						$2,314,343	
Total project estimate						$17,743,298	