



Board of Retirement Regular Meeting

Sacramento County Employees' Retirement System

Agenda Item 22

MEETING DATE: August 17, 2022

SUBJECT: Pension Administration System (PAS) Quarterly Review

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

RECOMMENDATION

Staff recommends the Board receive and file the quarterly review of the Pension Administration System (PAS) project implementation timeline and budget.

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

Project Status Update: During the second quarter of 2022, staff completed an extensive PAS project implementation review with the vendor. The objective of the review was to establish a new timeline for deliverables and concentrate on priority activities. In May 2022, the Board authorized the SCERS' CEO to amend the Pension Administration System Contract with software vendor LifeWorks. The amendment was executed in July 2022 and includes the following key changes:

- Collapsed phases 3 and 4 into one deliverable to reduce the number of interim processes and gain efficiencies;
- Solidified SCERS requirements regarding schedule (high level project plan), revised definition and requirements for User Acceptance Testing ("UAT") (per industry standards)-including specifications for beginning, testing and completion requirements;
- Clarified deliverables (processes that have not been migrated to production); and,
- Established a 3-month "Parallel Run" phase in July 2023 to create a live production system including specifications for beginning, testing, and completion requirements.
- Established a final system acceptance deadline of December 1, 2023.
- Restructured the payment schedule and reduced the overall contract price by approximately \$600,000.

Revised Project Deliverable Schedule

2019	2020	2021	2022	2023
Phase 1	Phase 2	Phase 2 Closure Phase 3 Prep	Phase 3 Phase 4	
<ul style="list-style-type: none"> • Ariel Phase 4A • Basic Workflow 	<ul style="list-style-type: none"> • Ariel Phase 4B/C • Employer Portal 	<ul style="list-style-type: none"> • Phase 2 Post-cutover Remediation and stabilization • Ariel Phase 4D • Benefit Payroll Testing 	<ul style="list-style-type: none"> • Ariel Phase 4D • Benefit Payroll Testing • Benefit Payroll Delivery • Ariel Phase 4E • Complex Workflow 	
<ul style="list-style-type: none"> • Approx.5% functionality 	<ul style="list-style-type: none"> • Approx. 35% functionality 		<ul style="list-style-type: none"> • Remaining 60% of functionality 	

PROJECT COST SUMMARY

Pension Administration System (PAS) Spending As of June 30, 2022

Pension Administration System (PAS) One-Time Costs	Not to Exceed Amount	Paid To Date	Amount Remaining	% Remaining
LifeWorks Implementation Services	\$ 9,710,451*	\$ 7,647,071	\$ 2,063,380	21%
LifeWorks Software Services	\$ 537,600	\$ 537,595	\$ 5	0%
Linea Project Oversight and Analysis	\$ 6,100,000	\$ 4,943,461	\$ 1,156,539	19%
ICON Data Conversion Services	\$ 1,943,196	\$ 1,715,992	\$ 227,204	12%
Total Vendor Costs	\$ 18,291,247	\$ 14,844,119	\$ 3,447,128	19%
Temporary Help	\$ 1,500,000	\$ 82,404	\$ 1,417,596	95%
Total PAS Cost	\$ 19,791,247	\$ 14,926,523	\$ 4,864,724	25%
<i>Contingency (15% of initial contract max)</i>	\$ 2,311,000	\$ -	\$ 2,311,000	100%
Grand Total- PAS Costs w/ Contingency	\$ 22,102,247	\$ 14,926,523	\$ 7,175,724	32%

*This does not include ongoing maintenance, hosting, and support services for functionality already in production.

ATTACHMENTS

- Board Order

Prepared by:

/S/

Margo Allen
Chief Operations Officer

Reviewed by:

/S/

Eric Stern
Chief Executive Officer



Retirement Board Order

Sacramento County Employees' Retirement System

Before the Board of Retirement
August 17, 2022

AGENDA ITEM:

Pension Administration System (PAS) Quarterly Review

THE BOARD OF RETIREMENT hereby accepts the recommendation of staff to receive and file the quarterly review of the Pension Administration System (PAS) project implementation timeline and budget.

I HEREBY CERTIFY that the above order was passed and adopted on August 17, 2022 by the following vote of the Board of Retirement, to wit:

AYES:

NOES:

ABSENT:

ABSTAIN:

ALTERNATES (Present but not voting):

Board President

Eric Stern
Chief Executive Officer and
Board Secretary