



# Board of Retirement Regular Meeting

## Sacramento County Employees' Retirement System

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### Agenda Item 10

**MEETING DATE:** July 17, 2019

**SUBJECT:** IT Modernization Program Quarterly Review

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

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#### **RECOMMENDATION**

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

#### **PURPOSE**

This item supports the 2018-19 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.

#### **Ariel (Pension Administration System or "PAS")**

Ariel will be built, tested and deployed in three major 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.

Ariel Phase 2 is in the software build stage and is planned to go live in July, 2020. It will replace both the MBASE active member system and the COMPASS monthly benefit payment system with a single integrated, secure system. It will also provide self-service web portals for active and retired participants. With Ariel Phase 2 go live, the ICON data conversion project will be complete.

Ariel Phase 3, the final PAS implementation step, will begin in late 2019 with a planned go live in mid-2021. It will 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 is available and staff is publishing content to the site with planned availability to all staff in early August. During the coming 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 is now in contract negotiations with services planned to begin during the first quarter of this fiscal year.

## **ATTACHMENTS**

- IT Modernization Program Schedule
- IT Modernization Program Budget

Prepared by:

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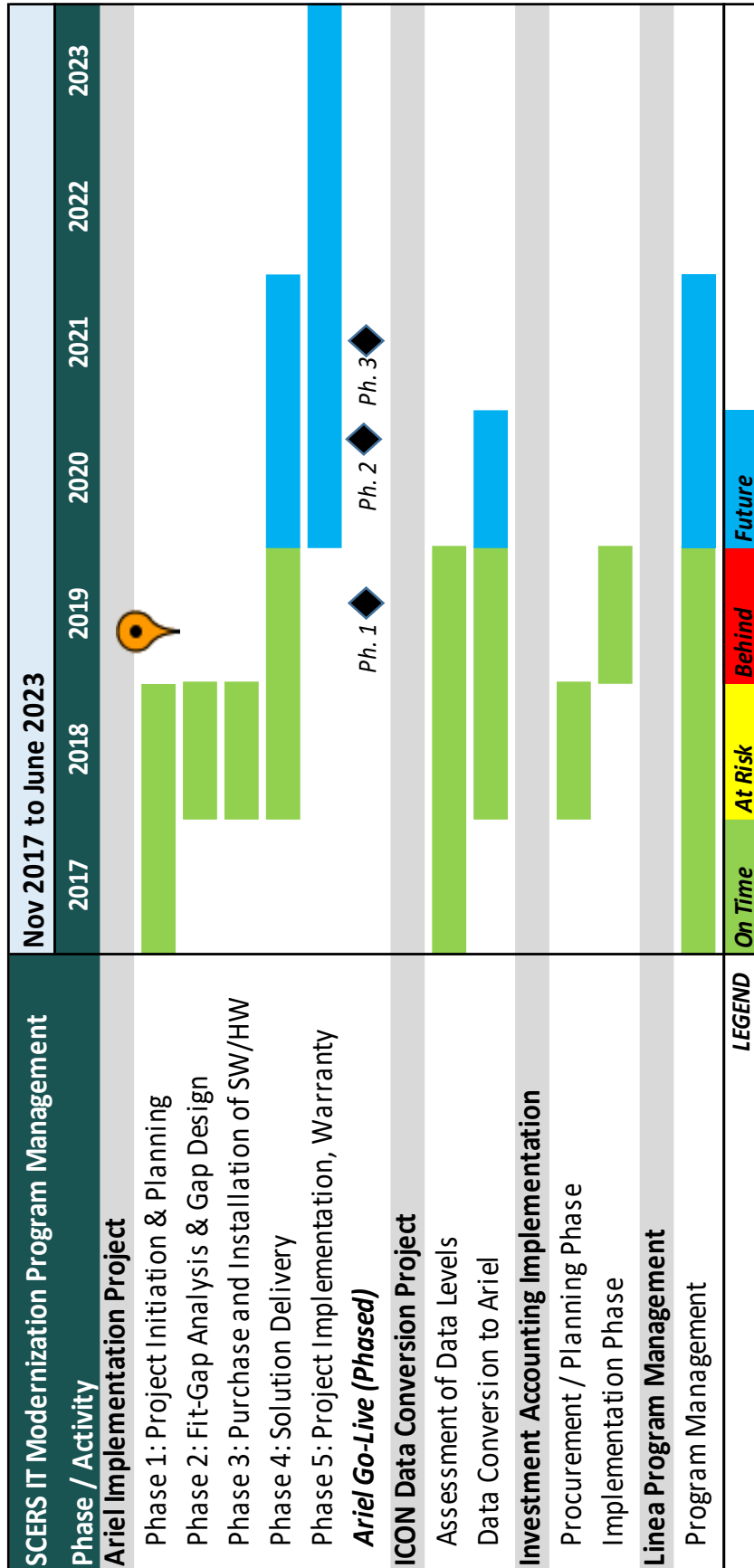
Stephen Hawley  
Chief Strategy Officer

Reviewed by:

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Eric Stern  
Chief Executive Officer



Project Element	Explanation	April 2016 Estimate		October 2018 Forecast	January 2019 Forecast	Notes
		Low	High			
Software	Software licensing cost (one-time).	\$500,000	\$1,100,000	\$537,600	\$537,600	Morneau Shepell Contract
Implementation	Vendor fees to design and implement solution	\$5,200,000	\$8,400,000	\$9,521,426	\$9,521,426	Morneau Shepell Contract
3 <sup>rd</sup> Party Software, Hardware or Hosting fees	Servers/hardware, or annual cost for cloud-based solution	\$150,000	\$800,000	\$459,000	\$459,000	Morneau Shepell Contract
Project Oversight	Vendor management, QA of deliverables, Requirements Traceability, Best Practices consulting	\$1,500,000	\$2,000,000	\$1,600,000	\$1,600,000	Includes current Linea contract of \$992,095 through 12/31/19
Other Consulting Services	Specialized consulting – design, testing, employer payroll, training, business process reengineering, employer integration	\$1,700,000	\$2,500,000	\$1,500,000	\$1,500,000	Includes current Linea knowledge transfer, analysis, and testing contract of \$1,449,100
Data Conversion Services	Specialized consulting services for data conversion; includes Microfiche conversion	\$700,000	\$1,500,000	\$1,500,000	\$1,500,000	ICON Contract, including \$163,560 for microfiche conversion to digital images
Temporary Staffing	3-6 additional FTEs for 4 years	\$900,000	\$1,500,000	\$500,000	\$500,000	Assumes between 2 resources at \$85/hour from Dtech or elsewhere.
IAS Implementation		\$0	\$0	\$700,000	\$350,000	For private market data services
FRS Implementation		\$0	\$0	\$500,000	\$500,000	
Website Modernization		\$0	\$0	\$250,000	\$250,000	Includes current site replacement contract of \$74,000
Modernization Program, Total		\$10,650,000	\$17,800,000	\$17,068,026	\$16,718,026	Total without contingency
				\$2,560,204	\$2,507,704	15% Contingency
				\$19,628,230	\$19,225,730	Total project budget