Board of Retirement Regular Meeting
Sacramento County Employees' Retirement System

Agenda Item 13

MEETING DATE: March 21, 2018

SUBJECT: IT Modernization Quarterly Review

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

RECOMMENDATION

Staff recommends that the Board receive and file this report.

PURPOSE

Presentation by Chief Strategy Officer to inform the Board on status of the IT Modernization Program projects.

DISCUSSION

As described in the attached presentation, the portfolio of projects comprising the IT Modernization Program is progressing on-time and on-budget.

The only current area of concern is the extraction of pension payroll data from the COMPASS system for analysis and loading by the ICON data conversion team. Obtaining the data has been impacted by delays in the migration of special district payroll to the COMPASS system. That project is now (or nearly) complete so SCERS anticipates obtaining the data in the near future. This delay does not impact the overall project schedule at this time.

BACKGROUND

The SCERS Strategic Plan 2014-2018 identifies the need for modernization of IT systems to improve efficiency and reliability of business processes in the benefits and accounting operations and to improve self-service for members and benefit recipients.

At the monthly meeting of April 14, 2016, your Board received and filed the Current State Assessment and Recommendations for an Information Technology (IT) Modernization Program – Assessment Phase presentation prepared by IT consultant, Linea Solutions, and approved the recommended sequence of projects and next steps set forth in the report.

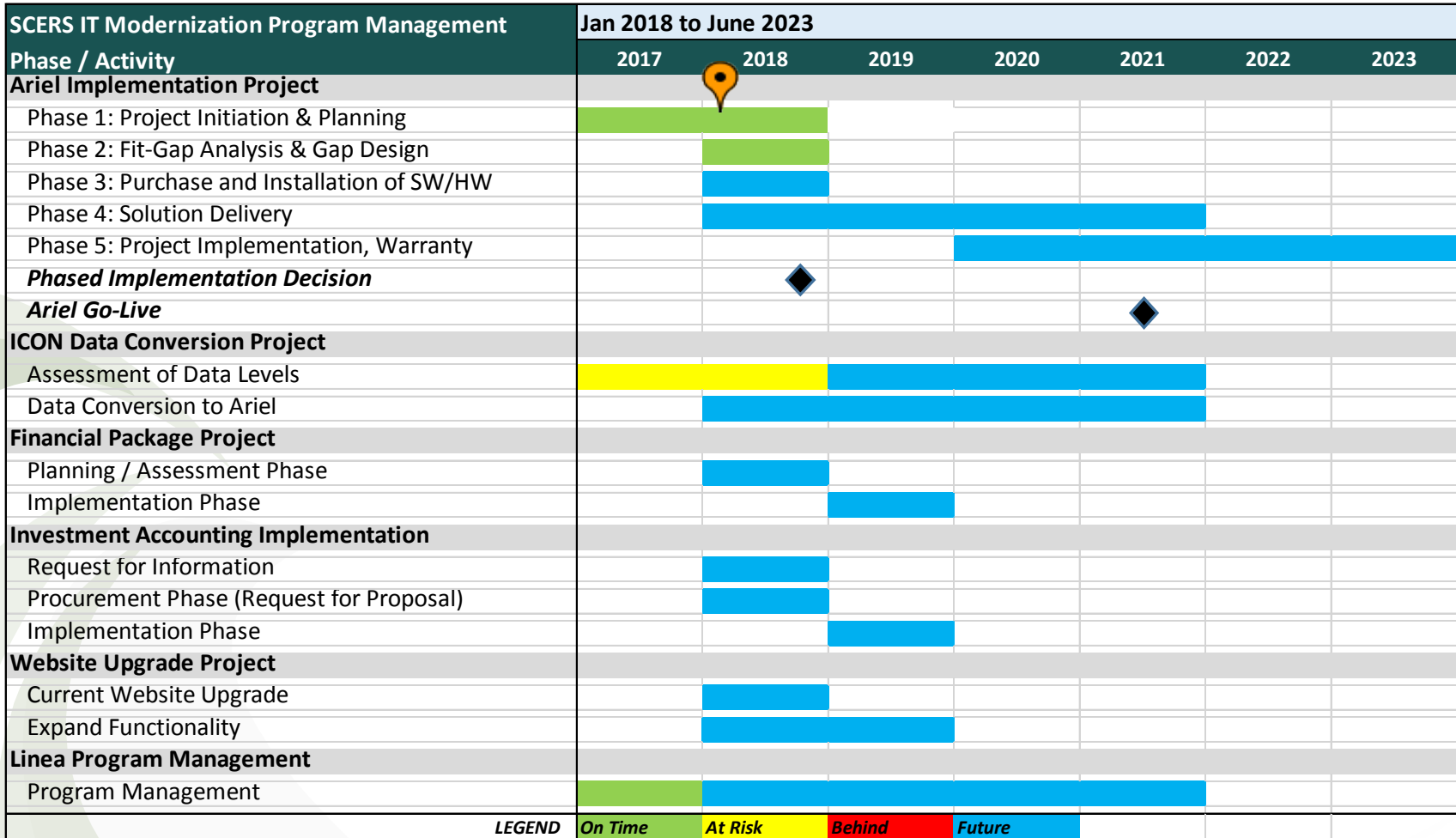The Board was provided an update on the overall IT Modernization Program at the October 2017 meeting.

ATTACHMENTS

Presentation by Stephen Hawley, Chief Strategy Officer

Prepared by: Reviewed by:

/S/   /S/

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

IT Modernization Timeline Overview

SCERS IT Modernization Program Management	Jan 2018 to June 2023						
Phase / Activity	2017	2018	2019	2020	2021	2022	2023
Ariel Implementation Project							
Phase 1: Project Initiation & Planning	On Time						
Phase 2: Fit-Gap Analysis & Gap Design		On Time					
Phase 3: Purchase and Installation of SW/HW		Future					
Phase 4: Solution Delivery		Future	Future	Future	Future		
Phase 5: Project Implementation, Warranty				Future	Future	Future	Future
Phased Implementation Decision		◆					
Ariel Go-Live					◆		
ICON Data Conversion Project							
Assessment of Data Levels	At Risk	Future	Future	Future			
Data Conversion to Ariel		Future	Future	Future			
Financial Package Project							
Planning / Assessment Phase		Future					
Implementation Phase			Future				
Investment Accounting Implementation							
Request for Information		Future					
Procurement Phase (Request for Proposal)		Future					
Implementation Phase			Future				
Website Upgrade Project							
Current Website Upgrade		Future					
Expand Functionality		Future	Future				
Linea Program Management							
Program Management	On Time	Future	Future	Future			
LEGEND	On Time	At Risk	Behind	Future			

2

Project Status – Accomplishments and upcoming activities

Workstream	Status	Significant Accomplishments/Issues

Requirements Review	🟢	• Functional Requirements - completed on 2/8/2018
		   • 1,378 reviewed
		   • 44% to 5% categorized as Priority 1's
		• Technical Requirements - completed on 2/22/2018
		   • 142 reviewed

Fit /Gap Sessions	🟢	• Fit Gap sessions began 3/6/2018 (on schedule)
Resources	🟢	• SCERS resources and process owners assigned for Fit/Gap reviews
Data Conversion	🟡	• ICON expected access to both payroll (COMPASS) data and court (CHRS) data access is required for the ICON data conversion team to perform analysis and loading of data into the Target Staging Database • Active member data is available; pension payroll data delayed • Impact to Ariel implementation reviewed in the data workshops the week of 2/26/2018; no schedule impact is forecast
Project Management Logistics	🟢	• Project Plan and payment schedules updated to reflect actual project start vs. proposal assumptions • Contract compliance monitoring program established and start up reviews completed • Project management tools (ALM) and SharePoint document repository established

Project Status – Accomplishments and upcoming activities

Workstream	Status	Significant Accomplishments/Issues
Financial system integration	🟢	• Analysis by SCERS and MSL staff concluded that using the Ariel General Ledger component for general SCERS financial is not advisable • SCERS will pursue an independent project for modernizing the general financial system
Website Modernization	🟢	• Demo of MSL site completed and style guide provided by MSL • Discovery phase completed; design started
Ariel Phased Implementation	🟢	• MSL will present a potential phased strategy in May 2018 for collaborative review following the initial Fit/Gap sessions

Overall IT Modernization Budget

Project Element	Explanation	April 2016 Estimate		March 2018 Forecast	Notes
		Low	High		
Software	Software licensing cost (one-time).	$500,000	$1,100,000	$537,600	Morneau Shepell Contract
Implementation	Vendor fees to design and implement solution	$5,200,000	$8,400,000	$8,632,600	Morneau Shepell Contract
3rd Party Software, Hardware or Hosting fees	Servers/hardware, or annual cost for cloud-based solution	$150,000	$800,000	$459,000	Morneau Shepell Contract
Project Oversight	Vendor management, QA of deliverables, Requirements Traceability, Best Practices consulting	$1,500,000	$2,000,000	$1,800,000	Includes current Linea contract of $494,215 through 12/31/18
Other Consulting Services	Specialized consulting – design, testing, employer payroll, training, business process reengineering, employer integration	$1,700,000	$2,500,000	$1,500,000	Includes current Linea design knowledge transfer contract of $647,900
Data Conversion Services	Specialized consulting services for data conversion; includes Microfiche conversion	$700,000	$1,500,000	$1,700,000	ICON Contract, assuming $200K for microfiche conversion (data extraction is additional)
Temporary Staffing	3-6 additional FTEs for 4 years.	$900,000	$1,500,000	$979,200	Assumes between 2 resources at $85/hour from Dtech or elsewhere.
IAS Implementation		$0	$0	$700,000	
FRS Implementation		$0	$0	$500,000	
Website Modernization		$0	$0	$250,000	Includes current site replacement contract of $74,000
Modernization Program, Total		$10,650,000	$17,800,000	$17,058,400	Total without contingency
				$2,558,760	15% Contingency
				$19,617,160	Total project budget