

The Investment Accounting System RFI resulted in SCERS receiving five vendor responses. The information received is within expectations with respect to projected costs and schedules. The project team is currently preparing a cost benefit analysis as input to deciding whether to proceed with issuance of a Request for Proposals. The recommendation will be presented to the Board at either the August or September meeting.

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, the 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 last provided an update on the overall IT Modernization Program at the March 2018 meeting.

ATTACHMENTS

- Presentation by Stephen Hawley, Chief Strategy Officer

Prepared by:

/S/

Stephen Hawley
Chief Strategy Officer

Reviewed by:

/S/

Eric Stern
Chief Executive Officer

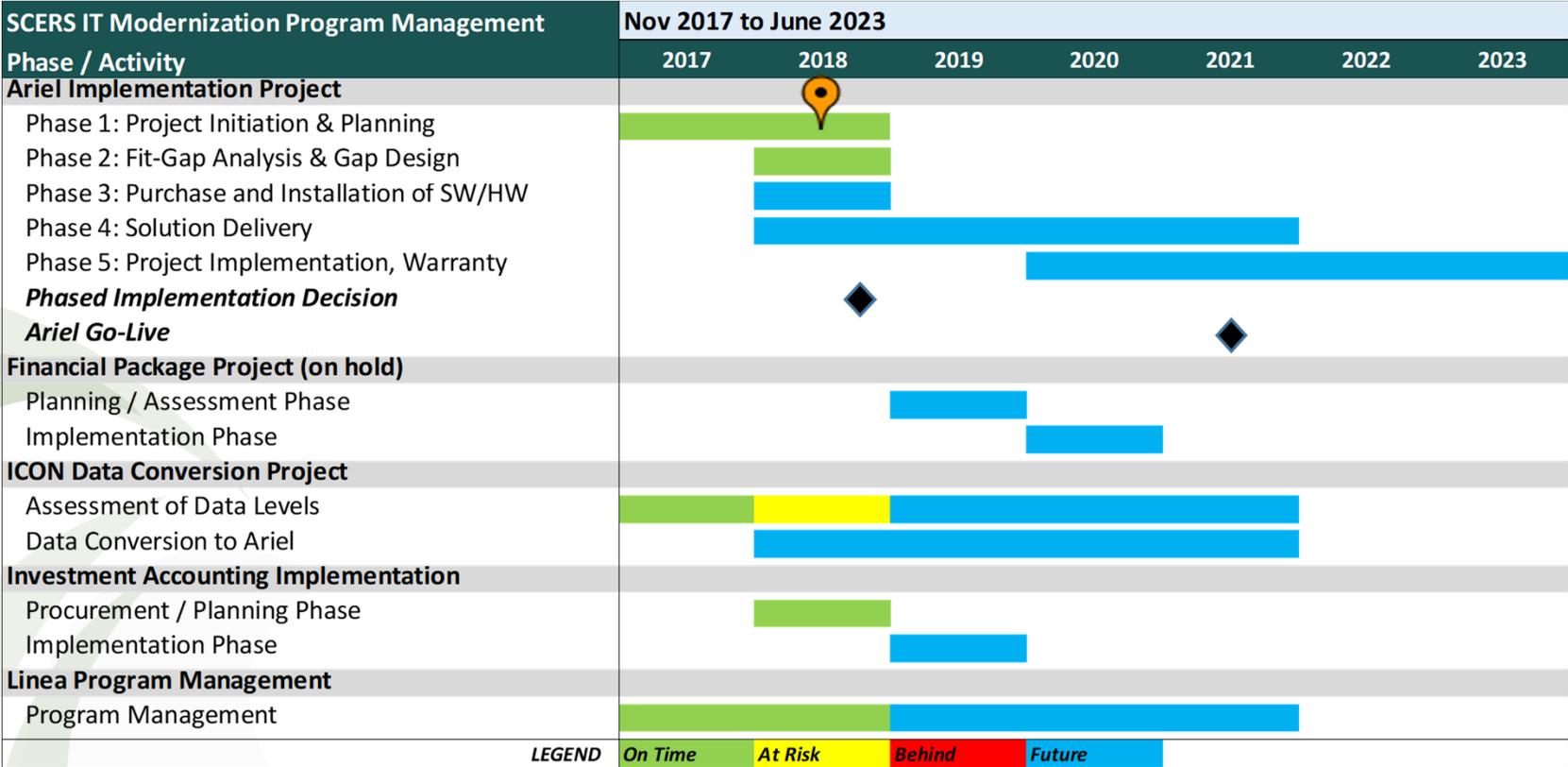
IT Modernization Quarterly Update

Board Agenda Item 18
July 19, 2018

Stephen Hawley
SCERS Chief Strategy Officer



IT Modernization Multi-year Timeline



12 Month Timeline Overview

SCERS IT Modernization Program Management Phase / Activity	2018					2019						
	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar
Ariel Implementation Project												
Phase 1: Project Initiation & Planning												
Phase 2: Fit-Gap Analysis & Gap Design												
Phase 3: Purchase and Installation of SW/HW												
Phase 4: Solution Delivery												
Phase 5: Project Implementation, Warranty												
Phased Implementation Decision												
ICON Data Conversion Project												
Assessment of Data Levels												
Data Conversion to Ariel												
Investment Accounting Implementation												
Procurement / Planning Phase												
Implementation Phase												
Linea Program Management												
Program Management												
LEGEND	On Time	At Risk	Behind	Future								



Overall IT Modernization Budget

Project Element	Explanation	April 2016 Estimate		March 2018 Forecast	July 2018 Forecast	Notes
		Low	High			
Software	Software licensing cost (one-time).	\$500,000	\$1,100,000	\$537,600	\$537,600	Momeau Shepell Contract
Implementation	Vendor fees to design and implement solution	\$5,200,000	\$8,400,000	\$8,632,600	\$8,632,600	Momeau Shepell Contract
3 rd Party Software, Hardware or Hosting fees	Servers/hardware, or annual cost for cloud-based solution	\$150,000	\$800,000	\$459,000	\$459,000	Momeau Shepell Contract
Project Oversight	Vendor management, QA of deliverables, Requirements Traceability, Best Practices consulting	\$1,500,000	\$2,000,000	\$1,800,000	\$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	\$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	\$1,668,146	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	\$979,200	\$979,200	Assumes between 2 resources at \$85/hour from Dtech or elsewhere.
IAS Implementation		\$0	\$0	\$700,000	\$700,000	
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	\$17,058,400	\$17,026,546	Total without contingency
				\$2,558,760	\$2,553,982	15% Contingency
				\$19,617,160	\$19,580,528	Total project budget

Note: expenditures to date are approximately \$2,770,000

