

## **Board of Retirement Regular Meeting**

## **Sacramento County Employees' Retirement System**

Agenda Item 13

**MEETING DATE:** January 16, 2019

SUBJECT: IT Modernization Program Quarterly Review

Deliberation Receive SUBMITTED FOR: \_\_\_ Consent \_\_\_ and Action \_\_X and File

### **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.

The Fit-Gap phase of the Ariel (Pension Administration System or "PAS") project is complete. The project team judged 95+% fit within the "out of the box" vendor software capabilities. The project staff is continuing work to close the remaining gaps.

The contract negotiations and project planning for the phased PAS implementation (approved by the Board in September 2018) are complete.

The PAS team is now working toward the Phase 4a Ariel go live in July 2019, which will bring automated workflow tracking with integration to electronic member documents/folders. This will initiate a "paperless" benefits administration environment at SCERS and significantly improve disaster recovery/business continuity positioning.

The modernized SCERS public website went live in October. Staff is working with the vendor on plans for future enhancements.

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The next steps for the Investment Accounting System project will be presented to the Board at the January meeting as a separate item.

## **ATTACHMENTS**

•	ΙT	Mo	derniz	zation	Program	n presentation

Prepared by:	Reviewed by:
/S/	/S/
Stephen Hawley Chief Strategy Officer	Eric Stern Chief Executive Officer

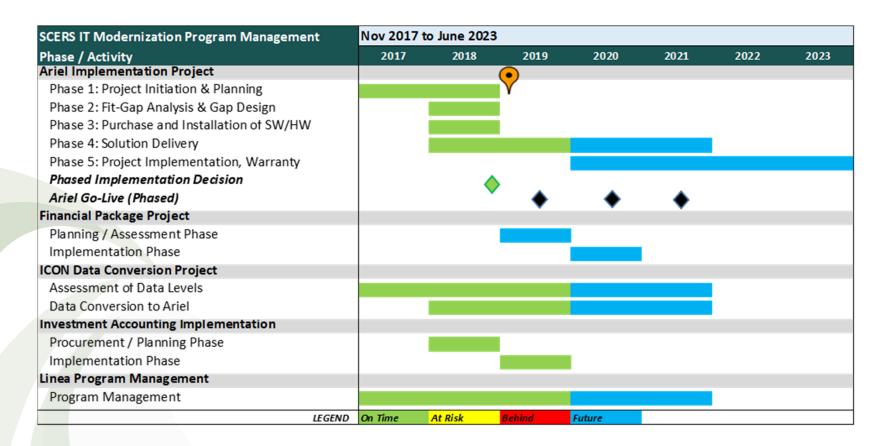
# Update on SCERS' IT Modernization Program



January 16, 2019

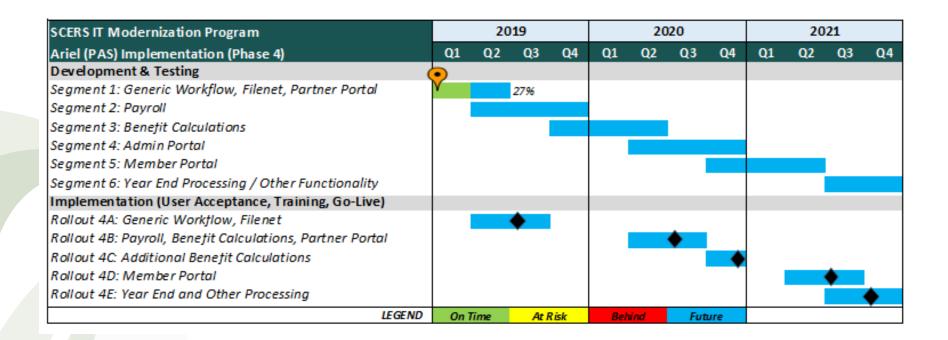
Stephen Hawley Chief Strategy Officer

# IT Modernization Multi-year Timeline





# Ariel (PAS) Development Schedule





# Overall IT Modernization Budget

Project Element	Explanation	April 2016 Estimate		October 2018	January 2019	Notes
Project Element		Low	High	Forecast	Forecast	Notes
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

