Board of Retirement Regular Meeting
Sacramento County Employees' Retirement System

Agenda Item 8

MEETING DATE: April 17, 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.

Ariel (Pension Administration System or "PAS")

Ariel will be built, tested and deployed in three major phases. Ariel Phase 1 is scheduled to go live for use by the Benefits staff on July 1, 2019. The software build and data conversion are complete as of early April and testing is in progress with planned completion of the User Acceptance Test (UAT) in late May. User training will take place in June. Beginning in July, Ariel Phase 1 will provide a paperless work management environment with integrated electronic documents (FileNet) and management metrics for most Benefits customer service processes. SCERS will benefit 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.

<u>SCERS Website</u>

The modernized SCERS public website went live in October 2018. The development of a secure staff internal website is in progress. The Discovery phase kick-off was conducted in early April 2019 with plans to go live by the end of June 2019. 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.

<u>Investment Accounting</u>

The Request for Proposals (RFP) for Private Market Accounting and Reporting Services has been published with proposals due from vendors on April 15, 2019. The RFP is on the SCERS public website and was also directly sent to about a dozen companies known to provide such services. Staff plans to evaluate proposals, interview finalists, and contract with providers on a schedule allowing the service provider to be on board for the upcoming fiscal year beginning July 2019.

ATTACHMENTS

- IT Modernization Program Schedule
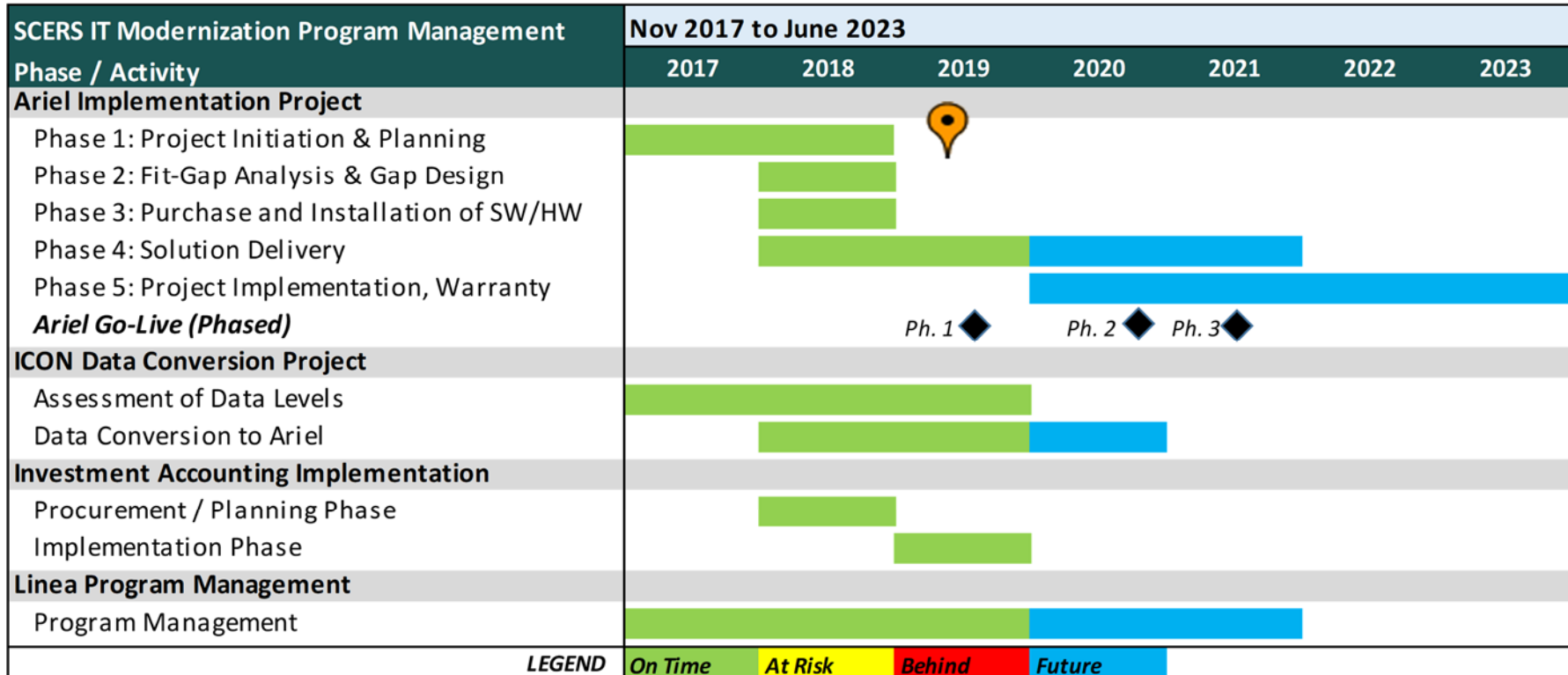- IT Modernization Program Budget

Prepared by: Reviewed by:

/S/   /S/

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

IT Modernization Program Schedule

IT Modernization Program Budget

Project Element	Explanation	April 2016 Estimate		January 2019 Forecast	April 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
3rd 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	$350,000	$350,000	For private market data services
FRS Implementation		$0	$0	$500,000	$500,000	
Website Modernization		$0	$0	$250,000	$90,000	Includes both public and internal (private) sites
Modernization Program, Total		$10,650,000	$17,800,000	$16,718,026	$16,558,026	Total without contingency
				$2,507,704	$2,483,704	15% Contingency
				$19,225,730	$19,041,730	Total project budget