



Board of Retirement Regular Meeting

Sacramento County Employees' Retirement System

Agenda Item 8

MEETING DATE: January 15, 2020

SUBJECT: IT Modernization Program Quarterly Review

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

RECOMMENDATION

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

PURPOSE

This item supports the 2019-20 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 project plans include three major deployment 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.

Morneau Shepell has informed SCERS that due to changes in the development schedule of the benefit payment module in Ariel, it is necessary to redefine the functional content of Phase 2 and Phase 3. The revised schedule mutually approved by Morneau Shepell and SCERS is for Phase 2 to go live in November 2020 and Phase 3 in May 2021.

Ariel Phase 2 is in the software build stage and will replace the MBASE active member system. It will also provide self-service web portals for active and retired participants. It will also eliminate manual calculation of most pension benefits, and provide automation of correspondence and email notifications along with many additional features.

Ariel Phase 3, the final PAS implementation step, will replace the COMPASS benefit payment system.

Investment Accounting

Onboarding activities are completed including loading of historical information for about 112 current SCERS private market funds. Official go-live will occur in January 2020 upon completion of final Q4 2019 reconciliation.

ATTACHMENTS

- IT Modernization Program Schedule
- IT Modernization Program Budget

Prepared by:

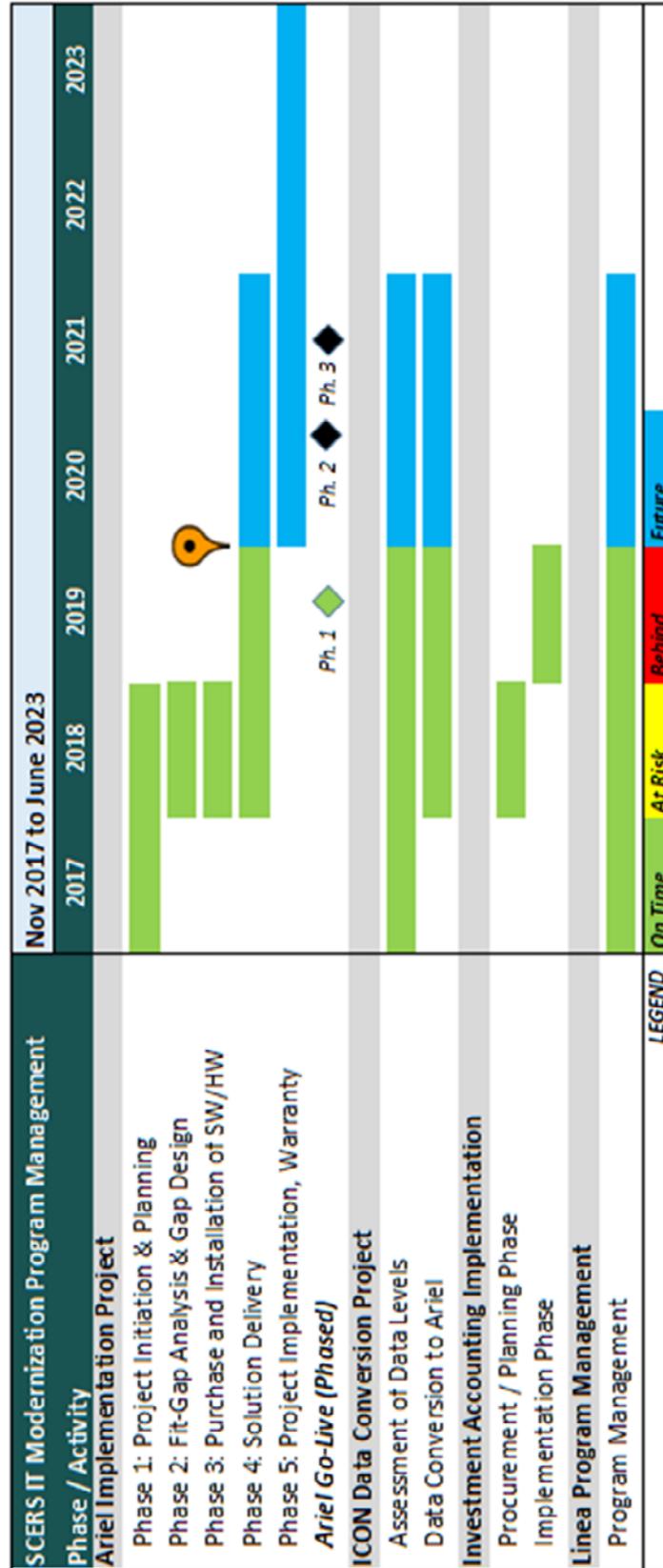
/S/

Stephen Hawley
Chief Strategy Officer

Reviewed by:

/S/

Eric Stern
Chief Executive Officer



SCERS IT Modernization: Implementation Budget

Project	Project Element	April 2016 Estimate		Paid through June 2019	Estimated Remaining	Forecast Total at Completion	Notes
		Low	High				
Pension Administration System (PAS)	Implementation Services	\$5,200,000	\$8,400,000	\$4,900,038	\$4,932,962	\$9,833,000	Morneau Shepell Contract
	PAS Software and Implementation Infrastructure	\$500,000	\$1,100,000	\$293,234	\$244,366	\$537,600	Morneau Shepell Contract
	Linea Project Oversight and Analysis	\$3,200,000	\$4,500,000	\$2,076,551	\$1,200,000	\$3,276,551	Master contract not-to-exceed cap of \$9,300,000
	ICON Data Conversion Services	\$700,000	\$1,500,000	\$1,292,560	\$194,456	\$1,487,016	ICON Contract, including \$163,560 for microfiche conversion to digital images
	Temporary Staffing	\$900,000	\$1,500,000	\$0	\$100,000	\$100,000	Assumes 2 resources at \$85/hour from Dtech or elsewhere.
PAS Totals		\$10,500,000	\$17,000,000	\$8,562,383	\$6,671,784	\$15,234,167	
Investment Accounting System		\$0	\$0	\$70,000	\$57,000	\$127,000	For private market data services
General Financial System		\$0	\$0	\$0	\$0	\$0	Plan to stay with COMPASS
Website Modernization		\$0	\$0	\$90,000	\$0	\$90,000	Includes both public and internal (private) sites
Modernization Program, Total		\$10,500,000	\$17,000,000	\$8,722,383	\$6,728,784	\$15,451,167	Total without contingency
15% Contingency						\$2,317,675	
Total project estimate						\$17,768,842	

