# Board of Retirement Regular Meeting
## Sacramento County Employees' Retirement System

**Agenda Item 8**

**MEETING DATE:**    April 15, 2020

**SUBJECT:**    IT Modernization Program Quarterly Review

**SUBMITTED FOR:**  ___ Consent    ___ Deliberation and Action    _X_ 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.  Impact of the Covid-19 emergency has not significantly impeded progress thus far.

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.

Phase 2 and Phase 3 are planned to go live in November 2020 and May 2021 respectively.

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 and automate most benefit administration financial transaction with a direct interface to the counties COMPASS financial system.

Investment Accounting

The implementation is completed.

## **ATTACHMENTS**

- IT Modernization Program Budget


Prepared by:                               Reviewed by:


/S/                                          /S/

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Stephen Hawley                            Eric Stern
Chief Strategy Officer                    Chief Executive Officer

## SCERS IT Modernization: Implementation Budget

| Project | Project Element | April 2016 Estimate | | Paid through March 2020 | Estimated Remaining | Forecast Total at Completion | Notes |
|---|---|---|---|---|---|---|---|
| | | Low | High | | | | |
| Pension Administration System (PAS) | | | | | | | |
| | Implementation Services | $5,200,000 | $8,400,000 | $5,375,445 | $4,457,555 | $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 | $2,330,760 | $969,240 | $3,300,000 | Master contract not-to-exceed cap of $3,300,000 |
| | ICON Data Conversion Services | $700,000 | $1,500,000 | $1,358,221 | $183,134 | $1,541,355 | 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 | $9,357,660 | $5,954,295 | $15,311,955 | |
| 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 | $9,517,660 | $6,011,295 | $15,528,955 | Total without contingency |
| 15% Contingency | | | | | | $2,329,343 | |
| Total project estimate | | | | | | $17,858,298 | |