



Board of Retirement Regular Meeting

Sacramento County Employees' Retirement System

Agenda Item 14

MEETING DATE: October 21, 2026

SUBJECT: Pension Administration System Review

SUBMITTED FOR: ____ Action X Information

RECOMMENDATION

Receive and file the report on Gartner's independent review of the LRS PensionGold Pre-Engagement Analysis and Implementation Proposal.

PURPOSE/STRATEGIC PRIORITY

This item supports the Strategic Management Plan objective to modernize SCERS' technology infrastructure and tools in alignment with SCERS' strategy.

DISCUSSION

SCERS engaged Gartner to independently assess Levi, Ray & Shoup, Inc.'s (LRS) proposed PensionGold implementation approach and related pre-engagement deliverables. The assessment was intended to evaluate the proposed approach and implementation readiness, identify potential risks, gaps, and dependencies, and provide recommendations to inform SCERS' planning and decision-making. Gartner's final report accompanies this item, and Gartner representatives will present their assessment to the Board.

ATTACHMENT

- Board Order
- Gartner Final Independent Advisory Report
- Gartner Independent Advisory Report Readout—Presentation

Prepared by:

/S/

Timothy Taylor
Chief Technology Officer

Reviewed by:

/S/

Eric Stern
Chief Executive Officer



Retirement Board Order

Sacramento County Employees' Retirement System

**Before the Board of Retirement
October 21, 2026**

AGENDA ITEM:

Pension Administration System Review

THE BOARD OF RETIREMENT hereby approves the Staff recommendation to receive and file the report on Gartner's independent review of the LRS PensionGold Pre-Engagement Analysis and Implementation Proposal.

I HEREBY CERTIFY that the above order was passed and adopted on October 21, 2026 by the following vote of the Board of Retirement, to wit:

AYES:

NOES:

ABSENT:

ABSTAIN:

ALTERNATES (Present but not voting):

Chris Giboney
Board President

Eric Stern
Chief Executive Officer and
Board Secretary

A Report for Sacramento County Employees' Retirement System

Final Independent Advisory Report

08 October 2026

Engagement Number: 660015303 | Version 2.0

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1.0 Executive Summary

Gartner's assessment concluded that Sacramento County Employees' Retirement System (SCERS) has established a strong foundation for pension modernization and that LRS's PensionGold solution is a viable platform to support SCERS's long-term business and operational objectives. Based on our review of the pre-engagement deliverables, implementation approach, and solution capabilities, Gartner did not identify any material concerns that would preclude SCERS from proceeding with Levi, Ray & Shoup, Inc. (LRS). Rather, our assessment indicates that the proposed solution aligns well with SCERS's modernization goals and provides an appropriate foundation for replacing the organization's legacy pension administration environment.

Areas of Strength

Several factors increase the likelihood of program success. SCERS demonstrates a strong commitment to informed decision-making through the use of advisors (Gartner and LRS) who bring subject-matter expertise that can be leveraged by SCERS during its evaluation process and eventual implementation. Stakeholders consistently exhibited openness to recommendations and a willingness to adapt processes to support modernization objectives. SCERS has also adopted a pragmatic implementation strategy by sequencing major technology initiatives to reduce organizational disruption and implementation complexity. Finally, LRS brings significant public pension administration experience, including implementations within California county retirement environments, providing relevant knowledge of regulatory, operational, and stakeholder requirements. Collectively, these strengths position SCERS favorably for a successful transformation effort.

Areas of Focus

While Gartner considers PensionGold a viable solution that supports SCERS's modernization objectives, our review of the pre-engagement deliverables and proposed implementation approach identified several risks. Some of these risks may be addressed through more detailed implementation planning; however, we have highlighted them here because of their potential significance. Although these risks are not unusual for public pension modernization programs, addressing them proactively will help improve implementation outcomes and reduce the likelihood of schedule delays, operational disruptions, or user adoption challenges.

- **Data** - Data readiness represents the most significant implementation risk area. The pre-engagement effort identified legacy data quality issues that remain unresolved, and full conversion testing of key data sources, including Compass retiree data and FileNet documents, could not be completed because of data-access constraints. Without a structured approach to data remediation, governance, ownership, and conversion validation, data-related issues could impact conversion timelines, testing effectiveness, and operational readiness.
- **Project Management** - The overall implementation approach would benefit from greater clarity regarding organizational change management, stakeholder readiness, employer onboarding, and SCERS resource commitments. The success of the modernization effort will depend not only on technology delivery but also on effective preparation of SCERS staff, participating employers, and other stakeholders. In addition,

SCERS should validate that sufficient internal staffing capacity and governance mechanisms are in place to support the implementation effort.

- **Requirements Management** - The Requirements Traceability Matrix provides an extensive requirements baseline; however, it does not consistently document how individual requirements will be fulfilled through standard functionality, configuration, customization, integration, or manual operational processes. Greater transparency regarding the intended delivery approach for key requirements will reduce implementation ambiguity, strengthen governance, and help avoid misunderstandings during design, testing, and change-control activities.
- **Quality Assurance** - The proposed implementation approach currently lacks clearly defined quality gates, acceptance criteria, and testing accountability mechanisms for major implementation milestones. Additional focus is needed to establish measurable readiness criteria, strengthen interface and external-party testing approaches, and ensure shared accountability between SCERS and LRS for validating end-to-end business processes and critical pension administration functions before go-live.

Recommended Next Steps

To further strengthen implementation readiness, Gartner recommends that SCERS:

- Confirm staffing, resource commitments, and executive governance structures necessary to support a multi-year transformation program.
- Develop a formal data remediation and governance strategy, including ownership, staffing, and early validation of Compass and FileNet conversion activities.
- Require greater transparency regarding how significant requirements will be delivered and documented throughout the implementation lifecycle.
- Define objective quality gates, acceptance criteria, testing accountability, and implementation readiness measures for major project milestones.
- Request additional details from LRS regarding organizational change management, employer readiness activities, testing responsibilities, and implementation governance.

In summary, Gartner found that PensionGold is a viable solution capable of supporting SCERS's pension modernization objectives and did not identify any material concerns that would preclude SCERS from proceeding with LRS. SCERS enters this initiative with several important strengths, including engaged leadership, a willingness to embrace change, a phased implementation strategy, and an experienced implementation partner. By proactively addressing the identified risks in the areas of data, project management, requirements management, and quality assurance, SCERS can substantially improve implementation readiness and increase the likelihood of achieving its desired business and operational outcomes.

2.0 Key Strengths

Gartner's assessment identified several organizational and programmatic strengths that position SCERS favorably for a successful transformation. Most notably, SCERS has demonstrated a willingness to engage external expertise (Gartner and LRS) to inform key decisions, an openness to recommendations and change, and a pragmatic implementation strategy that emphasizes phased delivery to reduce organizational burden. Combined with LRS's relevant California county pension administration implementation experience, these factors establish a strong foundation for program execution and increase the likelihood of achieving intended business outcomes.

SCERS's use of external advisors reflects a commitment to informed decision-making and risk mitigation. By seeking independent perspectives and specialized expertise, the organization has strengthened its ability to evaluate options, challenge assumptions, and align strategic decisions with long-term operational objectives. This approach not only improves governance and decision quality but also helps identify potential implementation risks earlier, allowing for more effective mitigation planning.

The organization's demonstrated receptiveness to recommendations further enhances its ability to execute transformational change. During our assessment, SCERS stakeholders showed a willingness to consider alternative approaches and take action based on findings and insights. This culture of collaboration and continuous improvement is a critical success factor in large-scale technology implementations, as organizations that actively incorporate feedback are generally better positioned to address emerging challenges, sustain stakeholder alignment, and drive user adoption.

SCERS's decision to sequence implementation activities by deploying the accounting system separately from the Pension Administration System reflects a disciplined and practical delivery approach. By reducing the number of major organizational changes occurring simultaneously, SCERS can better manage resource demands, limit implementation complexity, and allow teams to focus on achieving success within each phase. This phased strategy also supports incremental value realization, enabling the organization to capture benefits earlier while applying lessons learned to subsequent implementation efforts.

Finally, LRS's experience supporting pension administration system implementations within California county environments provides an additional advantage. Familiarity with the operational, regulatory, and stakeholder considerations common to California county retirement systems can help accelerate decision-making, reduce execution risk, and leverage proven implementation practices. This experience can be particularly valuable in anticipating challenges and adapting approaches based on lessons learned from similar organizations.

Collectively, these strengths provide SCERS with a solid foundation for successful program delivery. The combination of informed leadership, organizational receptiveness, a measured implementation strategy, and experienced implementation support should help reduce execution risk, improve stakeholder adoption, and increase the likelihood of realizing the intended operational and business benefits of the transformation initiative.

3.0 Key Risks and Recommendations

Public pension organizations face unique operational and regulatory challenges when modernizing their legacy systems. Legacy pension administration environments are often characterized by fragmented data sources, inconsistent business rules, and outdated application architectures. These issues require a structured transformation approach that includes a robust data strategy, meticulous requirements traceability, rigorous quality assurance processes, and disciplined project management.

To assist us in identifying findings to highlight, we leveraged Gartner's Business and Technical Insights (BTI) to examine how organizations that successfully completed modernization efforts addressed these areas. These insights helped validate our conclusions and provided additional insight into why the risks identified are important to SCERS's success.

Based on our evaluation, we found that focusing on the following four areas can help mitigate implementation risk, enhance accountability, and improve the chances of a successful pension administration system modernization:

- **Data** - Successful organizations established a comprehensive data strategy early in the program, including governance, ownership, data profiling, remediation, conversion, reconciliation, and validation activities to ensure legacy pension data is accurate, complete, and fit for migration.
- **Project Management** - Effective project management requires strong executive sponsorship, proactive risk and issue management, disciplined scope control, realistic scheduling, resource capacity planning, stakeholder engagement, and organizational change management to ensure the solution is successfully adopted and delivers the intended business value.
- **Requirements Management** - Requirements should be clearly defined, prioritized, and maintained within an end-to-end traceability framework that links business objectives to system configuration, integrations, testing, and deployment outcomes, providing transparency and reducing the risk of unmet business needs.
- **Quality Assurance** - A robust quality assurance approach should incorporate independent oversight, risk-based testing, defined quality gates, and continuous validation of deliverables to identify defects and implementation risks before they impact members or operations.

Following are some of Gartner's Business and Technology Insights (BTI) articles that were referenced to enhance our assessment:

[How to Plan for a Successful Government ERP Modernization](#)

[15 Best Practices for Successful Data Migration](#)

[Foundations for Enterprise Applications Modernization Success](#)

3.1 Data

Modernizing a public pension administration system is a complex, multifaceted endeavor that hinges on effective data conversion and migration. Public pension organizations must recognize that data migration extends far beyond a simple “lift-and-shift” exercise. It requires a strategic alignment between IT transformation and business outcomes, a rigorous focus on data quality, and a meticulously planned, phased approach that minimizes risk.

In the complex environment of public pensions — with regulatory obligations, multi-source legacy data, and high stakeholder expectations — robust data management practices are essential to ensure continuity, maintain data integrity, and safeguard operational performance. Drawing on Gartner’s insights into data migration, ERP transformation, and public sector modernization trends, the following activities are critical to successful data migration:

- **Comprehensive Data Inventory, Mapping, and Business Requirements Alignment** - establish a complete, business-aligned inventory and mapping of legacy data to ensure that all critical pension data elements are identified, classified, and aligned with future-state business processes.
- **Rigorous Data Cleansing, Enrichment, and Quality Assurance** - Execute a systematic data cleansing and enrichment strategy to enhance data quality, ensuring that legacy data meets the quality standards required for efficient operation and future analytics in the new COTS environment.
- **Phased Data Migration and Risk Mitigation with Pilot Testing** - Implement a phased migration approach with initial pilot testing and integrated risk mitigation strategies to manage complexity and ensure seamless cutover of critical pension data.
- **Establish a Robust Data Governance Framework** - Legacy pension administration systems often suffer from siloed data and inconsistent standards that hamper data-driven decision-making. To address this, organizations should adopt a centralized data strategy and implement a comprehensive data quality management plan.

Considering the data best practices outlined above, Gartner has identified the following key risks for SCERS to address:

- **Legacy Data Access:** Although the LRS pre-engagement initiative included data conversion analysis, trial conversions could not be completed for Compass retiree data and FileNet imaging data because SCERS relies on Sacramento County Department of Technology (DTech) for access to the systems where this data resides. Consequently, SCERS has no validated conversion process for these sources and limited visibility into potential conversion issues.
 - **Recommendation:** SCERS should coordinate with Sacramento County DTech early in Phase 1, or sooner, to establish a formal agreement for direct, repeatable access to complete Compass and FileNet source data needed for pilot conversions. The LRS implementation plan should also include sufficient contingency to address potential delays that could result from access issues.
- **Legacy Data Quality Issues Remain Unaddressed:** Although the LRS pre-engagement initiative included a trial conversion of MBASE data that identified numerous validation errors, no formal data-cleansing effort is currently staffed or underway.

- **Recommendation:** In compliance with the activities highlighted above, SCERS should develop a formal data remediation plan that includes adequate staffing, assigned data ownership, and governance processes to address legacy data quality issues before migration.

3.2 Project Management

The modernization of a public pension administration is a complex undertaking that requires disciplined project management. The activities outlined below address core challenges that are unique to the public sector and the pension industry, such as regulatory compliance, legacy system integration, and diverse stakeholder requirements. By ensuring strong leadership from the outset, aligning technical capabilities with business needs, and instituting a resilient risk mitigation process, a public pension organization can significantly enhance the likelihood of a smooth and successful modernization effort.

- **Robust Governance and Stakeholder Engagement** - Establish a robust, multi-tier governance structure that secures executive sponsorship and ensures cross-functional stakeholder alignment through clear roles, responsibilities, and upfront commitment.
- **Robust Resource Capacity Planning and Allocation** - Developing an accurate, portfolio-level resource plan that details current and projected capacity is crucial. This activity sets the foundation for all subsequent management actions, ensuring that the organization is appropriately staffed and that resources are not overcommitted.
- **In-Depth Requirements Analysis and Data Integrity Assessment** - Perform a comprehensive analysis of existing operational processes, data quality, and business requirements to secure a solid foundation for transitioning from legacy systems to an integrated COTS solution.
- **Comprehensive Change Management and Process Reengineering** - Deploy a structured change management strategy that includes workforce training, business process reengineering, and continuous communication to effectively transition from legacy systems to the new COTS-based environment.
- **Proactive Risk Management and Post-Implementation Planning** - Develop and continuously update a dynamic risk management framework that includes real-time performance tracking, contingency planning, and structured post-implementation support to address project complexities and operational challenges.

Considering the project management best practices outlined above, Gartner has identified the following key risks for SCERS to address:

- **Lack of Organizational Change Management (OCM) Program Detail:** The LRS Implementation plan does not include a formal OCM workstream, stakeholder readiness assessments, change impact analyses, adoption metrics, or resistance management activities. Additionally, it lacks details on communication planning, such as identification of stakeholder groups, communication frequency, messaging strategies, or governance structure. Roles and responsibilities are also not specified. Clarifying these elements is essential for effective and accurate planning.
 - **Recommendation:** SCERS should ask LRS to provide additional details about the Organizational Change Management (OCM) plan and communication strategy. This should include a clear definition of which activities LRS will manage and which responsibilities will fall to SCERS.
- **Lack of Employer Change Management Efforts:** Successful implementation of EmployerDirect requires coordination across multiple independent employers whose systems, priorities, and timelines that are outside of SCERS's direct control. The LRS

Employer Reporting Analysis deliverable seems to treat employer readiness primarily as a SCERS responsibility, assigning employer outreach, communication, file updates, and onboarding activities to SCERS with limited vendor participation. This approach understates the complexity of organizational change and employer adoption required to support the new reporting model.

- **Recommendation:** SCERS should consider establishing an Employer Onboarding and Readiness Workstream (or similar governance approach) to coordinate employer outreach, readiness activities, file updates, and implementation timelines across participating employers.
- **Undefined SCERS Resource Requirements:** Apart from specifically recommending that SCERS allocate the equivalent of 3 full-time employees (FTEs) in subject matter expert (SME) roles for the duration of the project, the plan provides little detail about expected SCERS staffing commitments, estimated effort, or reliance on key personnel - beyond generally identifying required roles such as Product Owner, Business Analyst, and Data Owner.
 - **Recommendation:** SCERS should assess and document the staffing commitments required to support implementation activities and determine whether sufficient capacity exists to meet those demands. SCERS should also identify backup resources for key roles to help ensure continuity and adequate coverage throughout the project.

3.3 Requirements Management

For public pension organizations embarking on a modernization journey, the success of the initiative hinges on robust requirements management and traceability processes, and the clarity of requirements is vital. Given that pension systems often have legacy functionalities deeply intertwined with regulatory mandates and internal business rules, detailed elicitation is necessary.

Documenting how each business requirement will be delivered by the COTS solution is particularly important since pension systems often must replicate specialized legacy processes. Ambiguity can lead to potential risks such as misalignment between the vendor's solution and the organization's needs, unexpected costs due to necessary customizations or configurations, delays in project timelines, and challenges in meeting regulatory or compliance requirements. Without clarity on whether a requirement will be met through the base solution, configuration, customization, or business process changes, the organization may face difficulties in planning, budgeting, and ensuring that the final solution aligns with their strategic objectives. By focusing on the following critical activities, organizations can navigate the complexities of public sector modernization:

- **Comprehensive Requirements Blueprint and Stakeholder Engagement:** Establishing a detailed requirements blueprint that captures business objectives, technical specifications, and regulatory mandates is essential for aligning the modernization strategy with organizational needs.
- **Establishing a Robust Requirements Traceability Framework:** A meticulously maintained traceability matrix ensures that all requirements remain visible and validated throughout the project lifecycle, mitigating risks related to scope creep and misaligned functionalities.
- **Detailed Integration and Interface Requirements Analysis:** Conducting a thorough evaluation of integration requirements between the proposed COTS solution and existing legacy systems is pivotal for a seamless transition and uninterrupted operational functionality.
- **Requirements Validation and Prioritization:** Systematic validation and risk-based prioritization of requirements ensure that the modernization initiative focuses on delivering the highest business value while addressing critical risk areas upfront.
- **Ongoing Requirements Governance and Change Management:** Establishing continuous governance, monitoring, and change management processes safeguards the alignment between evolving requirements and project objectives, ensuring that the modernization effort remains agile and controlled.

Considering the requirements management best practices outlined above, Gartner has identified the following key risk for SCERS to address:

- **Limited Transparency into Requirement Delivery Method:** Gartner acknowledges that the Pre-Engagement SOW directed LRS to focus requirements discussions on what the solution must achieve and to defer detailed implementation design decisions until later project phases. Consistent with that direction, the RTM does not describe how individual requirements will ultimately be implemented. However, the RTM also does not consistently identify the anticipated treatment for each requirement, such as

whether the requirement is expected to be satisfied through standard PensionGold functionality, configuration, customization, integration, or operational processes performed outside the application. Without a documented record of the anticipated treatment for significant requirements, differences in expectations may emerge during requirements confirmation, design, testing, support planning, or change-control discussions, potentially resulting in avoidable rework, schedule impacts, or disputes regarding project assumptions.

- **Recommendation:** SCERS should request that LRS formally document, within the RTM or another controlled implementation artifact, the anticipated delivery method for requirements addressed by the proposal. This documentation should distinguish, at an appropriate level, whether a requirement is expected to be satisfied through standard PensionGold functionality, configuration, customization, integration, manual operational processes, or a combination thereof. SCERS should also seek written documentation of significant scope interpretations and assumptions that have been communicated during the procurement process but are not currently reflected in governing project artifacts. Establishing this transparency before implementation begins will strengthen governance, improve traceability, support operational readiness planning, and provide a common reference point for requirements confirmation, design activities, testing, and change-control discussions throughout the project lifecycle.

3.4 Quality Assurance

Public pension organizations undertaking a modernization project must implement a robust quality assurance framework to achieve success. The critical activities discussed below are essential pillars that support the overall modernization effort and are designed to address key elements of risk management, stakeholder engagement, system integrity, and operational continuity. By methodically implementing these quality assurance activities, public pension organizations can reduce the risk of project failure, maintain compliance with regulatory standards, and ultimately deliver a resilient, high-performance pension administration system that stands the test of time:

- **Establish a Comprehensive Quality Management Framework** - Define quality standards, review processes, quality gates, acceptance criteria, and governance responsibilities across all phases of the implementation lifecycle.
- **Implement Rigorous Testing and Requirements Traceability Validation** - Enforce systematic testing - that includes functional, integration, conversion, performance, security, and user acceptance testing-to ensure all pension administration requirements are fully validated and implemented as intended and to guarantee the functional integrity, security, and performance of the COTS solution under real-world operational scenarios.
- **Ensure End-to-End Vendor and System Integrator Oversight** - Maintain strict oversight of vendor deliverables and system integrator work through comprehensive documentation, service-level agreement (SLA) monitoring, and periodic performance reviews to mitigate risks of cost overruns and loss of configuration continuity. Well defined Stage gate and exit criteria.
- **Implement disciplined defect management processes** - that prioritize issues based on business impact, track remediation through resolution, and provide leadership with transparent reporting on quality trends and deployment readiness.
- **Integrate Rigorous Data Quality and Migration Governance Protocols** - Incorporate robust data cleansing, migration testing, and master data management practices within the QA framework to preserve data integrity, ensure seamless integration, and support ongoing operational accuracy and regulatory compliance.

Considering the quality assurance best practices outlined above, Gartner has identified the following key risks for SCERS to address:

- **Missing Quality Assurance Milestones and Exit Criteria:** The LRS proposal does not include defined quality gates, stage-gate reviews, or formal acceptance criteria for key implementation milestones, including User Acceptance Testing (UAT), Parallel Processing, and production readiness. While testing activities are identified, the criteria for determining successful completion and progression between phases are not clearly defined. Without objective quality gates and acceptance criteria, there is an increased risk of inconsistent decision-making, unresolved issues carrying forward between phases, and challenges in assessing implementation readiness.
 - **Recommendation:** SCERS should establish objective quality gates and acceptance criteria for software deliverables, UAT, Parallel Processing, and go-live readiness. These criteria should be incorporated into implementation planning and used to

support consistent project governance, issue resolution, and implementation decision-making throughout the project lifecycle. SCERS may also consider additional quality assurance resources or oversight mechanisms, as appropriate, to support adherence to these criteria.

- **Testing Accountability and UAT Acceptance Risk:** The LRS implementation testing approach places primary responsibility on SCERS to develop and expand test cases needed to validate end-to-end business processes and acceptance criteria. While LRS proposes multiple testing phases, the proposal does not clearly establish shared accountability for ensuring test coverage is sufficient to validate business requirements, complex scenarios, and retiree payroll calculations.
 - **Recommendation:** Require a shared testing responsibility model that clearly defines LRS's role in developing, reviewing, and validating test scenarios, acceptance criteria, and end-to-end business process coverage. Establish joint sign-off on test plans and coverage to reduce the risk of disputes during UAT and ensure critical functionality is adequately validated prior to acceptance.
- **External Testing Challenges:** Finally, the LRS implementation testing approach does not recognize the challenges organizations face when testing involves interacting with external entities like employers and other third parties such as banks, actuaries, print vendors. This testing requires coordination with external parties, which adds complexity and may extend timelines. Upfront planning is necessary to prevent delays to the implementation schedule. As interfaces are often the highest-risk component of large system implementations, the absence of defined testing and acceptance processes is a gap that SCERS should address. This gap increases the risk of undetected defects, integration failures, payment processing issues, and significant operational disruption during go-live.
 - **Recommendation:** SCERS should request that LRS develop specific interface and employer reporting testing plans as part of implementation activities. These plans should define shared responsibilities as well as address the specific challenges related to testing with external parties (testing readiness criteria, coordination, etc.). This will help establish accountability and reduce the risk of schedule delays resulting from these challenges being addressed late in the implementation process.

Conclusion

While the proposed solution and implementation approach provide a strong foundation for SCERS's modernization initiative, the observations outlined in this section highlight areas where additional planning, governance, and clarity can further strengthen implementation readiness. The recommendations are intended to help SCERS proactively address common risks associated with large-scale pension system transformations, particularly in the areas of data management, project governance, requirements traceability, and quality assurance. By addressing these considerations before and during the early stages of implementation, SCERS can reduce uncertainty, improve accountability, support more informed decision-making, and increase the likelihood of a successful, sustainable modernization outcome.

**Any questions regarding this Report
should be addressed to:**

Bryn Hughes
Managing Partner
Gartner, Inc.

Telephone: +1 (415) 302-4088
Email: bryn.hughes@gartner.com

**This Report was prepared for
Sacramento County Employees' Retirement System:**

Timothy Taylor
Chief Technology Officer
Sacramento County Employees' Retirement System
980 9th St. Ste 1900
Sacramento, CA 95814
Telephone: +1 (916) 875-2826
Email: taylortim@scers.gov



Sacramento County Employees' Retirement System

Independent Advisory Report Readout

Gartner Consulting – October 21, 2026

Gartner delivers actionable, objective insights that drives smarter decisions and stronger performance

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Gartner's Approach to Independent Advisory Support

Project Overview

Gartner was engaged to provide an independent assessment of SCERS's proposed implementation of LRS PensionGold. The objective was to help SCERS make an informed, risk-conscious decision by evaluating the solution's implementation approach, data conversion strategy, integration requirements, governance model, and overall implementation readiness.

Project Goals

- Validate the completeness and feasibility of the LRS PensionGold implementation approach.
- Assess alignment between the proposed solution, implementation strategy, and SCERS proposal documents and operational requirements.
- Identify assumptions, dependencies, and potential gaps that could affect project success.
- Provide actionable recommendations to strengthen implementation readiness and support SCERS's decision-making process before executing a final implementation agreement.



Gartner's Overall Assessment



PensionGold is a viable solution that aligns with SCERS's modernization objectives. Gartner did not identify any material concerns that would preclude SCERS from proceeding with LRS.

Identified risks are manageable but require proactive leadership attention. SCERS possesses several organizational strengths that support successful implementation and will assist them in this endeavor.

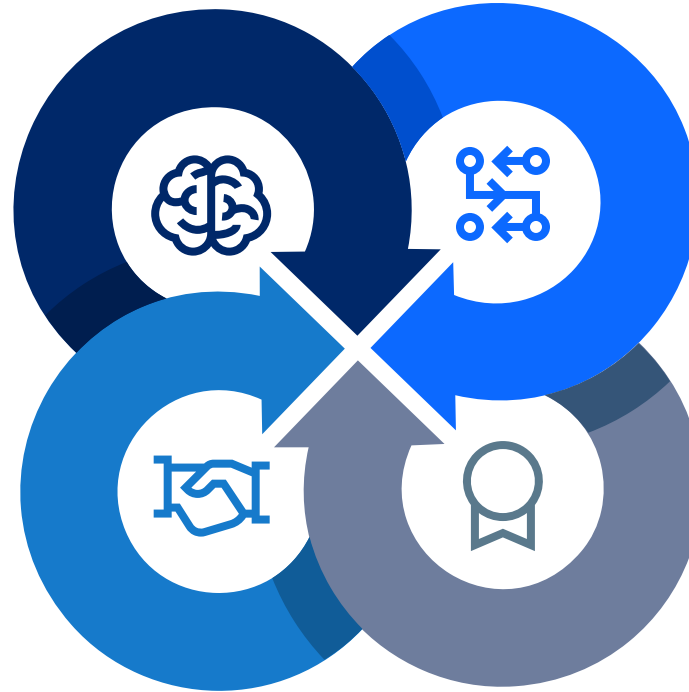
Observed strengths position the program for success

Leveraging of External Expertise

SCERS engaging with outside expertise to gain insights and improve decision-making

Receptive to Recommendations

SCERS has demonstrated an openness to considering recommendations and taking action



Sequenced Delivery Approach

Implementing Accounting system separate from and prior to the PAS to decrease resource strain and realize incremental benefits

Relevant Pension Experience

LRS's experience implementing pension administration systems for other California counties enables them to better anticipate challenges and reduce risk

These strengths provide a solid foundation for successful program delivery

Our evaluation highlighted four areas that can influence implementation success for SCERS



Data

Effective data governance and readiness provide the foundation for accurate conversions, reliable operations, and long-term confidence in the new system.



Project Management

Strong project governance, decision-making, and organizational readiness help keep implementation efforts aligned, accountable, and positioned for success.



Requirements

Well-defined and traceable requirements help ensure the solution meets business needs while reducing implementation risk and rework.



Quality Assurance

A disciplined quality assurance approach validates system readiness, mitigates risk, and supports a successful transition to production.

Recommended next steps

Focusing on these actions will help SCERS further strengthen implementation readiness and improve modernization outcomes.

-  **Strengthen governance and executive oversight** to support timely decisions, risk management, and program accountability.
-  **Advance data readiness efforts** by prioritizing data quality, conversion planning, and governance activities early in the implementation.
-  **Maintain disciplined requirements management** through traceability, stakeholder validation, and controlled change processes.
-  **Embed quality throughout the program** using defined quality gates, testing oversight, and proactive issue management.
-  **Focus on organizational readiness** to support adoption, operational transition, and long-term solution success.

Key takeaways



- ✓ PensionGold is a viable solution that aligns with SCERS' modernization objectives.
- ✓ SCERS has established a strong foundation for implementation success.
- ✓ Gartner's recommendations are practical actions intended to further strengthen readiness and reduce implementation risk.

Appendix

Findings and Recommendation Detail

Findings & Recommendations - Data



Data

Gartner Findings:

- **Data readiness remains a key implementation risk area**, with governance, ownership, remediation, and validation activities requiring further maturity.
- **SCERS does not have direct access to all conversion source systems**, limiting the ability to complete comprehensive conversion analysis and testing.
- **Legacy data quality issues were identified during pre -engagement activities**, and a comprehensive remediation strategy has not yet been established.

Gartner Recommendations:

- **Establish formal data governance and ownership structures** with clear accountability for data quality and migration outcomes.
- **Secure access to all conversion source systems** to support data profiling, conversion analysis, and validation activities.
- **Develop and execute a data remediation and migration readiness plan** that includes cleansing, reconciliation, conversion testing, and business validation activities.

Findings & Recommendations – Project Management



Project Management

Gartner Findings:

- **Implementation readiness activities require further maturation,** including governance, stakeholder engagement, employer readiness, and organizational change management planning.
- **Organizational change management and employer readiness planning require additional definition and coordination** to support stakeholder adoption.
- **Internal resource requirements should be further refined** to support sustained commitment from SCERS business and subject matter experts throughout the implementation life cycle.

Gartner Recommendations:

- **Assess and document the staffing commitments required to support implementation activities** and determine whether sufficient capacity exists to meet those demands.
- **Develop a comprehensive stakeholder, employer, and organizational readiness strategy** encompassing communications, training, engagement, and adoption planning.
- **Strengthen governance and implementation readiness processes** through clear accountability, decision-making, and executive oversight.

Findings & Recommendations – Requirements



Requirements

Gartner Findings:

- **Requirement delivery approaches are not consistently documented,** limiting transparency into how business requirements will be addressed by the proposed solution.
- **Requirements traceability and governance processes require further maturity** to support alignment across design, testing, and change-control activities.
- **Key scope assumptions and solution interpretations should be more formally documented** to reduce implementation risk and stakeholder misalignment.

Gartner Recommendations:

- **Document the anticipated delivery approach for significant requirements** to improve transparency, governance, and implementation planning.
- **Enhance requirements traceability by linking requirements** to design, testing, operational readiness, and change-management activities throughout the project lifecycle.
- **Formalize and maintain key scope assumptions, interpretations, and implementation decisions** within controlled project artifacts to support alignment and reduce delivery risk.

Findings & Recommendations – Quality Assurance



Quality Assurance

Gartner Findings:

- **Quality assurance governance requires additional definition,** including quality gates, stage-gate reviews, and acceptance criteria for key implementation milestones.
- **Testing ownership and accountability should be further clarified** to ensure sufficient test coverage of business requirements, end-to-end processes, and critical pension calculations.
- **Testing and acceptance planning for external parties and interfaces requires additional coordination** to mitigate integration, operational, and go-live risks.

Gartner Recommendations:

- **Establish objective quality gates and acceptance criteria for deliverables,** User Acceptance Testing (UAT), parallel processing, and go-live readiness.
- **Implement a shared testing responsibility model** with joint ownership of test scenarios, acceptance criteria, and business process validation.
- **Develop formal interface and external -party testing plans** that define responsibilities, readiness criteria, coordination activities, and acceptance processes.