



# Memorandum

**TO: Board of Administration for the  
Police and Fire Department Retirement  
Plan and the FCERS.**

**FROM: Barbara Hayman**

**SUBJECT: Discussion and action on renewal of contract  
agreement with Levi, Ray & Shoup (LRS),  
with amendment for continued use of pension  
administration system (Pension Gold V3) and  
to add hosting services for term of June 30, 2030  
and with an increase in NTE amount by \$2,004,000**

**Date: March 7, 2024**

**APPROVED:**

**DATE: 4/24/2024**

## **RECOMMENDATION**

Discussion and action on renewal of contract agreement with Levi, Ray & Shoup (LRS), with amendment for continued use of pension administration system (Pension Gold V3) and to add hosting services for term of June 30, 2030 and with an increase in NTE amount by \$2,004,000.

## **BACKGROUND**

In June 2012, ORS issued an RFP for an integrated pension administration solution. In August 2014, the Board approved the Secretary to negotiate and execute an Agreement with Levi, Ray & Shoup (LRS) to provide, implement, host, and support a new Pension Administration System (PAS) and Document Imaging replacement Solution for an amount not to exceed \$9 million (this cost split 50/50 between the plans) including a 5-year post production support and maintenance cost, with ongoing monthly hosting fees to be budgeted each fiscal year after the period covered by the contract has ended. A separate agreement for the hosting services was approved with the hosting company INETU, now known as Flexential, who was the hosting vendor included in the LRS RFP response.

PensionGold by LRS is a software solution specifically designed for defined benefit pension plans. It is developed by LRS Retirement Solutions Levi, Ray & Shoup, Inc., a company specializing in pension administration software. PensionGold is the core technology used by ORS for Benefit administration. PensionGold is hosted at a datacenter operated by Flexential.

The Board approved hosting the Pensiongold V3 system at Flexential. Flexential provide hosting services at their secure facility in Allentown, PA. Flexential is a company dedicated to providing Cloud Hosting and Managed Hosting services.

Flexential data centers are built based in accordance with the standards that the tier structure requires in addition to requirements as defined to meet compliance for PCI DSS Level 1 as well as SSAE16 Type II and SOC2/3 certifications. All of their facilities are audited and certified regularly to assure compliance.

## **ANALYSIS**

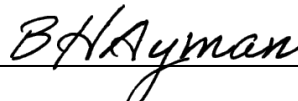
The hosted Pensiongold V3 system went live in January 2019. The post implementation 5 year period included in the agreement is set to expire June 30, 2024. The new proposed term date will extend the contract for 6 years, to June 30, 2030.

LRS manages the hosting and interfaces with the hosting vendor, Flexential, on behalf of ORS. LRS addresses any issues that arise with the hosted PAS system, regardless of whether the issue is software or equipment related.

ORS has contractual agreements with both, LRS and Flexential. A recent cyber system assessment of the ORS PAS system recommended that ORS update their LRS contract to reflect the current support structure to clearly define the roles and responsibilities of each party for hosting. ORS agrees with this recommendation to clearly define the roles and responsibilities of each party and is requesting to update the contract with LRS to include hosting services. Having one agreement with LRS that includes hosting services at a Flexential secure hosting center will address the recommendation. This amendment will also update the LRS agreement to incorporate the City's data security contract language that is part of the IT policies recently adopted by the Boards.

Having a LRS managed Flexential hosting solution provides a cost savings to ORS, the proposed LRS monthly fees are \$1060 less than the Flexential fees, \$7,800 compared to \$8,860. If the Boards approves the request in this memorandum, staff will bring forth a recommendation for discussion on next steps for the Boards Flexential agreement.

The PAS is central to ORS operations and provides us a secure system to calculate retirement benefits swiftly and accurately. Staff recommends approving the execution of an amendment to the agreement with Levi, Ray & Shoup (LRS) to allow for continued use of pension administration system (Pension Gold V3) and to add hosting services for term of June 30, 2030 and with an increase in NTE amount by \$2,004,000.



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Barbara Hayman  
Deputy Director