



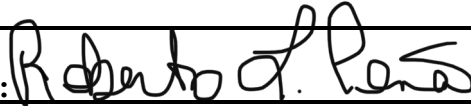
Memorandum

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

FROM: Barbara Hayman

SUBJECT: Update on Pension Administration Project

Date: May 13, 2020

APPROVED: 

DATE: 5/13/2020

INFORMATIONAL

BACKGROUND

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 **\$9,000,000** (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, see table below. At the November 2014 meeting, the Boards approved the Secretary to negotiate and execute an Agreement with INetU, a company dedicated to providing Cloud Hosting and Managed Hosting services. INetU was acquired by ViaWest in December of 2015.

Implementation Phase	LRS Budget
Services	\$4,965,280
License Fee/Maintenance	\$405,540
Replace Document Imaging	\$405,072
Disaster Recovery	\$52,242
Implementation Phase Total Cost	\$5,828,134
5-year post Implementation Phase	
5-year post production support and maintenance cost	\$1,239,909
Implementation & Post 5 Yr Total Cost	\$7,068,043
Hosting (includes Post 5 yr cost)	\$1,001,783
Total Costs with disaster recovery included	\$8,069,826
Total Approved by Boards (split 50/50)	\$9,000,000
Contingency Change Requests	\$930,174
Less Change Requests Costs already identified	\$176,310
Remaining Contingency	\$753,864
Implementation Period (months)	40
Post Implementation Period (months)	60
Total Contract Duration (months)	100

At the February 2015 Joint Audit Committee meeting, staff were asked to report the progress of the project on a quarterly basis and expected activities in the next quarter.

ANALYSIS

The Pension Administration V3 System went live on Monday February 4th; the project transitioned to Support after the six month warranty period ended August 1, 2019 and is now supported by the LRS support team. ORS have been involved in software release testing as issues are resolved, which will continue until all Problem Incident Reports (PIRs) are fixed. All PIR's reported during the 6 month Warranty period will be fixed under the warranty by LRS. Annual processes, not yet run or run for the first time such as 1099-Rs, Member Statements, Actuarial Extracts, and some line of business functionality delivered via CR will be covered by an extended Warranty. Any defect on processes covered by an extended warranty will be fixed at no cost to additional cost ORS.

Since the last update ORS has focused on the following work items:

- Measure F – schedule outlined in the section below.
- Change Requests – Ongoing, ORS tests functionality when it is delivered by LRS
- Problem Incident Reports – Ongoing, ORS retests functionality as fixes are delivered

The schedule for Measure F is as follows:

Phase One: Plan Details, Contributions, Interest, FAS, Service Credit, SPC
Phase One Timing: **Start Date** 3/1/2018, **End Date:** 10/24/2018 (completed on schedule)
Phase Two: Benefit Eligibility, COLA, Benefit Formulas, Payment Options, Medical and Dental Insurance Eligibility, Other
Phase Two Timing: **Start Date** 8/1/2018, **End Date:** 06/1/2020
Phase Two A – Tier 1 Benefit calculations in Production as of November 2018
Phase Two B – Tier 2 Benefit calculations – In Production on June 1 2020
Phase Two C – COLA - in Production as of April 2020.
Phase Three: GPP, Health In Lieu Premium – GPP testing complete, In-Lieu is in Production.
Phase Three Timing: **Start Date** 3/1/2019, **End Date** 03/31/2020

The Measure F functionality has been delivered to ORS, as such, the PAS project is now complete.

The project implementation period was originally estimated at 40 months, the project actually took 48 months. The attached presentation details the implementation project costs to date, inclusive of Measure F and the post implementation costs.



Barbara Hayman
Deputy Director, Office of Retirement Services