Guidehouse Pension Solution Independent Project Oversight Report

California State Teachers' Retirement System

March 7, 2024

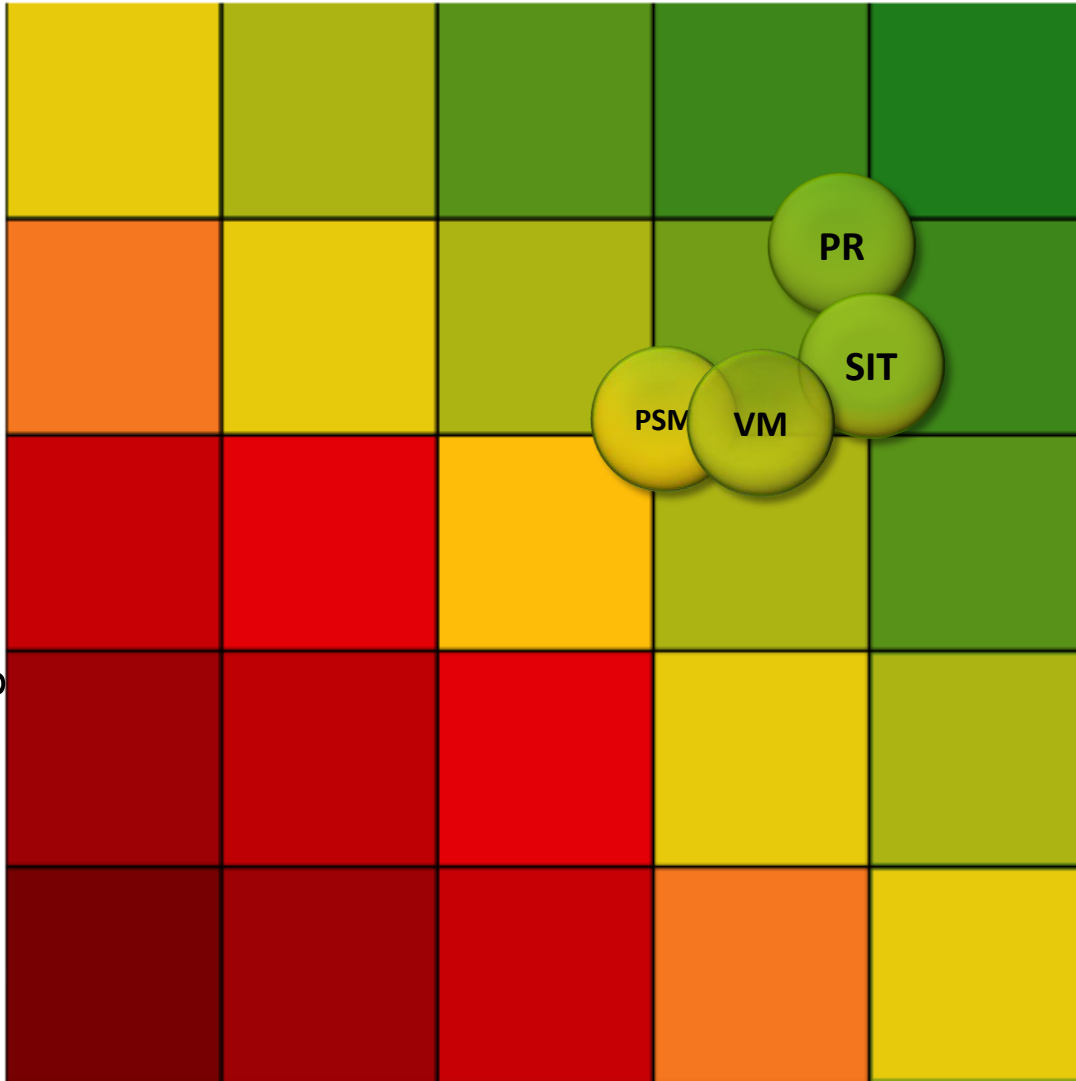Guidehouse | Outwit *Complexity*

Graphical Assessment Overview

This informational item is an Executive Summary of Guidehouse's monthly oversight report for the Pension Solution project. This item provides an assessment for each of the major workstreams currently underway based on a combination of progress to value and schedule, along with a summary assessment of the workstream. Additionally, we provide a brief summary of progress and of any significant risks that exist along with any mitigation activities in place.
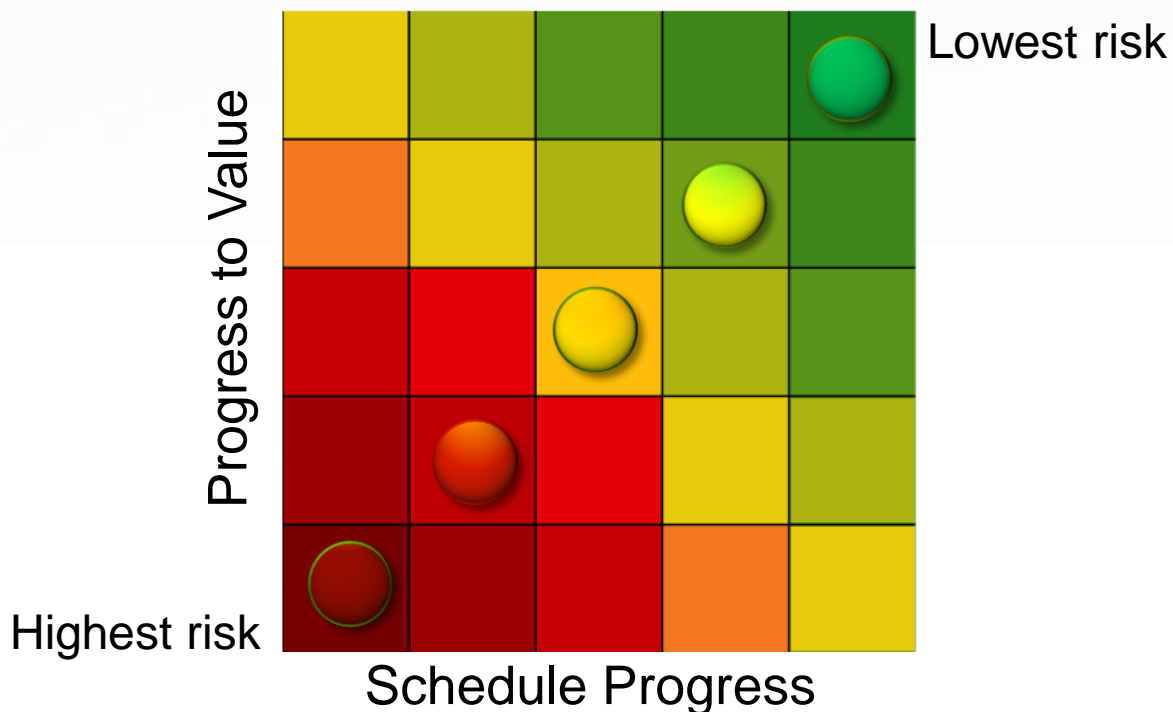
We use a square graphical heatmap that assigns a checkpoint rating to the major Pension Solution workstreams from the perspective of value progress and schedule progress. The plotted point on the heatmap also illustrates our summary rating for the workstream by its color designation.

Lowest risk

Highest risk

Progress to Value

Schedule Progress

Pension Solution Overall Assessment

Progress to Value

PR

SIT

PSM VM

Schedule Progress

Legend: SIT – System Integration Testing; VM – Vendor Management; PSM – Project/Schedule Management; PR – Project Resourcing

Overall Summary

The project continues to follow the formal schedule with a planned go-live of Fall 2025. Ongoing activities include System Integration Testing (SIT), project metrics monitoring and reporting, and resource/vendor management.

Notable risks and mitigations

Risks: Ensuring all metrics are clearly defined, and all stakeholders are aligned on their presentation and meaning. Ensuring all defects are qualitatively understood, accounted for in the system of record, and assigned for resolution. Ensuring clear documentation to communicate the definition of "done" and demonstrate traceability from requirements to test results/exit criteria for go-live.

Mitigations: Defects have been analyzed and allocated for resolution. Metrics tracking resolution are being monitored. The Project Management Office is analyzing traceability data and working to develop documentation and reporting methods for requirements/functionality coverage.

Pension Solution Activity
System Integration Testing (SIT)

Progress to Value (vertical axis)

Schedule Progress (horizontal axis)

Progress Summary
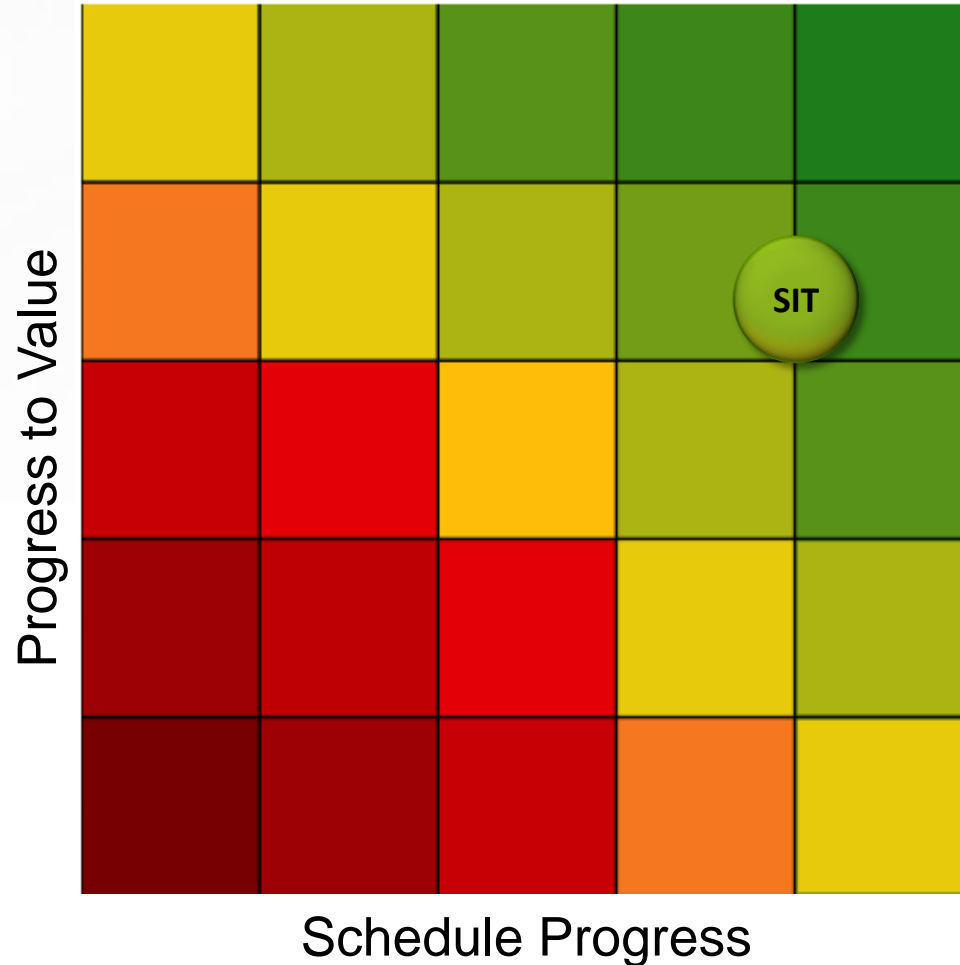
Sagitec and CalSTRS continue to execute SIT activities on schedule as planned. Defects are being addressed per documented burndown plans.

Notable Risks and Mitigations

Risk: If the testing execution and/or defect rate do not track to plan significant impacts to the schedule may be encountered.

Items impacting design may significantly impact the schedule and budget if not effectively managed.

Mitigation: Execution and defect metrics have been developed and are actively monitored. Design items are being identified and addressed. These items are assessed by Sagitec for impact and will be escalated if necessary.

Pension Solution Activity
Vendor Management (VM)

Progress to Value

Schedule Progress
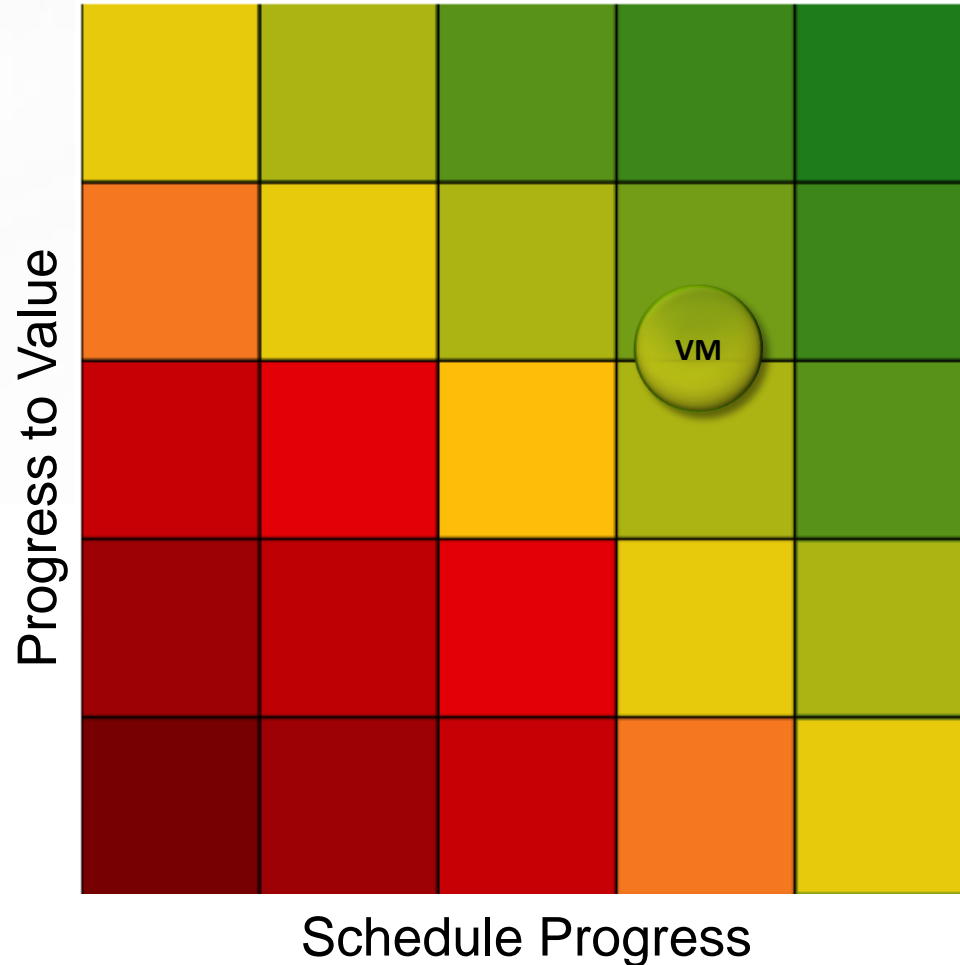
Progress Summary

Implementation Support Services Vendor (ISSV) teams continue to actively work on their areas of responsibility. CalSTRS project leadership is developing mechanisms to track vendor contractual requirements.
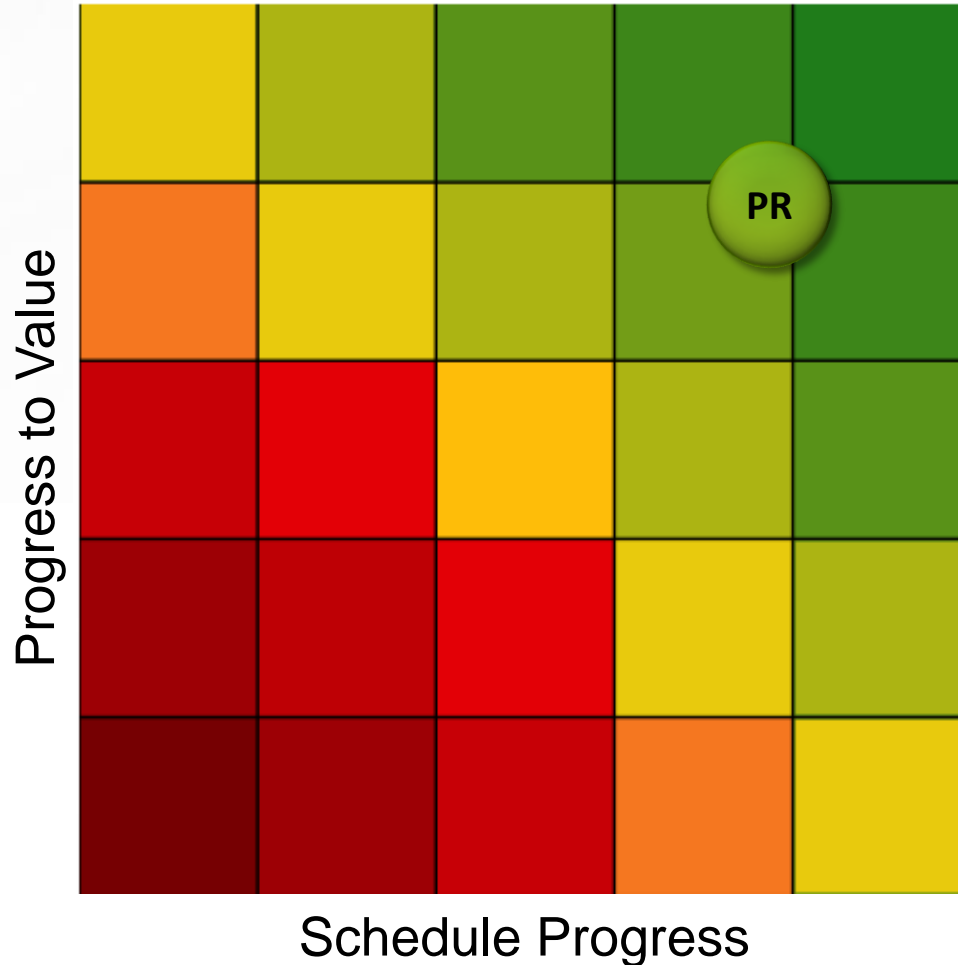
Notable risks and mitigations

Risk: If vendors' contractual requirements are not actively tracked and monitored, activities may not meet completeness, quality, frequency, or timeliness expectations impacting scope, schedule, and/or cost.

Mitigation: IPOC has discussed this risk with CalSTRS' Vendor Manager and project leadership and provided recommendations to mitigate risks.

Pension Solution Workstream
Project Resourcing (PR)

Progress Summary

CalSTRS' primary leadership roles have been filled. Additional roles remain open including positions to continue developing the Project Management Office (PMO).

Notable risks and mitigations

Risk: Given the multiple implementation services vendors on the project, effective direction. coordination, clarity around responsibilities, and active vendor management are necessary to maintaining the schedule.

Mitigation: The CalSTRS Project Manager and Vendor Manager are coordinating vendor resources, prioritizing tasks, and monitoring progress. Recruitment continues for existing vacancies.

Pension Solution Workstream

Project/Schedule Management (PSM)

Progress to Value (y-axis)

Schedule Progress (x-axis)

Progress Summary
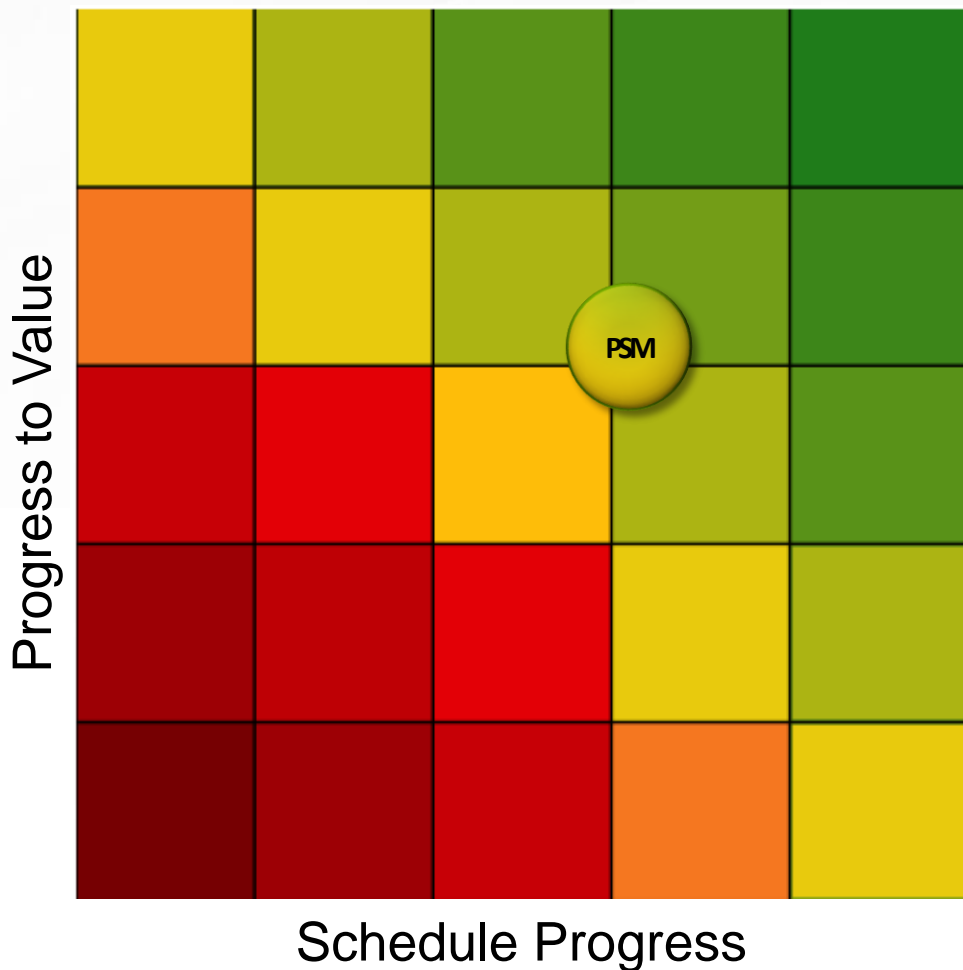
The ISSV's scheduling team continues to refine the schedule to define and track project activities. IPOC recommends developing an overall project progress metric based on the integrated master schedule. The Project Manager continues to develop the PMO and address project processes.

Notable risks and mitigations

Risk: Collaborative project management and progress reporting may become heavily focused on specific activity metrics with insufficient focus/understanding of the overall schedule and cascading activity impacts.

Mitigation: ISSV and CalSTRS project management are elaborating and refining the schedule on a regular cadence with feedback and review by project teams and oversight.

IPOC Activities

Since the last reporting period the IPOC team has been engaged in a variety of oversight-related activities, including project and vendor strategy discussions, project meeting attendance, document review, independent analysis, and discussions with project staff, leadership, vendors, and Teachers' Retirement Board members.

Selected project meetings attended:

- Attended and participated in CalSTRS/VIP Project Management meetings
  - Performed analysis and provided recommendations on vendor management, requirements traceability, definition of "done", metrics development, definition, and management, schedule management and updates, defect management and tracking, risk reporting, executive reporting, and PMO development
- 1:1 meetings with CalSTRS' Project Manager to discuss strategy, priorities, support, and project background
- 1:1 meetings with the ISSV Sr. Project Manager to discuss priorities, support received/needed, and progress
- Test strategy and progress meetings
- Board member updates and discussions
- Weekly sponsor/executive meetings
- Meetings with subject matter resources regarding ongoing project activities
- Meetings with sponsors and project management team regarding cloud migration and architecture
- Sagitec and CalSTRS Project Management Team Sync meetings
- One on one meetings with project sponsors, Sagitec team members, and project team
- Strategic discussions with Project Director
- Project metrics development and standardization meetings
- Project Risk/Issue meetings
- Weekly meetings with Quality Management
- Attended and presented in the Pension Solution Steering Committee meetings