



Regular Meeting

Item Number 7 – Open Session

Subject: Pension Solution Project Update

Presenter(s): Prashant Mittal / Graeme Finley, Grant Thornton LLP

Item Type: Information

Date & Time: September 2, 2021 – 15 minutes

Attachment(s): Attachment 1 – Grant Thornton Oversight Report

Attachment 2 – Glossary of Terms

PowerPoint(s): None

PURPOSE

The purpose of this item is to provide the board with an update on Pension Solution project activities.

The Project Oversight report from Grant Thornton is provided as Attachment 1, and Graeme Finley of Grant Thornton will be available to answer questions.

Attachment 2 provides a glossary of terms relating to these items.

Background

At the July 2021 meeting, staff and oversight consultant provided updates on project status, employer readiness, Functional Rollout 2 (FR2) Contractor Acceptance Testing (CAT) delays and impacts on FR2 User Acceptance Testing (UAT) and FR3. Staff also discussed aspects of the draft revised project schedule and answered questions from board members.

DISCUSSION / SUMMARY

Schedule Replanning Update

On June 23, 2021, CGI provided a proposed revised high-level draft schedule based on the current rollout strategy indicating a delay of 18 to 24 months for FR2 and FR3 go-live. This revised schedule was derived based on detailed analysis of the remaining tasks and experiences from past project activities to incorporate lessons learned. Staff reviewed the proposed draft schedule and

identified potential impacts to business operations based on the timing of the projected FR2 and FR3 go-live dates and the extended time gap between the two functional rollouts. To mitigate these concerns, CalSTRS and CGI independently explored alternate rollout strategies to lessen the risk and impact to business operations. In exploring alternative rollout strategies, the team focused on the following goals:

- Quality solution at delivery
- Schedule achievability
- Reduced risk
- Support of business-centric annual processing in the required timeframes
- Reasonable business impact given operational workload
- Reduced cost, as much as possible

Based on its independent analysis, CGI recommended a combined FR2 and FR3 rollout. From the multiple alternative rollout strategies explored, CalSTRS and CGI narrowed down to one strategy that would minimize impacts to the business operations by combining both FR2 and FR3 into a single rollout with a three-month soft launch and a tentative go-live date in October 2023. The soft launch, similar to the FR1 soft launch, would allow business users early access to a non-production system environment to gain navigational and process familiarity and build confidence in addition to their formal training. A single rollout also mitigates the risks on business operations of a two-rollout approach in the event FR3 is delayed after FR2 has already gone live.

Both independent oversight consultants (IPOC and IV&V) have been involved throughout this process and provided feedback on the alternate rollout approaches and the preferred option.

At this point, both teams have conceptually agreed to take forward the option of a combined FR2 and FR3 rollout with a soft launch for the next round of due diligence on both sides before finalizing for project governance review.

Employer Readiness

Employer Readiness Update

The Employer Readiness Team continues to prepare the employer community with system upgrades and testing support and is also working with report sources to identify and develop additional engagement activities to enable their successful transition to the new Secure Employer Website.

The Employer Readiness Team has kept the employer community informed about the schedule change via formal and informal communications.

Functional Rollout 2 (Enrollment and Contributions, Calculations & Payments) Update

Design, Development and Unit Test Activities

Functional system design, development and unit test activities are complete, pending validation from Contractor Acceptance Testing and User Acceptance Testing.

The CalSTRS team continues to make progress with performance testing of remaining FR2 operational reports.

Contractor Acceptance Test (CAT) Activities

As reported earlier, CGI missed many of the schedule dates agreed to in the latest change order (CO 287) approved in October 2020. CGI continues to work through CAT delays and is progressing at a much slower rate than planned. CAT overlap with UAT activities increased, requiring additional UAT, and will delay the completion of UAT. Testing pass rates continue to be below expectations which translates into additional work and additional time for CalSTRS to complete UAT. Timely resolution of defects identified from various CAT activities to meet critical business and technical requirements remains important for the successful completion of these CAT activities.

User Acceptance Test (UAT) Activities

FR2 UAT initial pass rate continues to be below planned. CalSTRS remains concerned about the impacts of the higher number of defects on increased workload, execution throughput, defect resolution timeliness and stakeholder resources. The schedule replanning efforts to define a more achievable timeframe for the completion of FR2 UAT continue. FR2 UAT execution continues to progress at a slower rate than planned.

Data Conversion Activities

Data conversion continues to make progress on defects raised by the various testing efforts that are underway, but remains behind schedule. The team is converting just over two billion records from the legacy systems to BenefitConnect and continues to track and address conversion fallout. Mock data conversions occur frequently to supply data for the various testing efforts (Parallel, UAT, CAT, and development unit test) that are underway. These will continue through go-live.

Training

FR2 training development and logistic planning for staff, employers, and members continue to make progress.

CGI involvement with FR2 training development has been paused by CGI as their training lead left the project in May 2021 and training resources have been redirected to support FR2 testing activities.

Change Management

The Change Management team continues to work collaboratively with project leadership to develop and distribute transparent communication to the organization on the schedule development progress. The team is providing tools, guidance, and support to Change Champions and business area leaders to address change saturation and fatigue. Additionally, the team continues to use Change Roadmaps to introduce, organize, and track changes, impacts and action items for business areas.

Implementation Readiness/Cutover/Go-Live

The FR2/FR3 Implementation Team is working closely with the various teams across the project and CGI as schedule adjustments are discussed. This includes incorporating lessons learned from the FR2 implementation readiness activities that were conducted in Spring 2021 into the revised schedule. The execution of these planned activities helped to identify process improvements, clarify the transition approach for business areas, and establish the interdependencies with implementation partners (e.g., Legacy Application Decommissioning and BusinessDirect projects). These outputs provided a basis for evaluating the potential schedule options and elaborating the planned implementation activities that will enable a more positive transition to BenefitConnect.

Functional Rollout 3 (Customer Service Management, Enhanced Member Self Service) Update

The FR3 schedule continues to be impacted by the cascading effects of FR2 CAT delays. CGI had re-directed many of the FR3 resources to support FR2 CAT delays, leading to further delays in completing many FR3 activities. The increased overlap of FR2 activities with those FR3 activities negatively impacted the availability of resources.

Design, Development and Unit Test Activities

CGI redirected most of its FR3 resources to assist with FR2 system testing delays. Many FR3 activities were paused due to CGI reassignment of resources to FR2 activities. This redirection of staff has essentially put FR3 at a standstill and has caused FR3 development and unit testing activities (and any dependent activities) to fall considerably behind schedule. CGI has now resumed FR3 activities including commencement of unit integration test.

The CalSTRS team continues to make progress with the design and development of FR3 operational reports even though this activity has been impacted by delayed FR3 design, development and CAT activities.

Contractor Acceptance Test (CAT) Activities

FR3 CAT execution continues to be delayed due to aforementioned reasons.

User Acceptance Test (UAT) Activities

FR3 UAT execution is currently deferred due to FR3 CAT activities being delayed. It was scheduled to commence in mid-July 2021.

Data Conversion Activities

The development for FR3 conversion is complete. The next step will be to validate the converted data by various teams.

Summary of Top Challenges and Mitigations

Staff continues to monitor and report on the significant challenges facing the project. Challenges and associated mitigations include:

Challenges	Mitigations
Minimizing the impacts to downstream activities (e.g., UAT, BusinessDirect Retrofit project, and FR3, etc.) due to FR2 CAT execution and defect remediation schedule delays beyond the approved change order dates, and on quality.	CGI testing activities continue to be delayed, directly impacting activities such as UAT, which continues to experience pass rates below expectations and results in additional retesting work for both CalSTRS and CGI. As mentioned above, CalSTRS is working with CGI to determine a viable revised schedule and rollout strategy that minimize impact to business operations.
Ensuring CGI address the higher than normal staff turnover in recent months, many with the in-depth project knowledge.	In recent months, CGI has experienced higher staff turnover than typical. Loss of staff with in-depth project and system knowledge will impact project progress. CalSTRS and oversight have asked CGI to mitigate the current loss of staff and address this situation proactively going forward.
Response to COVID-19. Enabling staff to remain productive while working remotely and continues to meet project goals. Re-planning Training and User Acceptance Testing based on a fully remote workforce.	Staff continues to monitor, assess, and mitigate the impacts of COVID-19, on the staff working remotely and ongoing/upcoming tasks. Staff continues to identify opportunities to improve the virtual work environments, collaboration, and communication.
Timely completion of critical scope items to meet business and technical requirements.	Staff continues to be engaged with CGI to ensure contract agreements remain at the center of scope resolution. Staff and oversight continue to monitor the progress of CGI addressing the critical functionality to meet CalSTRS business and technical requirements timely.

Challenges	Mitigations
Providing timely availability and continuity of business area resources (subject matter experts) for the duration of the project.	Continue to work with various business areas to identify and secure resources (subject matter experts) in advance of the anticipated need-by dates.
Providing employer readiness and ability to report production contribution data at go-live.	Continue active engagement and support to employers by the Employer Readiness Team to achieve participation goals of ensuring employer readiness for go-live.

RECOMMENDATION





At the time of this report, staff does not have a recommendation to make. While additional due diligence on the preferred schedule and rollout option is still in progress, it is expected that CalSTRS and CGI would be able to recommend the rollout approach and revised schedule by the September 2021 board meeting for the board’s review and consideration.

Pension Solution Independent Project Oversight Report

This informational item includes the Executive Summary of Grant Thornton’s monthly oversight report for the Pension Solution project. The assessments contained in this report are focused on key project risks and issues and provide recommendations for improvement where appropriate.

Grant Thornton uses a graphical dashboard that assigns a checkpoint rating to each Pension Solution project area. The legend of these checkpoint ratings is as follows:

Checkpoint Rating Legend

Checkpoint Rating	Checkpoint Rating Definition
Green 	No priority items noted that require the project to take action at this time
Yellow+ 	Risks, issues and/or challenges are noted, and the project is taking action with sufficient progress to address
Yellow– 	Risks, issues and/or challenges are noted, and the project has taken action to partially address.
Red 	High priority items noted, and the project has not taken action or made progress in addressing





The Pension Solution project has an extremely dynamic operating environment. Given this, it is possible that the checkpoint ratings and supporting justifications may change prior to the Board meeting. Should this occur, Grant Thornton will explicitly note this in any discussion with the Board.

Pension Solution Project Oversight Update

Grant Thornton LLC Independent Project Oversight Consulting (IPOC) services has observed continued progress by the Pension Solution project while maintaining a fully remote workforce. However, progress of testing activities for Functional Release (FR) 2 has continued at a slower than expected pace.

The overall status of the Pension Solution project along with progress and concerns are noted below.

Overall Status

Scope	Schedule	Cost	Resources
Yellow- 	Red 	Yellow- 	Red 





FR2 Testing Progress and Schedule Development

FR2 user acceptance testing (UAT) and contractor acceptance testing (CAT) activities continue with slower than planned progress while problem incident reports (PIRs) continue to be identified and resolved.




In the prior update we noted that Team CGI delivered a revised draft schedule indicating a delay of 18-24 months for FR2 and FR3 go-live based on the current implementation strategy. This revised draft schedule was determined to be untenable due to its timing with regard to business operations. CalSTRS and Team CGI individually identified alternative schedules and implementation strategies taking business operations project objectives into consideration. Nine alternatives were collaboratively assessed by CalSTRS and Team CGI including an option presented by Team CGI with a combined rollout of FR2 and FR3. After extensive collaborative review, this alternative was selected with components of CalSTRS’ preferred approach including a soft launch period. This preferred approach is currently undergoing more detailed analysis to determine its feasibility and associated cost. IPOC expects that an implementation approach and schedule may be agreed upon by the September board, however it is unlikely cost negotiations will be complete at that time.




As noted previously, CalSTRS, Team CGI and oversight have worked collaboratively on the revised schedule development effort. The majority of estimates and assumptions have been informed by prior experience and appear to be conservative, which allows for a more achievable timeline to complete the remaining activities. IPOC will continue to provide input and feedback to staff and Team CGI as these assessments continue.

Project Category Assessment

Category Rating	Category Rating Summary
Scope Yellow- 	<p>Project scope remains Yellow- for this reporting period.</p> <p>The project’s capacity for additional scope through FR2 go-live has been included in the revised schedule as an additional CR “bundle.” If additional items are identified during the remainder of CAT and UAT beyond the estimates in the revised schedule, they will need to be critically prioritized, and choices will need to be made to ensure critical functionality is included at go-live.</p> <p>Several disputed items remain escalated for resolution. Extended scope dispute negotiations will impact the timeline to develop a revised schedule as the inventory of CRs needs to be included in level of effort estimates and the schedule.</p>
Schedule Red 	<p>The project schedule area maintains a Red rating as the project will not be able to complete FR2 UAT within the current schedule due to the number of PIRs identified, the pace of PIR resolution, and the pace of execution.</p> <p>As noted, Team CGI, CalSTRS and oversight have worked through the bottom-up estimates, staffing plan, and assumption models used to develop the draft revised schedule, and have down-selected a preferred option among approximately 11 alternatives. Staff and oversight are reviewing the preferred option and will participate in discussions with Team CGI feasibility and cost.</p>
Cost Yellow- 	<p>Project cost remains Yellow- for this reporting period. The project is currently on budget overall, however the schedule delay will result in additional cost. Once the costs associated with the preferred schedule are defined, negotiations will take place and need to complete prior to a formal agreement is reached.</p>
Resources Red 	<p>The project resources area is downgraded to Red for this reporting period.</p> <p>Team CGI has experienced several staff departures. Specifically, a resource who has been with the project from inception and held the role of Assistant Project Manager (APM) and Implementation Lead left the project at the end of June, and the role remains vacant. It is important to fill these roles quickly to facilitate schedule development and to effectively execute project activities. If the Team CGI continues to experience attrition, particularly in team or project leadership roles, the revised schedule may not be achievable.</p> <p>Impacts to the project have been noted as a result of the fully remote workforce and the COVID19 pandemic. Though the project team has mitigated many of the remote work challenges to the extent possible, the fully remote environment has impacted the efficiency and effectiveness of these project activities.</p>

Project Area Assessment

Area Rating	Area Rating Summary
Project Sponsorship and Governance Green 	<p>This category is rated Green for this reporting period.</p> <p>The Chief Executive Officer (CEO), Chief Technology Officer (CTO), Chief Benefits Officer (CBO), and business area Directors remain effectively involved in the project.</p> <p>The Pension Solution Steering Committee (PSSC) and Executive Steering Committee (ESC) continue to meet regularly to discuss upcoming CRs, key activities, open concerns, and pending challenges across the project.</p> <p>Project Sponsors are meeting with project team members, Team CGI, and oversight frequently to discuss current challenges.</p>
Project Management Red 	<p>The Project Management area maintains a Red rating for this reporting period primarily due to the continued lack of an agreed revised schedule for FR2 and FR3 implementation, slower than planned testing progress, and continuing vacant project roles. Disputed items requiring scope clarification and agreement also need to be resolved to come to a revised schedule.</p> <p>We have observed that recent additions and changes in Team CGI’s project leadership have made their decision-making structure unclear to CalSTRS leadership with the potential for conflicting messages and confusion at the project management and functional level. There are currently multiple executive leadership personnel involved in the project, and it is often unclear who is empowered to make specific decisions or give direction.</p> <p>As noted, staff and Team CGI continue to work toward agreement on a revised schedule that effectively considers business operations and meets the project’s objectives. Additional activities to come to a final revised agreement include scope dispute resolution and cost analysis and negotiation.</p> <p>Team CGI has experienced several staff departures and is working to replace important open positions. The APM and Implementation Lead roles should be filled quickly to allow for an effective transition for these important positions.</p>
Risk and Issue Management Green 	<p>Risk and Issue Management maintains a Green rating for this reporting period.</p> <p>The Risk and Issue Management process continues to follow defined procedures. Risks and issues continue to be submitted by project stakeholders, monitored by assigned risk owners, and discussed in formal bi-weekly risk and issue meetings. The number of identified risks and issues has increased due to the ongoing challenges.</p> <p>IPOC has continued to emphasize the importance of clearly defining risks/issues to allow for specific, time-based mitigating actions.</p>

Area Rating	Area Rating Summary
<p>Organizational Change and Training Management</p> <p>Yellow+</p> 	<p>This category is downgraded to a rating of Yellow+ for this reporting period.</p> <p>Team CGI’s training activities continue to be on hold. Team CGI’s training lead left the project recently and a replacement should be identified to re-plan learning activities with the revised schedule. CalSTRS Learning and Development continues to make progress in developing training materials.</p> <p>Change management continues to work on change readiness assessments and FR3 business process readiness documentation.</p>
<p>Solution Delivery</p> <p>Yellow-</p> 	<p>This assessment category maintains a Yellow- rating for this reporting period.</p> <p>The primary focus of the Solution Delivery area for this period is FR2 testing, particularly CAT and UAT.</p> <p>CAT testing activities including parallel, performance, conversion, and end-to-end testing continue.</p> <p>UAT continues to experience slower than expected progress in execution and PIR resolution, with continued higher than expected initial PIR counts.</p> <p>CalSTRS and Team CGI project leadership, sponsors, and executives have continued to state their commitment to system quality. Current discussions to address the CAT and UAT challenges and define the revised implementation schedule are focused on maintaining the planned exit criteria and scope for all testing activities prior to going live with FR2 and FR3.</p>
<p>Vendor and Contract Management</p> <p>Yellow+</p> 	<p>This assessment category is rated Yellow+ for this reporting period.</p> <p>Collaboration between Team CGI and CalSTRS has been challenging while developing the new path forward.</p> <p>The APM and Implementation Lead positions need to be filled as soon as possible with qualified candidates to enable the project to make progress against a revised schedule.</p> <p>Given the current phase of the project, it is critical for Team CGI and CalSTRS project management and leadership to effectively and efficiently discuss concerns and negotiate agreements, particularly disputed items requiring negotiation that are considered critical for FR2.</p>

IPOC Activities and Contributions

For this reporting period, the IPOC team has been engaged in a variety of oversight-related activities, including meeting attendance, document review, independent analysis, and discussions with project staff and leadership. Representative activities are presented below:

Change request management:

- Continued to track the CR credit balance against approved CRs
- Attended weekly CR review meetings
- Participated in discussions with Team CGI, and CalSTRS staff and leadership regarding FR2 CRs, and scope and cost negotiation processes
- Conducted specific conversations with Team CGI leadership and CalSTRS project management regarding scope determination processes and defect classification, particularly related to UAT items
- Participated in multiple meetings related to disputed items identified during testing

Project metrics / leading indicators:

- Participated in multiple meetings with Team CGI and CalSTRS project staff to provide recommendations on methods and approaches to presenting leading indicators/metrics, particularly related to FR2 UAT progress and results
- Continued conversations with Pension Solution project management and business area leadership regarding tracking/metrics for UAT
- Held discussions with Team CGI and CalSTRS project sponsors and business area Directors regarding project needs for business resources, and ongoing capacity management

Project analysis and observation:

- Performed independent analysis of Team CGI and CalSTRS alternative implementation options
- Performed independent analysis of CalSTRS' UAT level of effort models and provided feedback
- Participated in multiple meetings to discuss schedule path forward strategy and feedback resolution
- Conducted multiple meetings with Team CGI executive leadership to discuss current status, challenges, and recommendations
- Continued individual conversations with Team CGI Executive leadership regarding resourcing challenges and gaps
- Conducted additional meetings with project management team members regarding UAT execution and metrics
- Participated in multiple meetings with Team CGI leadership regarding testing progress, assumptions, and challenges
- Conducted meetings with Team CGI regarding CAT test metrics, status, and plans to address current challenges
- Continued analysis of testing data to assess the UAT progress against plan and conduct conversations with Team CGI and CalSTRS staff
- Delivered Comprehensive Monthly Reports

- Continued to meet with the Pension Solution Project Sponsors, Project Director, CalSTRS Executive, and Governance Advisor to discuss overall observations and areas of focus
- Presented monthly analyses at the Pension Solution Steering Committee
- Presented independent assessments of path forward process progress to the Pension Solution Steering Committee and Joint Executive Steering Committee
- Participated in Executive Steering Committee and Joint Executive Steering Committee meetings

Selected project meetings attended:

- Bottom up estimate and staffing plan meetings
- Path forward schedule analysis meetings
- Executive Steering Committee meetings
- Pension Solution Steering Committee meetings
- Pension Solution Joint Implementation Status meetings
- One on one meetings with project sponsors
- Project leadership and project sponsor meetings
- IPOC, Sponsor, and Executive leadership meetings
- Risk and Issue Management meetings
- UAT Update meetings
- CalSTRS Pension Solution Status meetings
- Individual Stakeholder meetings
- CR Review meetings
- PIR discussions
- Employer Readiness Round Table meetings
- Daily UAT Stand-up meetings
- Multiple one on one project team member meetings
- FR2 System Test Metrics meetings
- UAT Test Metrics meetings
- Team CGI Executive discussions
- Team CGI project management discussions

Glossary of Terms for the Pension Solution Update

Basic Issues (BIs), also referred to as basic data issues, are data issues resulting from general inconsistencies in the type of data intended for a data field, such as missing values in a field, abnormal date ranges, abnormal alpha-numeric values, etc.

BCP (Budget Change Proposal): A proposal to change the level of service or funding sources for activities authorized by the Legislature and approved by the Governor or to propose new program activities not currently authorized.

BusinessDirect (BD) Retrofit Project will make the changes necessary for BusinessDirect to integrate with Pension Solution and update functionality that remains in Business Direct. The prime vendor for this project is Deloitte Consulting.

- BusinessDirect is the financial system that was implemented thru the Corporate Accounting and Resource Management (CARM) Project.
- BusinessDirect is an SAP system that manages CalSTRS' budgeting, procurement, accounting and contract management functions.

Change Requests (CRs) are formal requests to modify project scope, schedule and/or cost. These requests go through a rigorous process and series of approvals. Once approved, these requests are called **Change Orders (COs)** and modify the agreements in place between CalSTRS and CGI.

Change Order #130 B memorialized CalSTRS and CGI negotiating a 30-month, \$34 million contract amendment, adjusting the project's scope, schedule, and contract cost with CGI for the Pension Solution system effective March 30, 2018. The schedule extension moved the implementation of the last functional rollout (FR3) to February 2022 and also extend the scheduled project end date to January 2023, after a one-year warranty, maintenance and operations period.

Complex Issues (CIs), also referred to as complex data issues, are data issues resulting from business or system process deficiencies, prior system conversion, placeholder data, employer and member contribution changes, changes in the law, missing functionality in START, etc.

Contractor Acceptance Testing (CAT) demonstrates successful testing and operation of the system prior to transitioning the Pension Solution to CalSTRS for User Acceptance Testing. CAT is performed by Team CGI and supported by CalSTRS.

Conversion refers to the work required to move data from an old computer system (the “legacy” system) to a new computer system.

Employer Readiness Environment (ERE): A non-production system environment utilized by employers during Soft Launch.

Employer Support Portal: A website that employers will visit to be a one-stop-shop for everything CalSTRS related. Employers can access the current Secure Employer Website, PALMS (Pension Administration Learning Management System) and the Employer Readiness Environment from the landing page. Employers will also have access to tools and resources such as job aids and file specification documents. Employers have a Message Board where they can learn about key items from CalSTRS.

Encumbrances: Commitment of funding for legally authorized expenditures. Recording an encumbrance is the initial step in legal/budgetary accounting for expenditures.

External Reporting Partners (ERPs) includes employers (some have custom systems, and many are vendor supported), payroll software vendors, and third-party administrators.

Fit/Gap

The fit/gap analysis is an opportunity for CalSTRS and Team CGI to identify key design gaps in advance of the detailed Functional Rollout 3 (FR3) JAD sessions. The benefits of conducting a fit/gap phase before moving forward with JAD sessions are:

- Reduce project risk by identifying critical design expectation gaps and involving project leadership to resolve issues prior to proceeding with JADs.
- Enable CalSTRS leadership to make more informed decisions regarding subsequent functional rollouts.
- Provide the project a foundation to complete FR3 design, build, and test activities more efficiently.
- Improve estimates of the amount of work remaining to produce a more reliable schedule.

Functional Rollout (FR).

- FR refers to the project’s three phased releases.



Implementation in 3 Functional Rollouts

Rollout #1: Soft Launch of the Employer Readiness Environment	Rollout #2: Administration Calculations and Payments	Rollout #3: Customer Service Management Mobile Applications and Accessibility
Non-production environment for employers Early exposure to system for staff supporting employers	Processing benefit applications Calculating benefits Benefit payments and adjustments Employer reporting	Benefits planning scheduling Internal customer service view New <i>myCalSTRS</i> functionality
Fall 2019	Fall 2021	Winter 2022

PENSION SOLUTION

Funding authority authorizes the allocation of appropriate funding to meet project needs.

Implementation Dry Runs: Testing activity or dress rehearsal to simulate the tasks and activities to be performed during the production implementation. During these simulations, the team can identify potential gaps or failures and develop corrective actions to mitigate any problems during the production implementation.

IPOC:

- IPOC stands for Independent Project Oversight Consultants. Grant Thornton has served as the board oversight vendor since 2011.
- IPOC reports focus on project sponsorship and governance, project management, risk and issue management, organizational change and training management, and vendor and contract management.

IV&V:

- IV&V stands for Independent Verification and Validation.
- MAXIMUS has served as the Pension Solution IV&V consultant since 2015.
- The IV&V report currently focuses on six project areas, including requirements, system development, interfaces, deliverable review, and data conversion and reconciliation.

JAMA: The Pension Solution project requirements management repository.

Joint Application Design Sessions (JADS) are the meetings in which the vendor and CalSTRS staff work through the process of aligning business requirements with technological design specifications to design the system. These sessions will begin again after the FR3 Fit/Gap.

New File Format (NFF): The project includes the implementation of two new file formats—the Employment File and the Contribution File—that will replace the existing legacy reports referred to as MR87, Address, Accounts Receivable, F496 and VDF files. The new file formats will be available to test in the employer readiness environment.

Operational Reports: Standard operational reports monitor basic operations such as workflow metrics, user access trace audit logs, problem incident reports, and many more. Most of the standard reports do not require any customization. Additionally, Neospin tracks basic operational transaction response times, including online transactions, batch jobs, query execution time, screen access timestamp, and user information. Operational Reports are intended to be statistical in nature providing metrics not found in Benefit Connect.

Parallel Testing: Testing performed to confirm that the new Pension Solution system is functioning properly based on comparisons with the existing CalSTRS legacy system(s). Parallel testing confirms that key business processes (e.g., monthly payroll and benefits recalculations) that are tested side-by-side with legacy systems return results that either match or have explainable and acceptable differences (i.e. due to changes in edit rules or other planned functional changes).

Pre-Flight: Informal testing to validate UAT test cases are written in accordance with the navigation, system components, and functions from within a fully operational system environment. This will provide CalSTRS advance time to potentially identify gaps in functionality necessary for FR2 Go-Live.

Pre-User Acceptance Testing (Pre-UAT): Testing of core system functions with the intent of improving both the overall system quality and UAT experience, confirm key functionalities, and build confidence for CalSTRS that the system is ready for UAT prior to commencement of formal UAT.

Problem Incident Report (PIR): Documentation that is submitted when a defect is discovered. A “defect” refers to any instance in which the system in the test environment does not function according to the design specification (DS) or when the actual result does not match the expected result during test execution.

Resources: Project resources usually means people resources, including staff, but could reference financial resources or materials.

Secure Employer Website: The Secure Employer Web Site provides a secure mechanism for reporting sources and reporting units within CalSTRS to submit inquiries about and changes to member information.

Soft Launch: The FR1 Soft Launch of the employer readiness environment was implemented on October 7, 2019. This environment is intended for the employer reporting partners to gain familiarity with the new system and to test the new file formats in advance of the production implementation in the fall of 2021 of FR1 and FR2.

Software defects, also known as Problem Incident Reports (PIRs), are descriptions of problems with software that block it from performing the business functions they were designed to execute.

Spending Authority: Authorizes the project to expend appropriated funds based on the approved project budget.

To-be Process Documents: A process document outlines the steps necessary to complete a task or process in the new system.

User Acceptance Testing (UAT) is formal testing of CalSTRS business processes to verify the new system, BenefitConnect meets organizational needs and is ready for production. UAT is performed by CalSTRS and supported by Team CGI.