



Regular Meeting

Item Number 8 – Open Session

Subject: Pension Solution Project Update

Presenter(s): Ashish Jain / Bill Perez/ Graeme Finley, Guidehouse

Item Type: Information

Date & Time: November 2, 2022 – 20 minutes

Attachment(s):

Attachment 1 – Independent Project Oversight Report

Attachment 2 – Pension Solution Glossary

PowerPoint(s):

PowerPoint 1 – Pension Solution Update

PowerPoint 2 – Independent Project Oversight Presentation

Item Purpose

The purpose of this item is to provide a Pension Solution Project update.

Recommendation

This is an information item only.

Executive Summary

Project Director Vacancy Update:

The Pension Solution Project Director position became vacant April 1, 2022. Earlier recruitment efforts have not yet been successful. Due to the significant responsibilities this role has on the project, we have asked Mary Winkley, a Contractor who has been serving as the Vendor Management Advisor, to assume these responsibilities in the interim until we hire a Project Director. Ms. Winkley has over 30 years of experience with technology in California – from policy to procurement through project implementations. She was a Project Director on a large

and complex project at a state department. Also, she led the division responsible for providing oversight for all state technology projects and then was asked to establish a division to guide projects to get back on track. She will bring all of this knowledge and experience to CalSTRS and help the team define the right path to successfully implement the Pension Solution project. The recruitment effort for this position continues with a second posting released October 4, 2022. This position is expected to be filled in the coming months.

Project Manager Recruitment Update:

The Pension Solution Project is currently recruiting for an experienced Senior Project Manager to provide planning and implementation expertise and direct all facets of execution on the project. The project management function was included in the agreement with the previous system integrator. This Senior Project Manager role is critical to the project's ability to effectively plan, lead, and manage the work given the project's recent shift from the previous vendor as system integrator, to the new vendor in performing work at CalSTRS' direction during the Interim Services Period (ISP).

Project Activities:

At the September 2022 board meeting, staff reported that Sagitec Solutions (Sagitec) and CalSTRS finalized a formal agreement to provide services in eight specific workstreams during the ISP through June of 2023, with primary focus on system quality and analyzing opportunities for improvement in such areas as testing methodology and application development. Staff also reported that CGI will continue to provide some essential services at CalSTRS direction through the end of their contract in June 2023.

Since July 2022, to better position the project for the path forward, staff continue to work on five important initiatives:

- Knowledge Transfer
- Interim Services Period (ISP) Planning and Execution
- Project Health Assessment
- Procurement for Implementation Vendor
- Project Improvements

Knowledge transfer: Over 100 sessions to transfer knowledge regarding project tasks from CGI to Sagitec and CalSTRS were completed by the end of September. Successful execution of this transition enables Sagitec and CalSTRS to manage and support project tasks that previously were CGI's responsibility.

Interim services period (ISP) planning and execution: During the ISP, Sagitec is focused on design and development, system testing and user acceptance testing support. Sagitec ramped up staff to provide these ISP services and has onboarded over 100 resources. Joint planning sessions between Sagitec and CalSTRS are continuing to discuss project improvement needs, plan and execute work to be completed during the ISP, prioritize the backlog of defects for resolution and

develop metrics and milestones for reporting progress. The teams work collaboratively and cooperatively daily to complete the planning.

Project health assessment: As previously reported, CalSTRS hired a contractor to document the project status and help inform the scope of work for the future procurement. The contractor is reviewing project artifacts, interviewing project staff and developing findings and recommendations. This project health assessment is scheduled to be completed in November.

Procurement for implementation vendor: Staff are continuing development of the future procurement for a vendor to lead the project to completion. The procurement approach was developed with input by California Department of Technology as well as CalSTRS procurement, IV&V, and IPOC. The staff have begun drafting procurement documents.

Project improvements: Project improvement sessions for various workstreams to identify potential improvement opportunities have been completed; the team has identified root causes and drafted recommendations to address these areas. These recommendations are being prioritized to determine which will be implemented during the ISP and, where appropriate, incorporate such improvements into the future procurement. This prioritization and alignment of resources is a major project improvement, and the project team is pleased with the progress.

Overall, progress continues on project tasks, although completion of knowledge transfer, onboarding of new vendor resources and development of project improvements has been the priority focus as the team ensures stability in the path forward. The project team is progressing with prioritization to complete functions within FR2 BenefitConnect functionality. The team is aligning all resources on both the CalSTRS and Sagitec teams to focus on throughput of workload/PIR resolutions on a prioritized list of functionalities (Business Scenario Groups-BSGs). The prioritization focuses on foundational system function and progresses through the member lifecycle with inclusion of core functionality.

The team will be measuring the quality and throughput of the vendor’s work that will have been influenced by the project improvements. Throughout each track, quality and quantity will be evaluated and decisions will be made as to whether additional project improvements are needed to enhance quality or quantity of work. The project team is establishing milestones and measures and will report on progress in future updates.

Summary of Top Challenges and Mitigations

Staff continue to monitor and address the significant challenges facing the project. The top challenges and associated mitigation strategies include:

Challenges	Mitigation Strategies
Timely recruitment to fill the Pension Solution Project Director position that became vacant on April 1, 2022.	Appoint Interim Project Director. Recruitment effort for this position continues.

Challenges	Mitigation Strategies
Timely recruitment to fill the Senior Project Manager position.	<p>Appoint an Assistant Project Manager from within the Pension Solution team.</p> <p>Recruit for a Senior Project Manager from the vendor community.</p>
Reducing the impacts to downstream activities (e.g., UAT and FR3, etc.) due to the departure of the prior vendor.	<p>Knowledge transfer activities were completed at the end of September; this enables Sagitec and CalSTRS to continue executing and supporting project tasks previously owned by CGI.</p> <p>Staff is planning ISP tasks and prioritizing the backlog of defects.</p> <p>Staff is assessing the project organization structure to ensure skill set gaps are filled to enable the shift to CalSTRS for responsibility to lead the effort.</p>
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 an 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.

Strategic Plan Linkage: Goal 2, Objective A of the Strategic Plan - *Implement and integrate a highly adaptive pension administration system to modernize transactional capabilities.*
