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# CALSTRS

## **Enterprise Technology Projects Fiscal Year 2013/2014 Second Quarter Report**

# Enterprise Projects

## Fiscal Year 2013/2014 – Second Quarter

The Enterprise Program Investment Council (EPIC) is responsible for governance of all enterprise technology projects which includes prioritizing, allocating resources and providing oversight of the \$18.5 million annual EPIC technology projects budget. An additional \$4.4 million, not expended during fiscal year 2012/2013, is available for two additional years for new or existing projects as a result of the new appropriation that began in fiscal year 2012/2013. The portion of the \$4.4 million allocated to projects is included in the total project amount for each project.

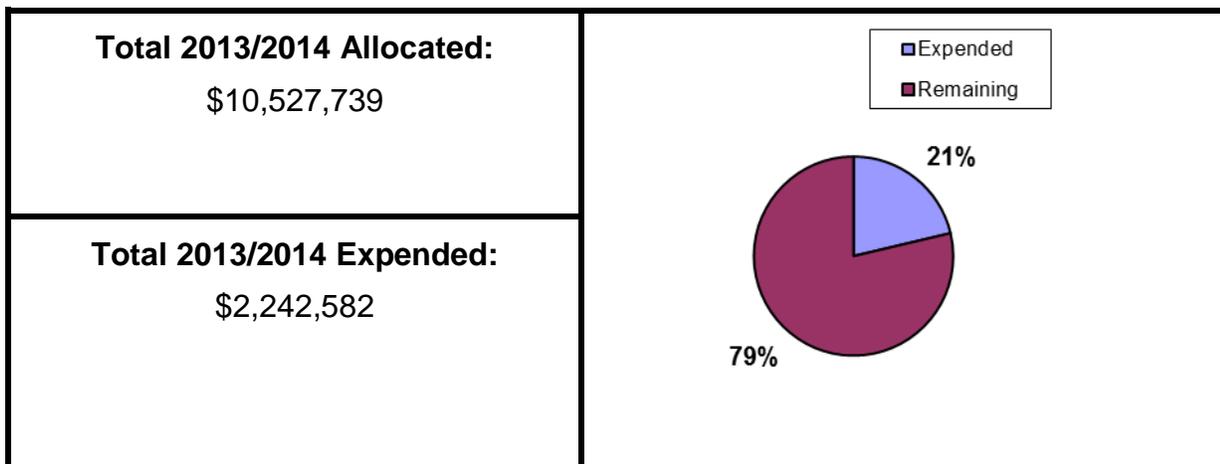
The Project Management Office (PMO) monitors and reports on the EPIC Technology Projects Budget and enterprise technology projects monthly to EPIC and quarterly to the Teachers' Retirement Board.

### Enterprise Program Investment Council Members

<b>Jack Ehnes</b> Chief Executive Officer	<b>Cassandra Lichnock</b> Chief Operating Officer
<b>Ed Derman</b> Deputy Chief Executive Officer Plan Design and Communication	<b>Peggy Plett</b> Deputy Chief Executive Officer Benefits and Services
<b>Robin Madsen</b> Chief Financial Officer	<b>Chris Caietti</b> BusinessRenew Executive Officer
<b>Ashish Jain</b> Chief Technology Officer	<b>Brian Bartow</b> General Counsel

### Total Enterprise Technology Projects' 2013/2014 Budget: \$18.5 Million

As of December 31, 2013



# Enterprise Technology Projects Fiscal Year 2013/2014 – Second Quarter

Project Name	Duration	Project Total <sup>1</sup>	2013/2014 Budget	2013/2014 Expended	Schedule	Budget
AB 340 Pension Reform	Oct 12 – Jul 14	\$784,675	\$0	\$0	●	●
Annual Update	Jul 13 – Jun 14	\$0	\$0	\$0	●	●
BusinessRenew						
BusinessDirect <sup>2</sup>	Jan 11 – Feb 14	\$20,405,503 <sup>2</sup>	\$0	\$0	●	●
Data Preparation	Nov 11 – Aug 14	\$6,001,428	\$2,644,017	\$741,866	◆ <sup>3</sup>	●
Enterprise Information Management	Feb 13 – June 15	\$973,000	\$155,000	\$0	●	●
Independent Project Oversight	Sep 11 – Oct 19	\$6,454,412	\$947,866	\$276,373	●	●
Pension Solution	Dec 10 – Feb 15	\$7,939,159	\$3,217,986	\$777,366	●	●
Program	Jan 11 – Jun 14	\$4,098,911	\$2,203,620	\$446,977	◻ <sup>4</sup>	●
Requirements Management	Aug 11 – Jan 14	\$620,500	\$189,250	\$0	◆ <sup>5</sup>	●
GASB 67/68	Oct 13 – Feb 14	\$695,000	\$170,000	\$0	◻ <sup>6</sup>	●
Priority Management Project Portfolio Management Tool	Aug 11 – Jul 14	\$1,230,705	\$0	\$0	●	●
Project Risk Reserve	Ongoing	\$1,000,000	\$1,000,000	\$0	N/A	●
<b>Total Enterprise Technology Projects' 2013/2014 Budget:</b> \$18.5 million		<b>Total 2013/2014 Allocated:</b> \$10,527,739		<b>Total 2013/2014 Expended:</b> \$2,242,582		
<b>Schedule &amp; Budget Indicators:</b>		● <b>Acceptable</b>	◻ <b>Warning</b>	◆ <b>Critical</b>	☺ <b>Complete</b>	✘ <b>Not Started</b>

<sup>1</sup> Project Total – amount represents the sum of the projects' prior years' actual expended amount, the 2012/2013 re-allocated budgeted amount, and current and future years budgeted amounts.

<sup>2</sup> BusinessRenew BusinessDirect (previously known as Corporate Accounting & Resource Management) – \$15.5 million funded through Board and contingency funds and is excluded from the Enterprise Projects' stated Total Budget, Allocated and Expended information. Received EPIC funds of \$1,774,680 for fiscal year 2011/2012 and \$3,718,505 for fiscal year 2012/2013.

<sup>3</sup> BusinessRenew Data Preparation – schedule issues due to data analysis vendor resource issues and data analysis complexity

<sup>4</sup> BusinessRenew Program – schedule slippage due to delays in hiring program resources

<sup>5</sup> BusinessRenew Requirements Management - schedule delays due to tool procurement issues and process delays

<sup>6</sup> GASB 67/68 – schedule slippage due to the delayed availability of vendor resources

<sup>7</sup> Enterprise Technology Projects Budget – Beginning with fiscal year 2012/13, a new appropriation in the amount of \$18.5 million was created for the EPIC enterprise technology projects for each fiscal year. Funds in the amount of \$4.4 million, not expended during fiscal year 2012/13, are available for two additional years for new or existing projects.

**AB 340 Pension Reform**

The Pension Reform Project will implement Assembly Bill 340 (Furitani), enacted as Chapter 296, Statutes of 2012, an extensive revision to California public pension plans.

**2013/2014 Project Budget  
No 2013/2014 Funding**

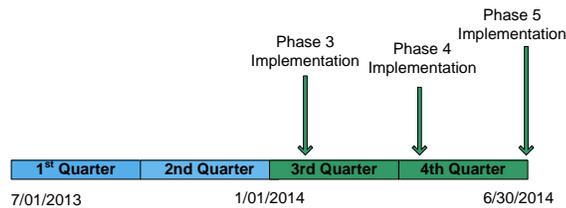
**Period Ending December 31, 2013:**

- Continued updates to member communication publications and directives to reflect AB 340 changes.
- Completed requirements development sessions for Phase 3 releases- Salary Cap, Service Credit Purchase and Business Direct Extracts (formerly Contribution Rates).
- Commenced requirements development sessions for Phase 5- Benefit Estimate Calculator.
- Initiated procedures for all identified Felony Conviction manual processes.

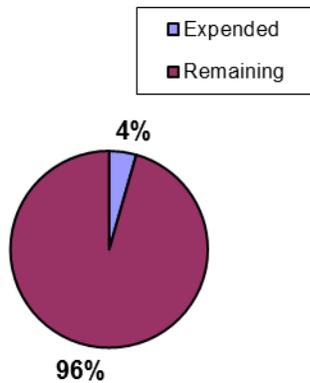
**Planned Deliverables by March 31, 2014:**

- Continue updates to member communication publications and directives to reflect AB 340 changes.
- Secure- additional information technology resources to support the project.
- Finalize requirements for Phase 3 releases-Salary Cap, Service Credit Purchase and Business Direct extracts.
- Complete development of manual processes, procedures and documents to address the Felony Conviction piece of the legislation.
- Implement Phase 3 releases-Salary Cap, Service Credit Purchase, Business Direct extracts and BusinessDirect (system) changes.
- Commence requirements for development sessions, build and testing for Phase 4 releases.

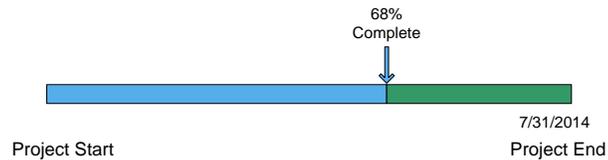
**Major Fiscal Year 2013/2014 Milestones**



**Total Project Budget  
\$785 Thousand**



**Project Schedule Status Timeline**



Project Name	Purpose	Accomplishments
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**Annual Update**

The Annual Update process calculates fiscal year-end contributions, interest and yearly service credit; transfers all necessary funds between the Defined Benefit and Defined Benefit Supplement accounts; as well as produces the *Retirement Progress Reports* (annual member statements).

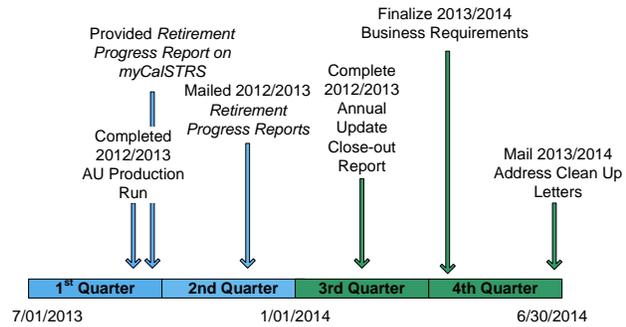
**Period Ending December 31, 2013:**

- Provided *Retirement Progress Report* (RPR) samples at the Teachers' Retirement Board meeting.
- Mailed *Retirement Progress Reports* (398,869) to members.
- Compiled survey results from members who elected to receive an electronic *Retirement Progress Report* (RPR).
- Developed high level timelines for 2013/2014 Annual Update process.
- Conducted 2012/2013 Lessons Learned session with print vendor.

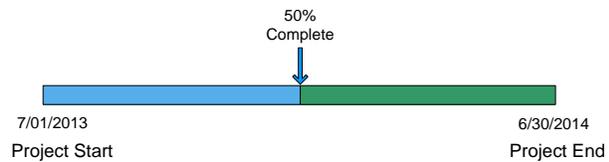
**Planned Deliverables by March 31, 2014:**

- Complete 2012/2013 Annual Update close-out report.
- Finalize vendor contract amendment and revised RPR pricing for 2013/2014.
- Obtain approval of 2013/2014 Annual Update Project Charter.
- Commence Requirements and Design Specifications for the 2013/2014 Retirement Progress Reports.

**Major Fiscal Year 2013/2014 Milestones**



**Project Schedule Status Timeline**



**BusinessRenew  
BusinessDirect**

The BusinessRenew BusinessDirect project --previously known as Corporate Accounting and Resource Management (CARM) project-- improves financial reporting, corporate accounting, budgeting, procurement and contract management by implementing policies and technology systems that include automated internal controls to reduce financial and operational risks.

**Period Ending December 31, 2013:**

- Completed all remaining Release 1.0 deliverables.
- Approved all Release 1.0 deliverables except for close-out.
- Completed and approved the last Network Migration deliverable.
- Completed all Release 1.5 configuration and custom object development and associated testing activities except for one object the Fund Condition Statement which will be completed next quarter.
- Completed all Release 1.5 training.
- Piloted training using updated approach and developed and deployed additional training curriculum.
- Secured approval from Steering Committee and Enterprise Program Investment Council (EPIC) to extend the project schedule through February to complete the remaining Releases 1 and 1.5 activities.
- Secured approval from Steering Committee and Enterprise Program Investment Council (EPIC) to transfer Supplier Relationship Management (SRM) reports scope from project contract to managed services contract.

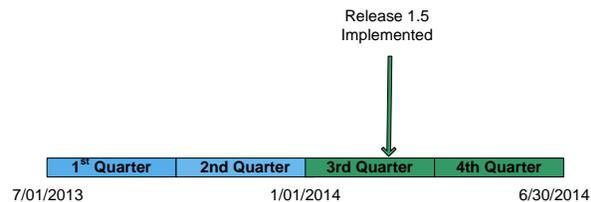
**Planned Deliverables by March 31, 2014:**

- Complete the remaining Release 1.5 object, the Fund Condition Statement, and close out any associated deliverables.
- Complete the project close-out for both Releases 1 and 1.5.
- Complete all SRM reports scope and related close-out activities

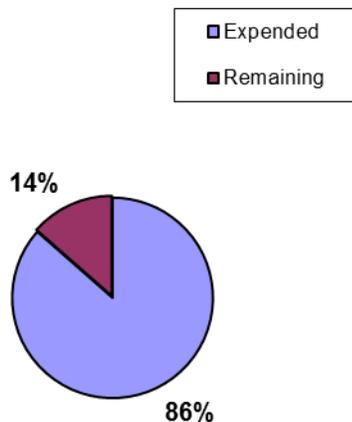
**2013/2014 Project Budget  
No 2013/2014 Funding**

Note: Project is funded from FY2011/2012 Operating Budget one time funds and contingency funds and is utilizing Enterprise Program Investment Council (EPIC) funding for supplementing the base budget.

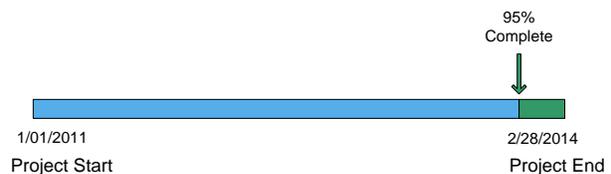
**Major Fiscal Year 2013/2014 Milestones**



**Total Project Budget  
\$20 Million**



**Project Schedule Status Timeline**



**BusinessRenew  
Data  
Preparation**

The Renew Data Preparation project acquired the services of a Data Analysis Services vendor to assist in analyzing CalSTRS pension data and developing a plan for preparing the data for conversion to a new pension solution.

**Period Ending December 31, 2013:**

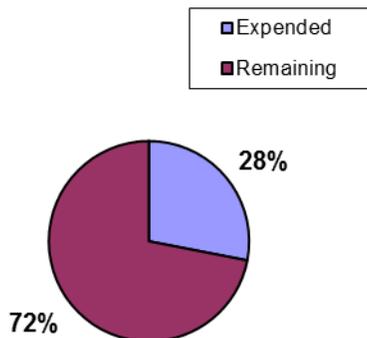
- Continued the Complete Account Review and Evaluation (CARE) team's working of high priority cases and identifying opportunities to refine/improve processes and procedures.
- Continued data profiling activities.

**Planned Deliverables by March 31, 2014:**

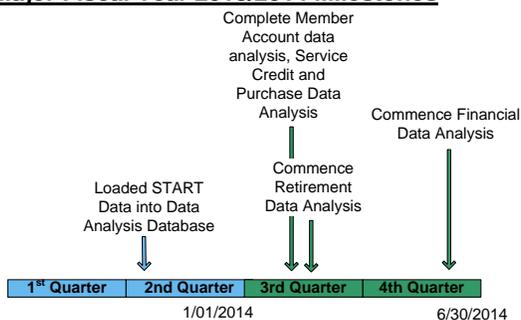
- Finalize strategy for getting project back on schedule.
- Complete Member Account Data Analysis.
- Complete Service Credit and Purchase Data Analysis.
- Commence Retirement Data Analysis.

♦ **Critical Schedule Issue:** Data analysis vendor resource issues and complex analysis has taken longer than originally scheduled. The data analysis vendor has been working on a new strategy to ensure the schedule remains on track for August 2014.

**2013/2014 Project Budget  
\$2.6 Million**



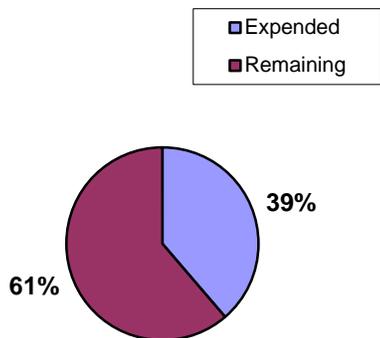
**Major Fiscal Year 2013/2014 Milestones**



**Project Schedule Status Timeline**



**Total Project Budget  
\$6 Million**



Project Name	Purpose	Accomplishments
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**BusinessRenew Enterprise Information Management**

The BusinessRenew Enterprise Information Management (EIM) Project utilized the services of an experienced EIM vendor to capture enterprise data risks and opportunities, and develop a roadmap to achieve the EIM goals set. The program is now being launched within the General Counsel's Office.

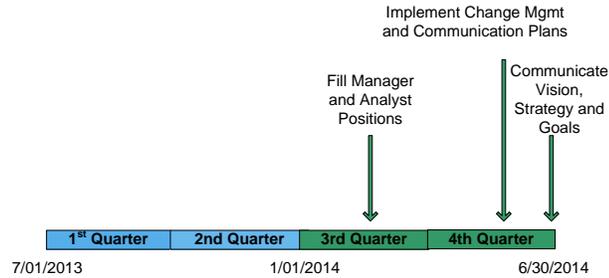
**Period Ending December 31, 2013:**

- Initiated recruitment efforts for Enterprise Information Management program positions.

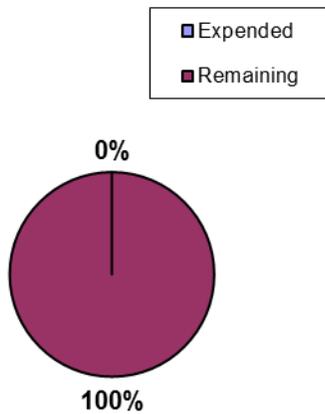
**Planned Deliverables by March 31, 2014:**

- Hire the two Enterprise Program Investment Council (EPIC) funded positions within the new Enterprise Information Management program.

**Major Fiscal Year 2013/2014 Milestones**



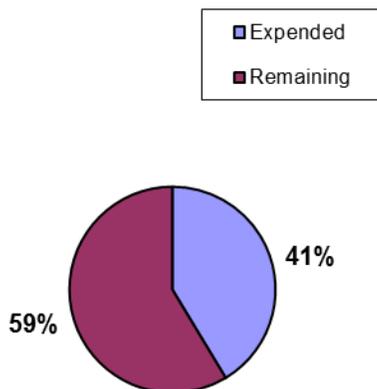
**2013/2014 Project Budget \$155 Thousand**



**Project Schedule Status Timeline**



**Total Project Budget \$973 Thousand**



**BusinessRenew Independent Project Oversight**

The BusinessRenew Independent Project Oversight delivers an independent, un-biased assessment of significant BusinessRenew projects progress, outcomes, project and risk management, including but not limited to compliance with established governance and project management processes and best practices on the progress of significant BusinessRenew projects, including risk management, project outcomes, and compliance with established governance and project management processes and best practices.

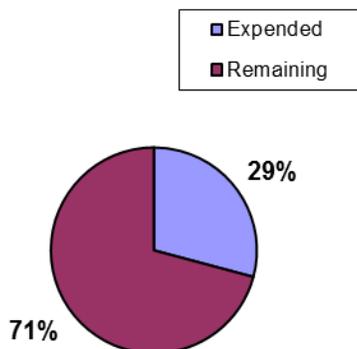
**Period Ending December 31, 2013:**

- Completed monthly comprehensive status reports for BusinessDirect, Pension Solution, and Data Preparation.
- Reviewed and provided feedback on BusinessDirect, Pension Solution, and Data Preparation project deliverables.
- Developed board presentations on BusinessRenew project status.
- Provided advisory services to the Enterprise Program Investment Council (EPIC) on information technology project management best practices.
- Provided oversight and guidance on Pension Solution procurement project planning activities.
- Provided program level reporting to board.

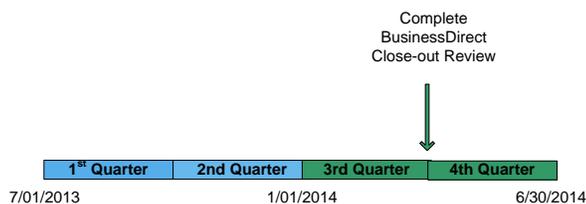
**Planned Deliverables by March 31, 2014:**

- Complete comprehensive monthly status reports for BusinessDirect, Pension Solution and Data Preparation.
- Review and provide feedback on BusinessDirect, Pension Solution (including Requirements Management and Priority Management – Project Portfolio Management Tool), and Data Preparation project deliverables.
- Provide oversight and guidance on Pension Solution procurement project planning activities.
- Develop board presentations on BusinessRenew project status.

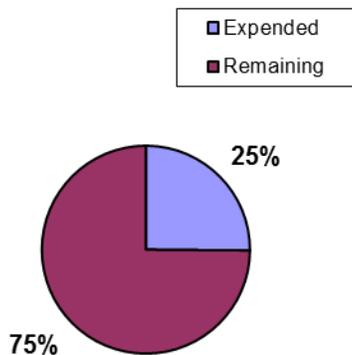
**2013/2014 Project Budget \$948 Thousand**



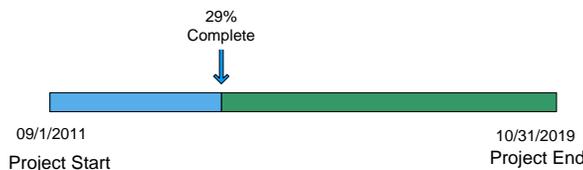
**Major Fiscal Year 2013/2014 Milestones**



**Total Project Budget \$6.5 Million**



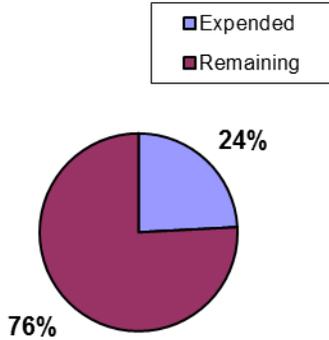
**Project Schedule Status Timeline**



**BusinessRenew Pension Solution**

The BusinessRenew Pension Solution project will replace our existing pension administration system in order to strengthen automated internal controls and bring consistent and sustainable business processes for member data. The project is currently approved through the procurement phase.

**2013/2014 Project Budget**  
**\$3.2 Million**



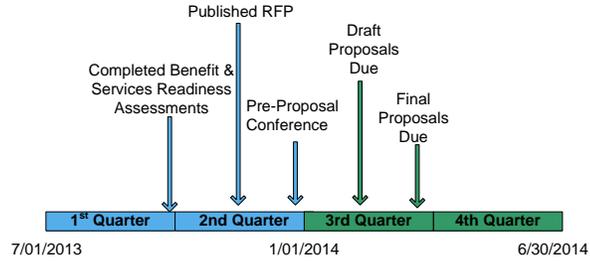
**Period Ending December 31, 2013:**

- Received all approvals for the final Pension Solution Request for Proposal (RFP).
- Published the Pension Solution RFP.
- Gained approval for the final Selection Criteria and Evaluation Methodology document.

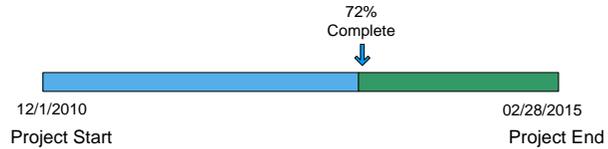
**Planned Deliverables by March 31, 2014:**

- Conduct Vendor Education Sessions.
- Train all participants in the draft proposal evaluation.
- Receive draft proposals in response to the Pension Solution RFP.
- Complete the draft proposal evaluation.

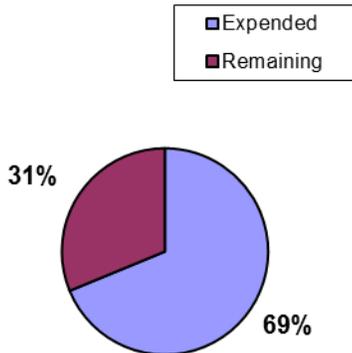
**Major Fiscal Year 2013/2014 Milestones**



**Project Schedule Status Timeline**



**Total Project Budget**  
**\$8 Million**



**BusinessRenew Program**

The BusinessRenew program provides centralized governance, and coordination of all BusinessRenew project activities to achieve the strategic benefits and objectives outlined in the CalSTRS Strategic and Business plans by facilitating the optimization of costs, resources and staffing, risk management, and the integration of BusinessRenew component project dependencies and deliverables. BusinessRenew program services include project management and support, including cultural change and communications management.

**Period Ending December 31, 2013:**

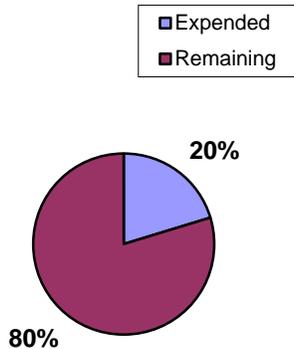
- Provided board overview and update on BusinessRenew program; including long term budget projections.
- Hired additional communications, cultural change management, and administrative support resources.
- Provided on-going communications and cultural change management support for large BusinessRenew projects (BusinessDirect, Pension Solution, Data Preparation, and Requirements Management).
- Provided BusinessRenew Program risk issue and schedule management.

**Planned Deliverables by March 31, 2014:**

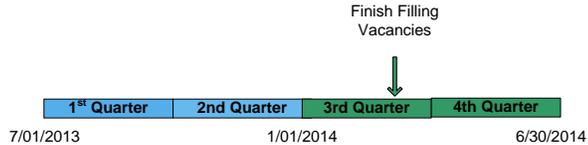
- Finalize program governance model and program plan.
- Provide on-going communications and cultural change management support for large BusinessRenew projects (BusinessDirect, Pension Solution, Data Preparation and Requirements Management).
- Provide ongoing BusinessRenew Program risk, issue, and schedule management.
- Hire additional program resources.

**⚠ Schedule Warning:** Program is behind schedule due to delays in hiring program resources.

**2013/2014 Project Budget  
\$2.2 Million**



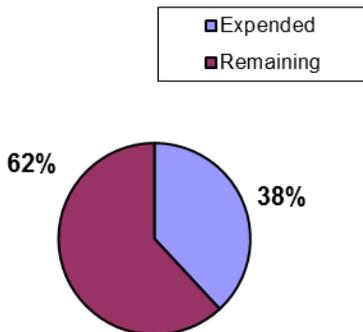
**Major Fiscal Year 2013/2014 Milestones**



**Project Schedule Status Timeline**



**Total Project Budget  
\$4.1 Million**



**BusinessRenew Requirements Management**

The BusinessRenew Requirements Management Project will purchase and implement a requirements management tool, implement the Requirements Management Plan (RMP), implement a requirements management process, convert the Pension Solution Requirements and migrate existing requirements as identified by the project.

**Period Ending December 31, 2013:**

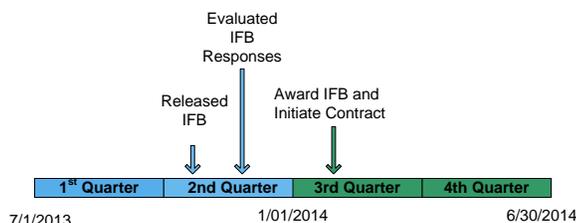
- Released Invitation for Bid (IFB) to procure CalSTRS Requirements Management tool.
- Evaluated responses to Requirements Management Tool IFB.
- Awarded IFB and initiated the contract process.
- Refined the Requirements Management plan and process.

**Planned Deliverables by March 31, 2014:**

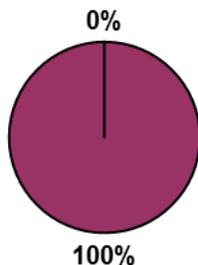
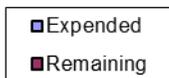
- Fully execute contract with tool vendor.
- Initiate server environment set up and tool installation.
- Review with vendor and finalize Requirements Management plan and process, Requirements Migration overview and Training plan.
- Request and receive Enterprise Program Investment Council (EPIC) approval to extend the project schedule.
- Release a Request for Proposal for resources to assist with the tool implementation.

◆ **Critical Schedule Issue:** The project is behind schedule due to procurement issues and delays in the tool procurement process.

**Major Fiscal Year 2013/2014 Milestones**



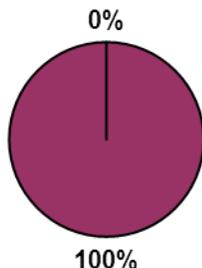
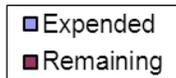
**2013/2014 Project Budget \$190 Thousand**



**Project Schedule Status Timeline**



**Total Project Budget \$620 Thousand**



**GASB 67/68**

This project scope includes only the portion of GASB 67/68 work effort related to the required, BusinessDirect system changes.

**Period Ending December 31, 2013:**

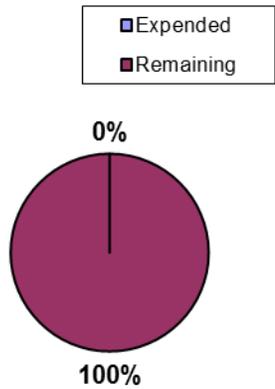
- Prepared Blueprint (solution design) Phase for BusinessDirect changes.

**Planned Deliverables by March 31, 2014:**

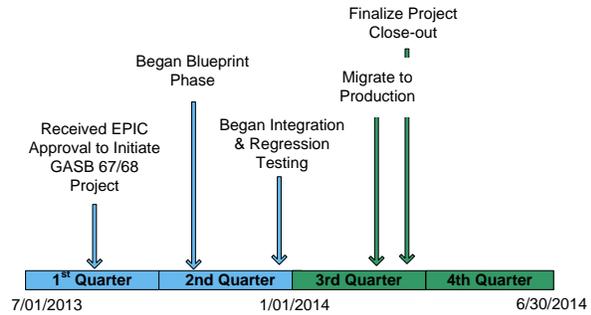
- Request and receive Enterprise Program Investment Council (EPIC) approval to extend the project schedule.
- Approve Blueprint (solution design).
- Complete Realization (configuration, development and testing) Phase.
- Implement the BusinessDirect system changes.

**⚠ Schedule Warning:** The project is behind schedule due to vendor resources not being available at project initiation.

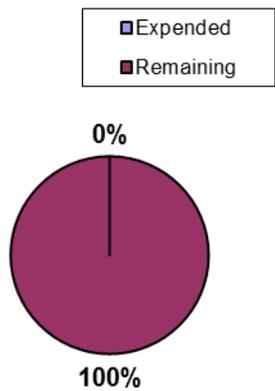
**2013/2014 Project Budget**  
\$170 Thousand



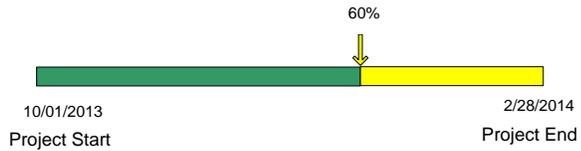
**Major Fiscal Year 2013/2014 Milestones**



**Total Project Budget**  
\$695 Thousand



**Project Schedule Status Timeline**



Project Name	Purpose	Accomplishments
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**Priority Management-Project Portfolio Management (PPM) Tool**

The Priority Management - Project Portfolio Management (PPM) Tool will procure and implement a new tool for effective project and resource data collection, management and reporting.

**Period Ending December 31, 2013:**

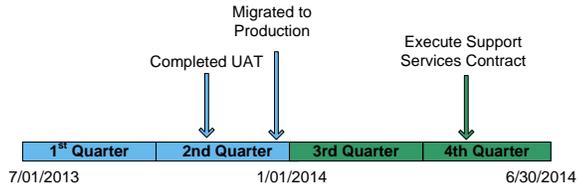
- Completed user acceptance testing.
- Completed technical documentation and knowledge transfer.
- Completed migration to production environment.
- Received Enterprise Program Investment Council (EPIC) approval for schedule extension to July 2014 to include pilot and the integration with Microsoft Project and budget increase to fund support services and licensing through June 2015.

**Planned Deliverables by March 31, 2014:**

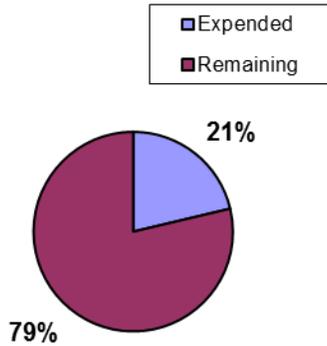
- Complete and release a Request for Offer (RFO) for Clarity licenses and support services.
- Complete planning for Clarity pilot activities.

**Major Fiscal Year 2013/2014 Milestones**

**2013/2014 Project Budget  
No 2013/2014 Funding**



**Total Project Budget  
\$1.2 Million**



**Project Schedule Status Timeline**

