



Pension Solution Project Status

February 21, 2018

Agenda

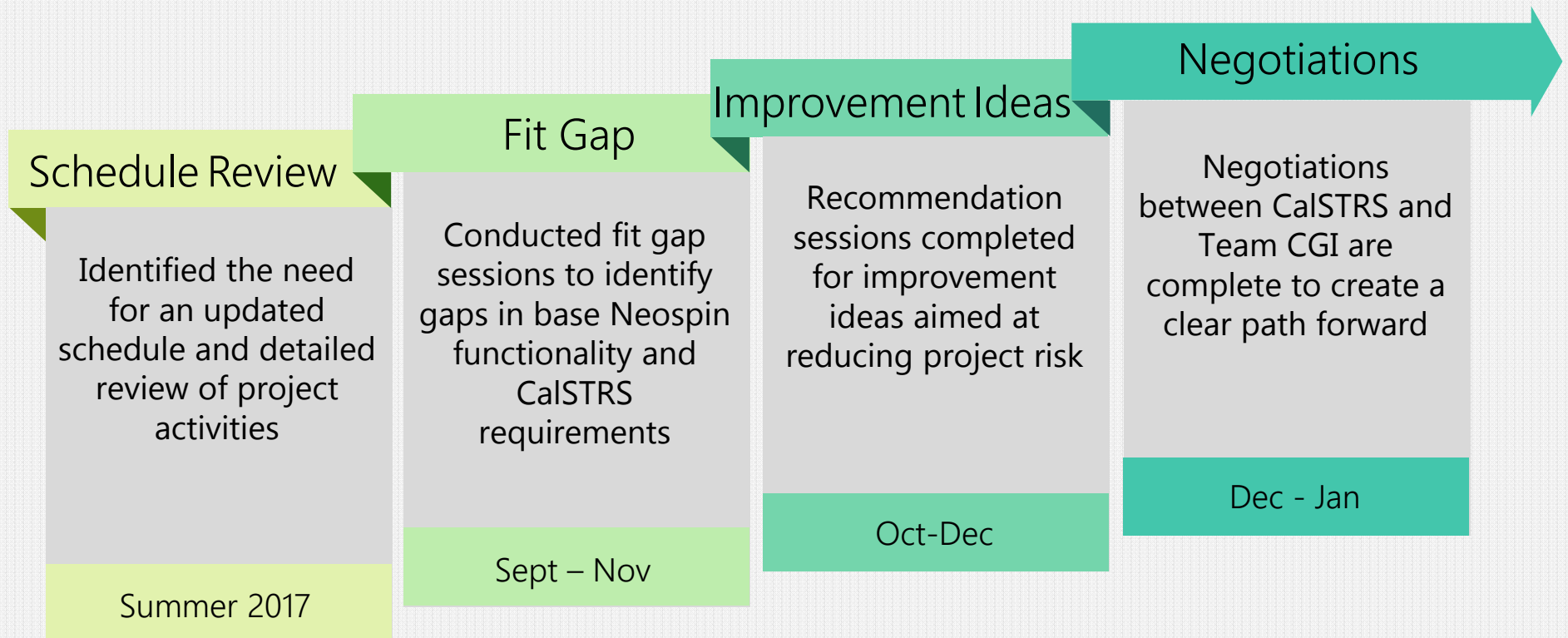
- Background
- Key Project Challenges and Risks
- Mitigation Initiatives
 - Functional Rollout (FR) 2 Fit-Gap
 - Project Improvement Initiatives
- Re-estimated Schedule
- Schedule Viability
- Ongoing Outreach
- Next Steps

Background

Since we updated you in November:

- Continued FR1 activities
- Re-imagined project:
 - FR2 Fit-Gap Analysis
 - Project Improvements
- Negotiated a path forward with CGI

Background(cont.)



Key Project Challenges and Risks

- FR1 experienced significant complexity with bridging, quality defects in coding, and resource shortages
- FR2 design progressed slower than planned and was impacted by functional boundary issues between BenefitConnect and BusinessDirect

Key Project Challenges and Risks

Concerns with CGI System Integrator (SI) include:

- Ability to accurately estimate and manage the overall project schedule
- Manage resource needs and adjust resource levels in a timely manner
- Articulate the scale and complexity of CalSTRS operations into the required end state vision for Neospin

Risk Mitigation - FR2 Fit-Gap

September through November (90 days)

- 101 participants, 8800 CalSTRS hours, 772 requirements reviewed, 144 gaps identified
- Each gap evaluated and prioritized against criteria such as criticality to business operations, urgency of business need, and dependencies with other systems
- Most critical gaps included in FR2

Risk Mitigation- Project Improvements

October through December (90 days)

- Improvements identified by both CalSTRS and CGI
- Improvements evaluated and prioritized/rejected
- Several improvements moved forward into negotiations

Fit-Gap and Improvement Idea Impact

Fit Gap

Conducted fit gap sessions to identify gaps in base Neospin functionality and CalSTRS requirements

Sept – Nov

Improvement Ideas

Recommendation sessions completed for improvement ideas aimed at reducing project risk

Oct-Dec

- Both proven to be excellent guides
- Findings used in negotiations and in schedule update development

Re-estimated Schedule

The new CGI proposed schedule:

- Replaces the previous schedule proposed in July of 2017
- Reflects outcomes from risk mitigation initiatives and related due diligence undertaken by CalSTRS and CGI since September 2017

Schedule Changes

Functional Rollout	Initial Contract	Current Baseline Schedule CR59 ("6-7-6")	Proposed CGI Schedule December 2017	Additional Months (from Initial Contract)
FR1	August 2017	March 2018	October 2019 ("soft launch")	26
FR2	February 2019	September 2019	October 2021	32
FR3	August 2019	February 2020	February 2022	30
FR4 /Mobile	October 2019	April 2020	February 2022	28
Project End	August 2020	January 2021	January 2023	30

Schedule Viability

CalSTRS and CGI believe the schedule is achievable provided the following actions take place:

- CGI delivers and sustains the right leadership and resource mix
- CalSTRS and CGI carefully plan for and remedy resource overlaps built into the proposed schedule
- FR1 Soft Launch implemented 18-24 months in advance of FR2
- Deliverables demonstrate tangible progress
- Both CGI and CalSTRS implement recommendations regarding overall engagement, lessons learned, improvement ideas, and action steps identified by CGI Corporate Services

Ongoing Outreach

- Employer Forums – Next Session March 8th
 - Progress on New File Format
 - Additional Opportunities for Feedback
 - Employer Surveys
 - Pilot Group Testing