



# BOARD OF RETIREMENT

## Staff Report

---

**File #:** 19-1108.1

**Agenda Date:** 11/5/2020

**Agenda #:** 28.

---

**FROM:** Colin Bishop, Chief of Member Services

**SUBJECT:** Informational: PensionGold Refresh Project Update

**RECOMMENDATION:**  
PensionGold Refresh Project Update.

**BACKGROUND:**

At its February 6, 2020 meeting, the SBCERA Board of Retirement approved the engagement of Linea Solutions (Linea) for Pension Administration Software Consulting and Business Process Redesign for SBCERA's PensionGold Refresh Project. The project represents a comprehensive analysis of how our existing business processes integrate with our pension administration software system. This project will be vital to the functionality and long-term sustainability of PensionGold, and it will help streamline our current business practices with the ultimate goal of providing better, more efficient services to our members and employers.

SBCERA's current pension software solution is PensionGold Version 3, built and supported by Levi, Ray & Shoup Inc. (LRS). Beginning in 2010, SBCERA worked with LRS for several years to prepare for the implementation of the current software solution. However, in the years since, we had not conducted a comprehensive review of our pension administration system and business processes until our current partnership with Linea. Over the last six months, SBCERA staff has worked with Linea on Phase 1 of the two phase PensionGold Refresh Project. We are now nearing completion of Phase 1, which is effectively a vision for our "Future State." Based on this vision, we are creating the roadmap for Phase 2 of the project-which is the implementation of all the changes we will need to make. We expect Phase 2 to last 18 months, and in addition to changes to our business processes, we will also be making significant changes to PensionGold.

In the nearly 10 years since we began work on the implementation of PensionGold Version 3, we have spent approximately \$7.3 million directly with LRS on implementation, testing, upgrades, support and maintenance. Additionally, we are currently working with LRS to negotiate an agreement on items related to the PensionGold Refresh Project. The scope of work will focus directly on two types of changes: (1) "back to base" adjustments which will align our highly-customized version of PensionGold more closely with LRS's base product, with the goal of creating a more sustainable software product which we anticipate will last into the next decade; and (2) adjustments which will improve the functionality of the software for our staff, our membership, and our participating employers.

We have received a preliminary proposal from LRS, which requires additional discussion to refine their scope of work. We expect to bring a scope of work, budget and contract details, and a discussion of the timeline and personnel involved from LRS's team, to the Board at its November

Administrative Committee meeting, and then to full Board in December.

We anticipate that the cost of this additional work, along with the amount we've spent to-date with LRS on our existing software build, will be comparable to the outlays from other similar-sized retirement systems over similar lifecycles for the most advanced generation of pension software. Furthermore, this should translate into significant value over the next decade, and in the context of our PensionGold Refresh Project should help us meet our goal of "operational harmony," where an efficient pension software system integrates seamlessly with a suite of clearly articulated business practices.

**COMMITTEE REVIEW:**

This item was reviewed by the Administrative Committee at its October 15, 2020 meeting.

**BUDGET IMPACT:**

None.

**STRATEGIC PLANNING GOAL/OBJECTIVE:**

Operational Excellence & Efficiency

Superior Service Experience

**STAFF CONTACTS:**

Colin Bishop

Joe Michael

**ATTACHMENTS:**

Exhibit A: PensionGold Refresh Project Status Report