



Agenda Item 8b

October 20, 2015

ITEM NAME: my|CalPERS Functional Optimization Update

PROGRAM: Enterprise

ITEM TYPE: Information

EXECUTIVE SUMMARY

CalPERS continues to advance service delivery enhancements since the implementation of my|CalPERS on September 19, 2011. Over the past 48 months, CalPERS completed system stabilization and refinement efforts; hired additional State Information Technology (IT) staff; underwent a Post Implementation Evaluation Report (PIER) Plus review; launched optimization efforts resulting in system enhancements; and engaged in a comprehensive consultant/staff knowledge transfer program.

Key accomplishments include:

- September 2014: Completion of the systems integrator maintenance and operations contract. All Accenture consultants departed with 100 percent knowledge transfer to State staff.
- January 2015: Launch of a multi-year optimization effort to maximize my|CalPERS performance and service delivery. Seven program areas are identified for optimization opportunities. More details can be found in Attachment 1 – my|CalPERS Functional Optimization Update.
- February 2015: Post Implementation Evaluation Report (PIER) Plus is presented to CalPERS. Staff recognized their recommendations and invested in addressing them.
- April – August 2015: Successful implementation of twelve system changes benefitting five program areas.

STRATEGIC PLAN

This agenda item supports the CalPERS Strategic Plan goal to cultivate a high-performing, risk intelligent and innovative organization by ensuring the continuation of knowledge transfer to state personnel to sustain and realize the operational efficiencies of my|CalPERS.

BACKGROUND

In August 2012, the Board of Administration approved the addition of 99 State IT staff to accommodate the workload associated with supporting and instituting a sustainable my|CalPERS system and infrastructure to advance CalPERS' vision for world-class member and employer service. All 99 new State IT staff are now on-board in the Information Technology Services Branch (ITSB). A temporary need for external expertise to conduct knowledge transfer and high-end skills was identified and addressed via budget allocations and a robust knowledge transfer program lasting through the duration of the Functional Optimization initiative.

In April 2013, the my|CalPERS final system acceptance milestone was achieved with the understanding that CalPERS would continue to improve the delivery of pension and health care services and that final acceptance did not signify that the system had reached its full potential or that all needs had been met.

In August 2013, the Board of Administration authorized a PIER Plus Request for Proposal (RFP) for an independent evaluation of the my|CalPERS project, which included a benefits realization assessment. The PIER Plus findings were presented to the Board in February 2015, and CalPERS is implementing key recommendations. More details can be found in Attachment 1 – my|CalPERS Functional Optimization Update.

In September 2014, Accenture completed its eight-year contract for the development, integration and maintenance support of the my|CalPERS system. Accenture's departure signaled the transfer of my|CalPERS future support and enhancement services to CalPERS resources.

In January 2015, CalPERS launched the Functional Optimization initiative to address system enhancements.

ANALYSIS

The technology and business needs of CalPERS members, employers and internal staff evolve over time, driven in part by technology advances, legislative mandates, and business process changes. CalPERS' goal is to continue to build for the future and ensure the my|CalPERS system remains sustainable while performing optimally. The my|CalPERS Functional Optimization initiative focuses on several objectives:

- Improved customer service
- Risk-based and intelligence-based decision making
- Operational efficiencies
- Streamlined processes and improved business workflow
- Continual investment in technology and system sustainability

Since launching in January 2015 the Functional Optimization project has implemented four releases containing 14 system enhancements benefitting multiple program areas, including the Actuarial Office, Benefit Services, Health, and the Customer Contact Center. Some changes are program specific; others are cross divisional, serving numerous CalPERS program areas. Enhancements have also been made to address overall system performance. More initiatives are planned for this fiscal year, and continued system enhancements are planned for the next few years. More details can be found in Attachment 1 – my|CalPERS Functional Optimization Update.

Long-term benefits arising from the my|CalPERS Functional Optimization initiative include more efficient business processes across the enterprise; increased collaboration and cross-functional partnerships between IT and business staff; paradigm shifts streamlining service fulfillment, agile release cycles, and hybrid time and materials/fixed price vendor contract agreements. Additional benefits include building State workforce skills and knowledge transfer via blended IT, business and consultant teams.

BUDGET AND FISCAL IMPACTS

Continued funding requests will be part of the overall fiscal year (FY) 2016-17 budget submittal. Future requests will be determined based on alignment with PIER Plus outcomes.

ATTACHMENTS

Attachment 1 – my|CalPERS Functional Optimization Update

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