



Agenda Item 6b

February 20, 2013

ITEM NAME: CalPERS Learning Management System Contract Extension

PROGRAM: Human Resources Division

ITEM TYPE: Action

RECOMMENDATION

Approve up to a three-year extension of the CalPERS Learning Management System, Saba Software contract currently set to expire October 8, 2013.

EXECUTIVE SUMMARY

The CalPERS Learning Management System (LMS) was competitively procured and awarded in 2008 and implemented in July 2009 to manage the massive training effort in support of the my|CalPERS system implementation. In addition to managing my|CalPERS-related training, the LMS is also used to support CalPERS training and talent management objectives, including mandatory and enterprise-level training initiatives.

The LMS is hosted through a contract with Saba Software, Inc., contract no. 2008-4701, the term of which is October 9, 2008 through October 8, 2013. The LMS is a business critical tool that ensures enterprise training compliance and successful accomplishment of business plan objectives through its powerful deployment, tracking, and reporting capabilities.

There are several 2012-2014 Business Plan objectives dependent on the LMS to carry out critical Initiative Action Plan-related training and talent management activities, including Ethics and Risk Management training, Leader Continuity/ Executive Succession Planning, INVO Talent Management Model, my|CalPERS training, and Diversity & Inclusion training.

Pursuant to Board Resolutions No. 92-04B-1 and No. 92-04B-4, the duration of CalPERS contracts shall be no more than five years, except when the Board has made an affirmative decision that a longer term is necessary to fulfill the Board's duty to service the interests of the System members and beneficiaries, including the interest in defraying administrative expenses. Therefore, HRSD is requesting extension of the current LMS to ensure successful achievement of these organizational objectives and initiatives.

STRATEGIC PLAN

This agenda item supports Strategic Plan Goal B, cultivate a high-performing, risk-intelligent, and innovative organization.

BACKGROUND

Commencing in Fiscal Year 2013-14, the CalPERS Enterprise Resources Planning (ERP) Roadmap has identified the LMS within the Human Capital Management (HCM) automation plan as Priority #7 out of 16 projects. This falls behind implementation of critical needs, including: Time and Labor, data interface with SCO system, MyCalPAYS integration, and HCM security. Currently there is no timeline, budget, or resource commitment identified in the ERP Roadmap to address transitioning to the PeopleSoft LMS. Requesting to extend the current LMS contract for up to three years aligns with the proposed ERP Roadmap and timelines.

ANALYSIS

Human Resources Services Division (HRSD) is requesting up to a three (3)-year extension based on the considerations discussed below.

- A needs analysis and assessment must be conducted to validate the PeopleSoft LMS and its ability to provide the functionality required by the organization and business units.
- HRSD would need to assess the cost to implement a new LMS and request funding to implement a new LMS and to migrate critical compliance-related data.
- Implementation of a new LMS in 2013 does not align with the timeline outlined in the ERP Roadmap.
- Transitioning to a new LMS would require time to implement enterprise-wide user training and change management efforts.

Considering the timelines identified in the ERP Roadmap, we believe it prudent to approve up to a 3-year contract extension to ensure staff has adequate time to effectively plan, coordinate, request funding, and implement a solution that best supports CalPERS strategic objectives.

RESULTS/COSTS

The current cost for the LMS is part of HRSD's baseline budget. If the contract is extended for up to a 3-year term, the cost will be \$309,600 or \$103,200 per year.

BENEFITS/RISKS

The benefits of up to a three-year contract extension include:

- Allows sufficient time to make a carefully evaluated decision about which system will best support CalPERS training and talent management needs
- Staff resources can continue to provide needed support toward 2012-2014 Business Plan objectives
- CalPERS currently has the internal capacity to support and maintain the current LMS
- Enables CalPERS to maintain compliance-related training and reporting
- The current contract would not open for renegotiation; system costs are currently budgeted
- Ensures the time necessary to implement a change management plan and provide staff with adequate training to use the new LMS.

There are no risks associated with this recommendation.

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