





Pension Solution Independent Project Oversight Report

This informational item includes the Executive Summary of Grant Thornton’s monthly Independent Project Oversight Consultant (IPOC) report for the Pension Solution project. The assessments contained in this report are focused on key project risks and issues and provide recommendations for improvement where appropriate.

Given the recent change in direction on the project there are multiple, parallel workstreams that are now underway as part of project replanning. Consequently, we have re-focused our assessment away from an overall review of project-wide Scope, Schedule, Cost, and Resources, and instead are providing a summary assessment for each of the major workstreams currently underway. We anticipate this format evolving as the workstreams further develop over the next several months.

Grant Thornton uses a graphical dashboard that assigns a checkpoint rating to each Pension Solution project area. The legend of these checkpoint ratings is as follows:

Checkpoint Rating Legend

Checkpoint Rating	Checkpoint Rating Definition
Green 	No priority items noted that require the project to take action at this time
Yellow+ 	Risks, issues and/or challenges are noted, and the project is taking action with sufficient progress to address
Yellow- 	Risks, issues and/or challenges are noted, and the project has taken action to partially address.
Red 	High priority items noted, and the project has not taken action or made progress in addressing




The Pension Solution project has an extremely dynamic operating environment. Given this, it is possible that the checkpoint ratings and supporting justifications may change prior to the Board meeting. Should this occur, Grant Thornton will explicitly note this in any discussion with the Board.



Pension Solution Project Oversight Update

Path forward agreement and activities

Since the last update and as of the development of this report, Team CGI and CalSTRS have agreed that CGI will transition off of the Pension Solution Project. An interim services contract with Sagitec, the application solution vendor, is in process. This contract will enable the project to continue making progress while a request for proposal (RFP) is developed for an implementation vendor(s) to support the project through completion. Multiple workstreams are currently underway to initiate and support the interim services period, to provide an objective understanding of the state of the project and system, and to provide information for the development of the RFP. IPOC has participated in these activities and has worked with CalSTRS leadership regarding strategies and approaches to developing and executing on a path forward. During this period, until a new vendor is formally selected to move forward with the project, IPOC will report on the workstreams in progress.

Project Category Assessment

Category Rating	Category Rating Summary
Knowledge Transfer Green 	Knowledge transfer sessions are being conducted for CGI to transition the processes, tools, and understanding of the project’s activity areas such as application design, data conversion, and interfaces to Sagitec and CalSTRS for progress to continue during the interim services period. Sessions began in July and will continue through September. Per observation and discussion with transition recipients, these sessions have been effective thus far, with some challenges encountered due to subject matter personnel who are no longer available to provide a detailed or thorough transition.
Interim Services Period Contract Yellow+ 	The interim services period contract with Sagitec is in development. Sagitec and CalSTRS are currently discussing the terms of the agreement and expect to finalize the agreement by the beginning of September. There is a risk that particular components of the agreement may take longer than expected to finalize, however progress is currently on track to finalize by September.
Project Improvement Green 	CalSTRS is beginning an effort to identify and document opportunities to improve project processes and approaches going forward based on lessons learned over the course of the project thus far. Improvement opportunities will be compiled from project team members, business stakeholders, and oversight and will be considered for the interim services period and/or input into the RFP development.
RFP Development Yellow+	The project has not yet begun development of the implementation vendor RFP, however the workstreams underway as noted are intended to provide key inputs to its development. IPOC will provide additional support in this

Category Rating	Category Rating Summary
	<p>area with subject matter specialists who are familiar with similar recent efforts performed by other pension systems.</p>
<p>Project Health Assessment</p> <p>Yellow+</p> 	<p>CalSTRS has brought on a third-party vendor to perform an assessment of the system and project for inputs into the RFP development process and interim services period. IPOC expressed concerns that the assessment may be more focused on past project processes which were primarily performed by Team CGI rather than the current state of the system itself to assist in the development of the statement of work for the RFP. CalSTRS and the vendor have acknowledged the concern and are prioritizing areas that will provide value to the RFP and interim services.</p>

IPOC Activities and Contributions

Since the last reporting period the IPOC team has been engaged in a variety of oversight-related activities, including strategy discussions, project meeting attendance, document review, independent analysis, and discussions with project staff, leadership, vendors, and the Teacher's Retirement Board Subcommittee.

Selected project meetings attended:

- Knowledge transfer planning sessions
- Knowledge transfer sessions for project areas
- Strategy discussions regarding system implementation vendor procurement and interim services period
- Board subcommittee updates
- Weekly Sponsor/executive meetings
- Regular meetings with health assessment vendor
- Meetings with subject matter resources regarding procurement approach options
- Meetings with sponsors and project management team regarding cloud architecture assessment
- Team CGI and CalSTRS Project Management Team Sync meetings
- One on one meetings with project sponsors
- Sagitec leadership discussions
- Project improvement meetings