

PROJECT CHARTER

Project Name: Integrated Benefits Administration System

Agency: North Dakota Public Employees Retirement System

Business Unit/Program Area: NDPERS

Project Sponsor: Sparb Collins

Project Manager: Sharon Schiermeister

Project Background:

The application system that NDPERS currently utilizes has been in use for over thirty (30) years. Consequently as the system has had to adapt to changes it has become increasingly complex and very difficult to modify. NDPERS intends to implement a new integrated benefits administration solution that will fill the business needs of the departments and staff of NDPERS, as well as the needs of its customers. This implementation is based upon a feasibility study NDPERS conducted in the first half of 2006 and the RFP that resulted from the study, done in conjunction with L.R. Wechsler, Limited (LRWL) in the fall of 2006. Response to the RFP was evaluated by the consultant (LRWL) and NDPERS staff. Sagitec Solutions was selected as the vendor for the project. The project is set to start 10/1/2007.

Project Scope

NDPERS new benefits administration system will be rich in Web-enabled self-service functionality, providing ease of use not only to NDPERS users, but also to members, retirees, beneficiaries, other plan participants, 3rd party vendors, and employers. The solution will provide web enabled self service capabilities to members and retirees. In addition, all functionality will be available to each of the plans administered by NDPERS as appropriate for the plan (e.g., handling of member and employer payments and receipts and refunds of over payments, correspondence generations, imaging, maintenance of address information, etc.)

The functional requirements are broken down into the following categories:

1. Audit and Security
2. Disability and Appeals
3. Dual Membership
4. Return to Work
5. Member/Beneficiary
6. Enrollment
7. Estimates
8. Death
9. Benefit Calculations
10. Employer Reporting/Accounting
11. General Reporting and Query
12. Power of Attorney / Guardian
13. Court Order / QDRO
14. Purchase of Service
15. Pension Payments
16. Tax Reporting
17. Imaging and Workflow
18. Call Center
19. Refunds
20. Activity Tracking and Counseling
21. Membership / Participant Statements

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- 22. Funds Management
- 23. Global and Miscellaneous
- 24. Group Insurance
- 25. Flexible Compensation (Flex-comp)
- 26. Retiree Health Insurance Credit (RHIC)
- 27. Defined Contribution (DC)
- 28. TIAA-CREF
- 29. Deferred Compensation

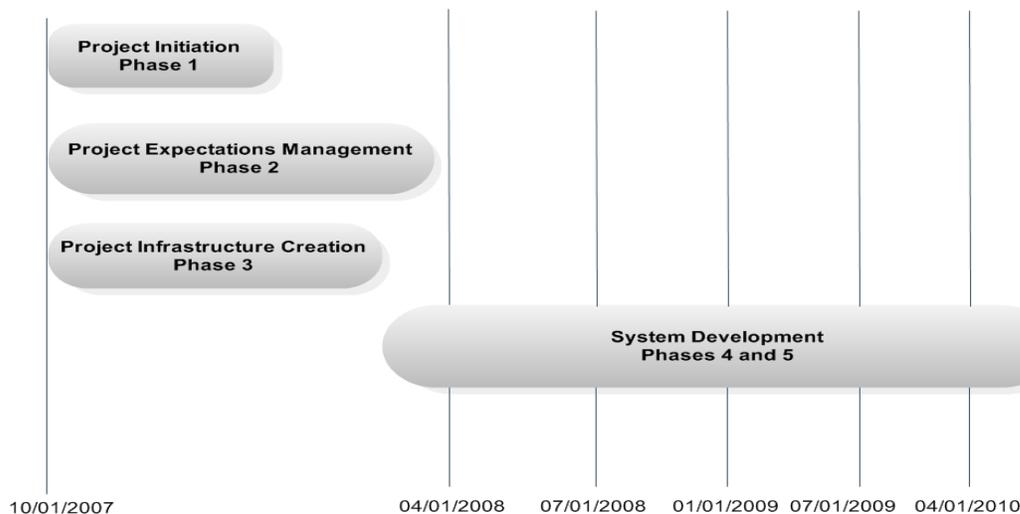
Project Objectives

Objective 1: Complete the project on or under budget with the full scope completed.

Measurement: The appropriated budget for the project is \$9,594,000.

Objective 2: Complete the project on schedule with the full scope completed. The project will be implemented using phased roll-outs.

Project Timeline for Phases



Measurement: The project is scheduled to be completed by September 30, 2010.

Objective 3: Transition to the new system without interrupting operations so that the transition is transparent to the membership.

Measurement:

- Maintain at least the same level of customer service satisfaction ratings as measured on the report cards
- Continue processing monthly retirement payments, benefit enrollments, new retirements, refund requests, insurance premiums, retirement contributions and deferred comp contributions within timeframes currently in place

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Objective 4: The new system will need to be adaptable to future benefit changes and requirements.

Measurement: Within 6 months after the system is fully implemented, NDPERS staff will have the training and experience to make routine changes to the system, such as parameters, business rules and other table driven elements.

Objective 5: Get membership to use web based self-service functionality to change personal information (such as address, designation of beneficiary) freeing up staff to handle more complex requests.

Measurement: 10% of such transactions will be handled via Self-Service within 6 months; 50% will be handled via Self-Service within 2 years.

Objective 6: Get employers to use web based self-service functionality for enrollments, terminations, changes in status and payroll reporting, freeing up staff to handle exceptions, rather than normal processing.

Measurement: Employers representing 80% of the members will be handled via self-service within 6 months of go-live.

Objective 7: Capture the institutional knowledge of NDPERS in the business rules of the system or other documentation related to the project.

Measurement: At go-live, the business rules for the following processes will be captured in the new business system, including documentation on exception processing: eligibility, enrollments, terminations, refunds/rollovers, retirements, deaths, service purchases, employer reporting, benefit estimates, court orders, disabilities.

Objective 8: Reduce the number of business function spreadsheets currently used by staff by integrating information into the new system.

Measurement: Eliminate 50% of the spreadsheets within 3 months of go-live; 80% within 6 months.

Objective 9: Improve integration with vendors (insurance carriers, deferred comp providers, PeopleSoft payroll) to reduce duplicate data entry and the transfer of paper.

Measurement:

- PeopleSoft payroll: Information such as address changes and benefit enrollments will only need to be entered once, instead of multiple times (NDPERS, employees, employers)
- Insurance, retirement and deferred comp vendors: Information such as address changes and benefit enrollments/changes will only need to be entered once, instead of multiple times (NDPERS, vendor)

Objective 10: All benefit plans are integrated on the new system.

Measurement: At go-live, all benefit plans, with the exception of FlexComp claims processing, will be integrated on the new system.

Required Resources:

	<u>Hours</u>
Sagitec:	
Rick Deshler	102
Rajendra Kathait	234
Albano Lima	89
Stephanie Deshler	183
Satya Ganti	384
Ranjith Kotcherlakota	148

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Bob Bilbrey	48
Offsite staff	140

LRWL:

Anne Bahr	157
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NDPERS:

Sharon Schiermeister	157
Ron Gilliam	217
Sharmain Dschaak	214
Bryan Reinhardt	25
NDPERS SME (Accounting, Administrative Services, Benefits, Internal Audit, IT, Research & Planning)	256

ITD:

ITD SME	442
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Constraints:

NDPERS staffing levels are fixed for the duration of the project and staff will perform current duties as well as system replacement project work.

NDPERS institutional knowledge is concentrated in a handful of staff that is critical to the outcome of the project.

Project is scheduled to end 09/30/2010. This project end date provides sufficient time for NDPERS to move off ITD's mainframe. As part of the ITD mainframe migration project, NDPERS must be off the mainframe by early 2011.

The appropriated budget for the project is \$9,594,000.

Assumptions:

The project start date will be October 1, 2007.

The NDPERS Board and State government will support the project and allocate the necessary resources for its success.

NDPERS staff will be able to devote all the time & resources as needed for the project.

NDPERS will have no turnover in staff with key institutional knowledge and in general, there will be little turnover for the agency during the project.

ITD will be able to provide guidance and services as needed.

Appropriation authority approved in the 07-09 biennium will be carried over to 09-11 biennium to complete the project

Key LRWL and Sagitec staff will be available throughout the project and will remain employed on the project until its successful completion.

NDPERS will be able to continue to provide the current level of services to its membership during the project.

The benefit programs currently administered by NDPERS will not be changed significantly during the project as a result of federal or state legislation.

Existing support systems will remain in place during the duration of the project.

No extraordinary situation will arise that will affect the continuity of NDPERS programs, service levels, staffing, financial resources, vendors, consultants or governance/administrative structure.

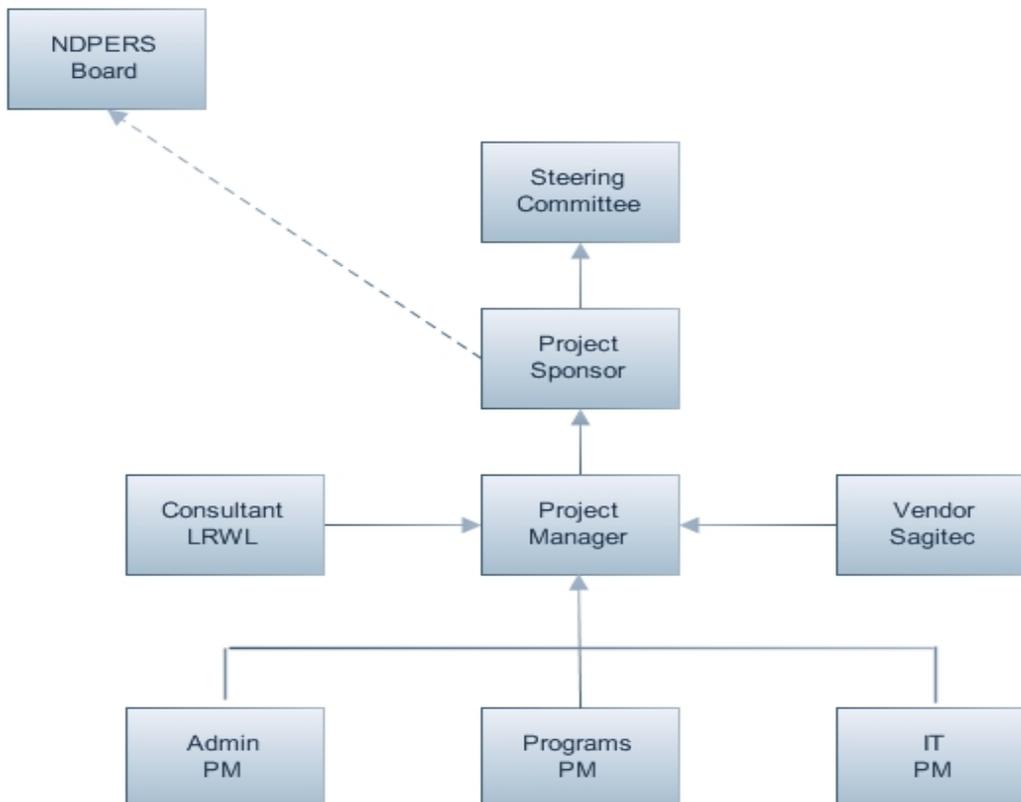
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In the event a change happens in the project, the order of priority for making decisions will be Budget, Schedule, Quality, Scope.

No material system requirements were missed in the Request for Proposal.

Project Authority:

The NDPERS Board has the ultimate authority for NDPERS and the project. Any major changes to scope, budget or schedule must be approved by the Board. The project will be governed by a Steering Committee. The role of the Steering Committee will be to make major project decisions that are not able to be resolved by the Project Sponsor or Project Manager. The Steering Committee can make compromises and changes as long as they fall within the constraints of the project budget. Sparb Collins will be the Project Sponsor. His role will include reporting to the NDPERS Board on the status of the project and making project decisions that are not able to be resolved by the Project Manager. The Project Manager will be Sharon Schiermeister. She will have the authority to make the day to day decisions on the project that fall within the approved budget, scope and schedule. She will also have the authority to approve changes in work efforts of the vendor or consultant that are not considered material in nature and are within the approved budget. She will be responsible for approving and authorizing all payments to the vendor and consultant. There will be 3 assistant project managers. Bryan Reinhardt will be in charge of project administration. His role will consist of coordinating all the project reporting, budgeting and schedule monitoring with Sagitec, LRWL and ITD. Sharmain Dschaak will be in charge of benefits. Her role will consist of coordinating all the benefit program administration components of the project with Sagitec and PERS SMEs. Ron Gilliam will be in charge of IT. His role will consist of coordinating all the technical components of the project with Sagitec, ITD and internal IT staff. Following is the organizational chart for the project team.



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Optional Sections:

Budget:

A high-level project budget is defined below and is based upon the appropriation authority approved for the 2007-09 biennium. The Project Manager has authority to approve changes in work efforts of the vendor or consultant that fall within the approved budget. Any change order that will require a transfer from contingency will need to be approved by the project sponsor. A more detailed budget will be defined during planning that will also include the costs for PERS staff time.

Vendor	\$7,678,360	
Consultant	\$1,000,000	
Hardware/software/ITD hosting	\$ 185,000	
Contingency	\$ 730,640	
Total		\$9,594,000

Potential Project Risks:

Poor User Involvement/Resistance to Change
Staff Conflicts and Understaffing/Turnover
Vague Requirements and Unclear Direction
Budgeting Problems/Hidden Costs
Poor System Architecture and Integration
Project Slip and Failure to Promptly Address Problems
Availability of ITD staff
Vendor staff turnover
Staff burnout

Project Charter Approval

Project Sponsor Name: Sparb Collins Action: Approve: Reject:

Project Sponsor Signature: _____ Date: _____