Employees' Retirement Fund of the City of DALLAS

August 20, 2018

Employees' Retirement Fund of the City of Dallas

vitech Project Update

Overview

Project Objective

The Employees ' Retirement Fund City of Dallas ("ERF" or the "Fund") sought proposals from companies that provide pension accounting software having an established track record with employee pension and retirement plans and trust funds. The purpose of this Request for Proposals ("RFP") was to allow ERF the ability to select a company to provide pension accounting software and services to the Fund. The firm selected provides pension accounting software features that allows implementation of Dallas City Code Chapter 40A including the following:

- Provides pension accounting software that processes enrollments across a broad array of product offerings in a summary while applying case-specific eligibility and election rules;
- Maintains member accounts and work history, transactions, records that track work periods, job classifications, hours, repayments, etc.;
- Manages the retirement application process from initial estimate through approved benefit. Includes estimates, follow-up correspondence, application generation, waivers, approval processing, and more. Rule-based automation and self-service capabilities supporting straight through processing and administration by exception;
- Provides all the required tools to increase efficiency, accuracy and customer service of the membership transfer and withdrawal processes;
- Provides payroll processing allowing changes and additions to be received close to actual payroll dates;
- A system that allows for overrides, corrections and reversals of system-calculated results; and
- Provides for purchases of Service (Buy Backs and Buy Forwards).

Key Factors for the Pension Accounting System

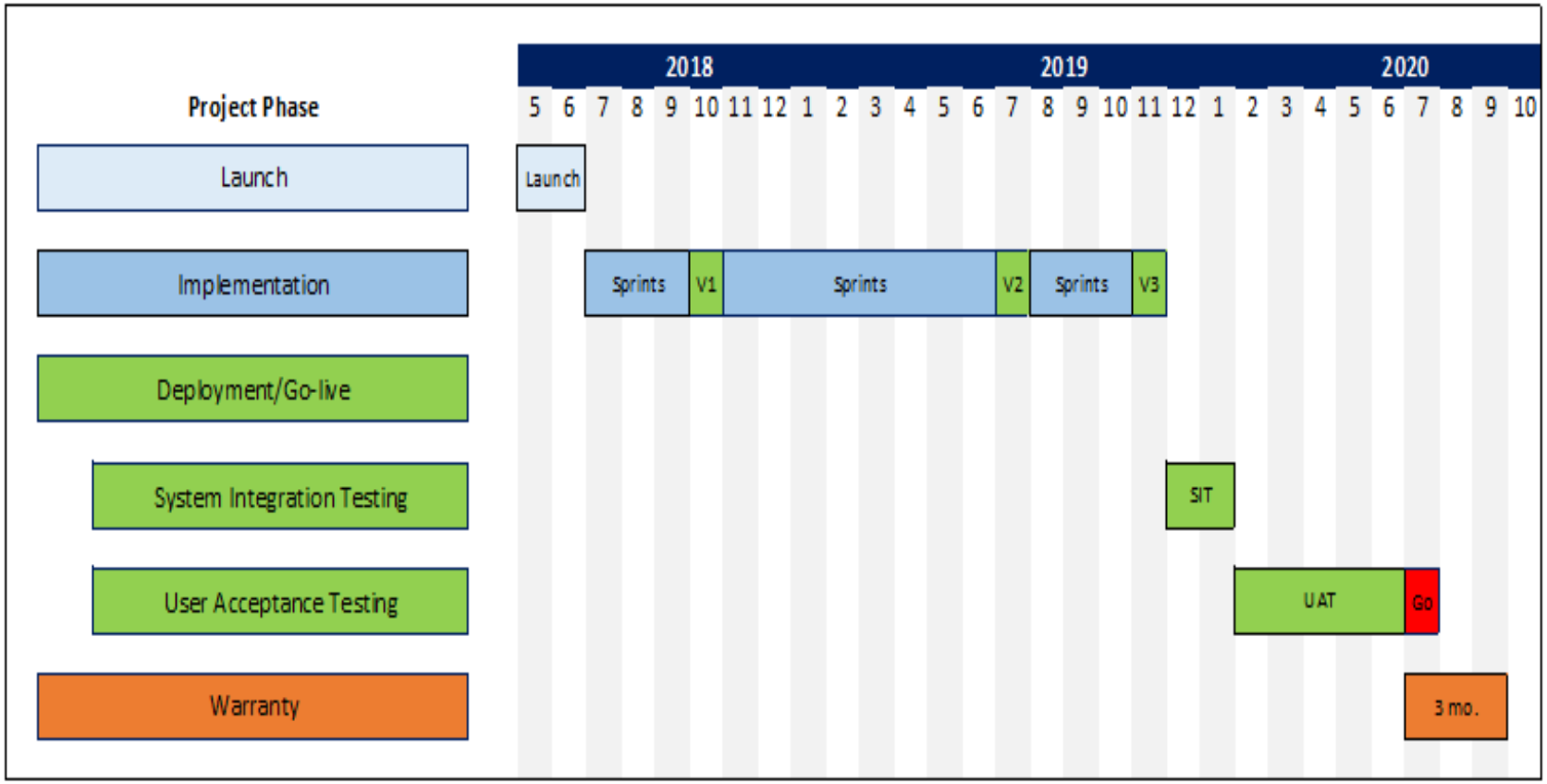
- ERF is currently using CPAS version 5.5.
- ERF manages its own information technology network and uses Oracle 11g for its platform.
- Oracle stopped supporting CPAS version 5.5 in September 2015.
- Plans to upgrade were put on hold in the event that Chapter 40A was amended.
- In November 2016, the amendments to Chapter 40A were approved and now we must proceed with the upgrade for new features and continued support.

Key Factors for the Pension Accounting System

- In January 2018, the Board selected vitech as the vendor of choice for its new system at a cost of $4.8M over twenty-six months.
- The cost of the project may increase by $195,000 per month if it exceeds the twenty-six month implementation period.
- The implementation will require a focused team to evaluate, set up, develop policies & procedures, and train all staff.
- The project is being implemented using the Agile process.

Employees' Retirement Fund of the City of DALLAS ® & vitech

Implementation Project Timeline



Established Project Milestone Dates

Validation 1	–	November 9, 2018
Validation 2	–	July 12, 2019
Validation 3	–	November 29, 2019
Go Live Date	–	July 24, 2020

Project Cost through July 2020

(Including the Performance Incentive Awards)

Vitech Project - Three Year Cost			
Payment Milestone	**FY17/18**		**Amount**
License Agreement	1-May-18		900,000
Monthly Operations*	May - Sept.		300,000
Project Kick-Off	1-May-18		250,000
Launch Complete	1-Jul-18		460,000
Total		**$**	**1,910,000**
	FY18/19		
Monthly Operations*	Oct. - Sept.		660,000
Validation 1 Complete	29-Nov-18		650,000
Incentive Award Payments	30-Nov-18		75,000
Validation 2 Complete	12-Jul-19		650,000
Incentive Award Payments	12-Jul-19		75,000
Total		**$**	**2,110,000**
	FY19/20		
Monthly Operations*	Oct. - Dec.		180,000
Start of User Acceptance	1-Oct-19		250,000
Incentive Award Payments	1-Oct-19		75,000
Go-Live	1-Jul-20		500,000
Incentive Award Payments	1-Jul-20		75,000
Total		**$**	**1,080,000.00**
Grand Total		**$**	**5,100,000**
* 19 monthly payments of $60,000 starting in May 2018			
ViTech's fee is $195,000 per month beyond the GOLIVE Date			