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**AGENDA ITEM**

- Action Item
- Information Only

**Date:** March 23, 2023

**Item Number:** XII

**Title:** Integration of Enrollment and Eligibility Functionality to Office of Project Management/Statewide ERP Implementation

**SUMMARY**

This report provides the PEBP Board and members of the public with information regarding PEBP’s enrollment and eligibility (E&E) system and the partnership with the Office of Project Management.

**BACKGROUND**

On March 24, 2022, the PEBP Board approved the recommendation to terminate PEBP’s contract with LSI as a result of an unsuccessful implementation and “go-live.” PEBP contracted with its previous enrollment and eligibility vendor (Lifeworks). The Board approved staff move forward with a Request for Proposal (RFP) for an eligibility and enrollment system, with a proposed go-live date of January 2025.

In 2019, LSI was also chosen as the contracted vendor to integrate the Silver State Modernization Approach for Resources and Technology in the 21<sup>st</sup> Century (Smart 21). The objective of the Smart 21 project was to overhaul the state’s antiquated financial and human resource systems. Shortly after PEBP approved LSI’s early contract termination, the State issued its own termination to LSI for its role in the Smart 21 project.

PEBP, with the assistance of Segal IT consultants, has since developed a comprehensive requirements document to begin work on the E&E RFP. The Office of Project Management (OPM) has also been working towards contracting with a new integrator for the project previously known as Smart 21. OPM is currently engaged in the decision-making process with executive state leaders to determine an appropriate vendor to continue the integration and implementation of the financial and HR systems. A path forward has been identified, and work continues with vendor selection and contract finalization. Communications on those decisions will be forthcoming in the immediate future.

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Although PEBP and Smart 21 experienced significant setbacks throughout respective implementations, one of the lessons that came from that experience is PEBP's significant overlap of HR and payroll processes. State employees are PEBP's largest group; therefore, it is imperative that PEBP's enrollment and eligibility system functionality be aligned with statewide financial and HR systems.

### **REPORT**

PEBP began working with OPM and their partner SAP Software Solutions to capture the specific requirements necessary to include in the PEBP E&E RFP. As a result of these discussions, as well as our experiences with the prior attempt to integrate and implement technology solutions, it became clear that it would be in PEBP's and the State's best interest to work collaboratively on our respective projects to ensure the chosen vendors would be able to integrate the functionality within the respective systems. Performing separate implementations would risk a potential repeat of the previous implementation because although it was the same contracted integrator, both systems were not set up to coordinate and work with each other from the start. Collaborative, joint implementations are in the best interest of employees and PEBP members due to connectivity of the respective systems.

OPM currently has a service agreement ([99SWC-NV23-13299:1](#)) authorized by the Board of Examiners under a statewide contract for cloud solutions with Carahsoft ([99SWC-NV23-13299](#)) awarded via a NASPO ValuePoint national cooperative contract led by the State of Utah. The contract is for assessment of the project; however, OPM will likely be executing a new service agreement under the same statewide contract for a system integrator and full implementation of the project.

The same procurement process and contract vehicle is available to PEBP under NRS 333.475. PEBP would not join the OPM contract but would create its own statewide contract through a similar mechanism. PEBP would leverage the state's current contract through OPM (rather than go out to RFP) and negotiate its own contract through the existing vendor relationships. A very similar process would be used through this mechanism as through the RFP process; the potential vendors would be carefully vetted by PEBP and its IT consultants to ensure any selected partner is able to satisfy the necessary requirements at a competitive price.

#### *Advantages:*

- This process allows PEBP, with the assistance of Segal IT consultants, to assess possible solutions in a more comprehensive manner. PEBP would work with OPM's chosen integrator to vet industry solutions through various vendors using a process similar to that used during an RFP but with more flexibility.
- This path also grants an additional year of runway that can be used for a longer implementation to increase the probability of a successful "go-live."

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- The Smart 21 project will be exploring opportunities to improve and enhance the current HR and financial systems. PEBP's participation will likely help break down the existing inefficient and siloed processes that are currently in place, which will ultimately help PEBP's E&E functionality.

The Governor's Office has directed PEBP to work together with OPM and their contracted vendor using NRS 333.475. Once a contract has been developed, it will be brought to the PEBP Board for discussion and approval prior to getting final approval through the Board of Examiners.