MINUTES OF THE
WEST VIRGINIA ENTERPRISE RESOURCE PLANNING BOARD
MEETING OF March 26, 2013

In Accordance with Chapter 12, Article 6D, Section 1 of the WV Code, a meeting of the West Virginia Enterprise Resource Planning Board was held on March 26, 2013 at the State Auditor's Conference Room, Capitol Complex, Charleston, West Virginia. Due notice was given of the meeting and filed with the Secretary of State for publication in the State Register. The meeting was chaired by Auditor Glen Gainer in the Governor's absence, and called to order at 8:30 a.m.

I. Call to Order and Roll Call of Members

A silent roll call was taken with a quorum present consisting of the following Board members:

Cabinet Secretary Ross Taylor – Representing Governor Earl Ray Tomblin
Glen B. Gainer III, State Auditor
Danny Ellis – Representing State Treasurer John Perdue

Also in attendance were:

Todd Childers – ERP Planning Board
Dawn Warfield – State Auditor's Office
Michael Sizemore – State Auditor's Office
Carrie Chambers – State Auditor's Office
Fred Thomas – ERP Planning Board
Rick Pickens – ERP Planning Board (Attendance by Conference Call)
Tom Augustine - CGI
Randy Meek – ISG
Daniel Keene - CGI

II. Approval of Minutes of the March 12, 2013 Meeting

Secretary Taylor moved to approve the minutes of the West Virginia Enterprise Resource Planning Board meeting held on March 12, 2013. Mr. Ellis seconded, and the motion carried unanimously.

III. Discussion of Implementation Issues Related to the ERP Project

Auditor Gainer recognized Todd Childers, Project Director, who began by discussing the issue of bi-weekly pay. The proposal of bi-weekly paychecks was previously brought before the Board in its May 30, 2012 meeting. At that time, there were concerns with regard to strategy and cost to move to bi-weekly pay. However, Mr. Childers said several issues have changed since that meeting. The payroll implementation schedule has changed from January 2014 to January 2015, which now provides for a minimal or no-cost option to the State; the OASIS team now has a better understanding of configuring, testing, and upgrading a system with multiple pay periods; and the number of current pay employees continues to shrink. The key benefits of bi-weekly pay include:

- Beginning February 2014, all employees will be converted to arrears and will achieve the State's goal outlined in HB4012 with regard to standardization of the workforce;
- Employees will no longer need to stretch pay over three weekends since they will be paid every 2 weeks (or 26 times per year);
- Duration of the pay period and the pay day is standardized;
- The same pay rate throughout the year, instead of different rates based on number of hours in pay period, will eliminate manual calculation errors. Actual hours worked and consistent deadlines will improve payroll accuracy with fewer corrections and improved operational efficiency;
- Elimination of split work weeks streamlines the time approval process and simplifies validation of overtime;
- Reduces the amount of configuration and testing required, thereby minimizing the cost to deliver and maintain the new system; and
- Provides rationalization for net pay differences.

The following actions are necessary in order to move to bi-weekly pay:

- Move the remaining current pay employees (approximately 12,000) to 1 pay cycle in arrears beginning February 2014;
- Proceed with statutory changes to Section 6.7.1 of the WV Code to permit pay to be made "at least twice monthly" rather than "twice monthly;"
- Commit resources required to communicate to agency leadership and payroll operations personnel regarding standardization of pay policies, and to inform employees over 18 months of the impact on their net pay; and
- Work with PEIA to change health insurance deduction to 1/26 of annual premium, which would also reduce adverse impact on employee's net pay.

Mr. Childers said the PMO Team would appreciate direction from the Board, hopefully before the end of April (the end of the Phase D design stage), with regard to the bi-weekly payroll implementation issue.

Mr. Childers next directed the Board's attention to the two letters contained in the Board's packets - - his letter to Tom Augustine, CGI's Project Manager, regarding several major issues critical to the ongoing management of the Project, and Mr. Augustine' response to his letter. There are four "large-ticket Items," in particular, that impact the Team's ability to evaluate future enhancements in light of dollar confines, and are critical to building the system and getting back on project schedule: Preliminary Payroll, a System Edit for Budget/Position Validation, and certain other HR Payroll enhancements in which the State feels they may be eintitled to a "return credit" in excess of the proposed 70%.

After discussion among the Board, PMO, and CGI, Mr. Childers stated that while the Project Team is in the position to evaluate the need for enhancements to the system, and provide specific details and recommendations to the Board, he believes it is in the best interest of the Project, and the State as a whole, for the Board to appoint someone outside the PMO Team to negotiate contractual differences with appropriate individuals from CGI's corporate staff.

Auditor Gainer made a motion that Dawn Warfield, with assistance of the Governor and Treasurer's General Counsel, take the lead role in contractual negotiations with appropriate CGI staff. Mr. Ellis seconded the motion. Motion carried unanimously.

IV. Unfinished Business

There was none.

V. New Business

There was none.

VI. Adjournment

As there was no further business to bring before the Board, Secretary Taylor moved to adjourn the meeting, Mr. Ellis seconded, motion carried unanimously. Auditor Gainer adjourned the meeting at 10:05 a.m.

Prepared by: Glen B. Gainer

State Auditor Glen B. Gainer III
Board Secretary

Earl Ray Tomblin

Governor Earl Ray Tomblin, Chair