MINUTES OF THE WEST VIRGINIA ENTERPRISE RESOURCE PLANNING BOARD MEETING OF July 21, 2014

In Accordance with Chapter 12, Article 6D, Section 1, of the WV Code, a meeting of the West Virginia Enterprise Resource Planning Board (WV ERP) was held on July 21, 2014 in 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 3:05 p.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:

Chief of Staff Charles Lorensen – Representing Governor Earl Ray Tomblin
Glen B. Gainer III – Acting Chair/State Auditor
Josh Stowers – Representing State Treasurer John Perdue

Also in attendance were:

Todd Childers – ERP Planning Board
Fred Thomas – ERP Planning Board

Randy Meek – ISG
Mitt Salvaggio - ISG
Tom Augustine – CGI
Rob Pennington – Division of Highways
Greg Bailey – Division of Highways
Mike McKown – State Budget Director
Lori Dyer – State Auditor's Office
Dawn Warfield – State Auditor's Office
Traci Phillips – State Auditor's Office / *wv*OASIS
Misty Price – State Treasurer's Office

II. Approval of Minutes of June 16, 2014 Meeting

Chief Lorensen moved to approve the Minutes of the June 16, 2014 Enterprise Resource Planning Board, located under Tab 1 as presented. Minutes approved.

Auditor Gainer suggested the Board convene in Executive Session before discussing the Phase Delivery Schedule. Chief Lorensen moves that the Board adjourn into Executive Session. The Board went into Executive Session at 3:07pm

The Board reconvened its regular meeting at 4:25 p.m. No action was taken during Executive Session.

III. Phase Delivery Schedule

- **Phase C: Core Financials -** Auditor Gainer asked for a quick update on Phase C to start to meeting. Todd Childers stated that *wv*OASIS Phase C went live on July 8th as anticipated and that the go-live has been largely considered a success. Todd added that were a couple pockets of issues, primarily with purchasing division and the *wv*OASIS project team is sending additional resources to try and help them better utilize the new system.

  Mr. Childers also mentioned the help desk statistics were included in each packet. He commented that overall the team is very happy with the initial operation of the new system and the majority of calls have been focused on how to complete tasks rather than people calling in completely lost on how to perform a task. The help desk was available from 7am – 7pm and in the near future will be shortening their hours to 7am-5pm according to the call volume.

  Auditor Gainer asked Tom Augustine from CGI his thoughts on Phase C Go-Live. Mr. Augustine commented that he thought it was a tremendous success that went very smooth. The level of defects is reasonable; it's what you would expect. The team's working very well, the communication is going very well and as far as defects, the time it takes to turn it around and get it fixed is great. Mr. Augustine commented that the team is turning around defects in hours as opposed to days and weeks which is sometimes the case.

- **Phase D Update: Human Resources and Payroll -** Auditor Gainer asked Tom Augustine about milestones for Phase D. Mr. Augustine said our integration testing is scheduled to end in late July. Regarding data collection he noted that individuals are working with state agencies on almost a daily basis in order to finalize our data collection. July 15th was the deadline to submit employee data and to a large degree we have received most of them. He added that we got good news out of our initial gross and net pay numbers for the NEPP process and Parallel 1 testing. Mr. Augustine reported that user acceptance testing is scheduled to start August 18th. One of the largest things the state will need to be able to do is wrap up our UAT scripts and execute our user acceptance testing; training the individuals who execute the UAT scripts is another large work stream that must be completed before UAT can begin.

IV. Systems in Production: Phase C

(no further discussion)

V. Implementation Progress Against Milestones

- **Phase D: HR Payroll** –Mr. Augustine reminded the Board that it was mentioned last meeting about a re-plan of Phase D to see if a January of 2015 go live is still a reasonable expectation from our team. He believes we could still go live in January but it would require a higher level of commitment from the entire team and would also require some overtime. He said the delay could be anywhere from 3 months to a full calendar year. There are a number of things that have to be considered like W-2s and tax Ids, as well as the rollout of Phase E. The cost of such a change would be a factor. Another factor would be our resourcing, if we had a significant delay we would want to keep the people who are on the project because they have the expertise that they have gathered over the last 18-24 months.

Josh Stowers asked if the extended resourcing of the employees on the project would be an unexpected issue for a lot of agencies. Mr. Childers added that we may need to release HR and our Kronos people but we would have significant State resources that would need to stay on with the project away from their agency to do the additional time required to deliver the system..

Discussion on Mock 1 and 2 conversions proceeded. Mock 1 was completed with five agencies. Mr. Childers explained that Mock 2 is a full load / conversion of all employees and departments. Mock 2 conversions are required in order to execute parallel 2 testing. Parallel 2 testing will start mid-August and will be run in a semi-monthly configuration, comparing gross and net output to EPICS, and then we will eventually have to run it in the bi-weekly configuration and manually reconcile what those differences are to the EPICS produced gross and net amounts.

Mr. Augustine added that an additional test was added before parallel testing called the NEPP test, which was used to validate the configuration and data converted from EPICS for all employees. The other thing we changed is we've lengthened the time that it takes to complete parallel 2, and that's just because of the complexity of the agencies. We have to bring in people from the agencies to validate things when there are exceptions because they are the only ones who know their unique business rules. Also we took into account the time to collect and validate the data. So the agency /data files that we've been talking about the last couple of weeks, that's the data that's used for parallel 2, so the quality of that data and getting that data is what drives a lot of the timing of parallel 2 testing.

Auditor Gainer and Mr. Augustine discussed bringing additional CGI resources to the next board meeting. Mr. Augustine agreed it was a good idea because some critical milestones are coming up, particularly the startup of UAT tester training. It was a consensus of the team that within the next 2-3 weeks a decision needs to be made on the timing of the Phase D go-live. Auditor Gainer wants all members to be prepared to discuss the Phase D re-plan at the next board meeting to be held the week of August 4th.

VI. Executive Session

(no further discussion)

VII. Project Financials

(no discussion)

VIII. New Business

- **Phase E: Bridge and Pavement** - Auditor Gainer proceeded to ask about a Phase E Bridge and Pavement Update (Slide 10). Mr. Childers noted Greg Baily and Rob Pennington from the DOT are in attendance to discuss the accompanying letter from the DOT.

  Auditor Gainer asked Mr. Childers about the costs associated with the request of DOT. Mr. Childers explained the request maybe a function that's outside of the scope of what we contracted ISG resources to do as it relates to our current implementation of Agile. Randy Meek from ISG added that pricing has been purposed for this request, Mr. Childers added it's not the net cost the DOT is asking the Board to absorb.

  Greg Baily from DOT explained why DOT is requesting consulting resources. DOT has a mandate in Federal Highway legislation that is explained in the letter to develop a full integrated pavement management system and bridge management system. Currently the DOH has a pavement management system that is supplied by the software vendor Deighton and we use that but it's not integrated with all of our financials. They need to be able to integrate bridge and pavement management with other DOT systems as well as the financials. DOT is also required to develop a bridge management system. We have methods that we use to prioritize bridges but they would not meet the requirement of federal legislation right now. The vendor Deighton also has products that can be used and tailored for bridge management. What we ultimately need if we went that route is for those two products to be integrated together and on the financial side we would need a cross asset analysis which is almost assuredly going to have to be over in the adjunct ERP system. We are trying to figure out what the cost of all this is. Now another alternative that we have through the Agile software is to do our pavement and bridge management through Agile software and then do the cross analysis in our system. What we are trying to get is a cost estimate for the two scenarios for the fully implemented integrated solution. We are looking for some help from ISG with those cost estimates so we could determine which route to go.

  At this point that's basically what we are wanting. Now eventually if we end up going the Agile route, or either way, we will probably be back asking for some type of a change order in either case. Right now we are just asking for permission to develop these costs. Mr. Childers commented this is an out of scope activity. The bridge and pavement requirements were in, but they were removed during BAFO and now DOT is asking for some assistance from our consultants who have done a lot of work with the systems being implemented, they understand Agile.

  Auditor Gainer asked for a motion from the board for ISG to do the work, track the costs and then discuss with DOT after the fact on reimbursement. Chief Lorensen moved the Board requests the ISG evaluate reinserting pavement and bridge requirements back into the project scope or not, working together with DOH and track the cost to conduct the evaluation of potential solutions. Motion was seconded and passed.

IX. Unfinished Business

- **System Usage Fee: Determining Budgeted FTE's** - Mr. Childers said there was some confusion on how we were actually determining budgeted FTEs. I think we need to get everybody on the same page for the next board meeting as to what determines the FTE number, at that rate the board agreed to, and we will have the cash flow projections there for you guys at that next two week board meeting to understand and come to a common agreement as to what our billing is and what's needed from an operational budget standpoint. Auditor Gainer commented the need to review the budget for discussion at the next board meeting.

X. Comment from the Public

(no comments)

XI. Adjournment

Auditor Gainer motioned to adjourn and the next meeting will be the week of August 4th with the date and time to be worked out during that week. Chief Lorensen seconded, motion carried unanimously. The meeting was adjourned at 4:45 p.m.

Prepared by:

Glen B Gainer

State Auditor Glen B. Gainer III
Board Secretary

Earl Ray Tomblin

Governor Earl Ray Tomblin, Chair