MINUTES OF THE WEST VIRGINIA
ENTERPRISE RESOURCE PLANNING BOARD
May 22, 2015

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 May 22, 2015 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 1:00 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:

Jason Pizatella – 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
Rick Pickens, ERP Planning Board
Randy Meek, ISG
Daniel Keene, CGI (via telephone)
Tom Augustine, CGI
Mike Clair – CGI
Mike McKown, State Budget Office
Ross Taylor, Finance Director, Department of Administration
Jim Fidley, Law Office of Phil Reale, representing CGI
Todd Witter, WVU
Rob Alsop, WVU
Mary Ellen Henton, Marshall University
Dan Durbin, WVU
Lisa Hopkins, WVSAO
Lora Dyer, WVSAO
Dawn Warfield, WVSAO

II. Approval of Minutes of May 5 & 12th, 2015 Meeting

Jason Pizatella moved to approve the Minutes of the May 5th & 12th, 2015 Enterprise Resource Planning Board meeting. Josh Stowers seconded, and the motion carried unanimously.

III. Phase D: Production Status

Auditor Gainer, Acting Chair for Governor Tomblin, recognized Todd Childers, who discussed the next item on the Agenda.

- **Phase D: System Readiness Scorecard** – There is only one change in the payroll section, payroll accounting and financial postings. Work continues on the serious issues, but none of the issues will stop us from achieving the go-live.

- **Phase D: 'Shakedown' testing** – This week the team will begin 'shakedown' testing by production environment. Each step in the payroll cycle will be tested to ensure readiness for the initial biweekly cycle. Time input into kronos began on May 15th, so now six days into the 14 day pay period there are: 83% of positive pay people have punches, 98% of exception paid employees are in the system, the reason for so many exceptions is the holiday is included as part of their exception input for the initial pay period. The payroll processing schedule for the initial bi-weekly cycle is highlighted in the handout.

  Payroll coordinators from wave 1 are invited to stop by wvOASIS and receive help working through issues, look at preliminary results, make necessary changes & work with finance if it is appropriation or budget related. A brochure that details employees' new e-nod statement will be distributed as to help them better understand the transition to the new format.

- **Phase D: Document Processing** – As with Phase C, there is still transaction processing going on. This is the first cut of analytics and metrics around documents being processed through the system, so we are watching for bottlenecks and making sure documents are not hanging-up in any particular area.

IV. Phase D: Launch of Wave 2

Planning for wave 2 deployment has begun and we have highlighted the three most likely possible go-live dates (Oct 17th, Oct 31st, or Nov 14). The process has begun of aligning the team into production/support areas: those on the CPU's processing documents working with wave 1 agencies, and those who will be focused entirely on wave 2 development.

With the assumption that neither Marshall, WVU, or WVU-Parkersburg are going to be in wave 2, approximately 26,000 employees across 122 departments will go-live. The Board is pushing for an Oct 17th go-live date but have flexibility to move things back if some agencies are not ready.

V. WVU / Marshall

WVU/Marshall have been devising a strategy to not participate in the HR/Payroll piece. Initially, the two entities preprocessing payrolls and providing the information to the State is acceptable to the Board. Two issues of concern are: purchasing card and the way that we validate the card issuance; secondly, the handling of garnishments and child support payment. These have typically been done centrally so there needs to be a memorandum of understanding as to future processes.

The Board has begun working with technical resources from the institutions, conversing and providing with files formats. The Board needs to figure out a way, with the State Budget Office (SBO), to sign off on payrolls before they are processed, as they are statutorily charged to do so. Both the State and WVU/Marshall are confident that the institutions will be migrated off of EPICS and have their checks generated in wvOASIS by the end of 2015.

The Board, SBO and WVU/Marshall agree there is information needed by the State, to which it does not have access. The parties will come to an agreement in terms of what data is needed, and how the institutions will transmit it to the state. In the future, when changes arise, the institutions will need to transmit a report identifying said changes, and communicate the information to all parties.

Jason Pizatella moved that the board adopt a resolution approving the deployment of the CPRB interfacing option for WVU/Marshall, as it relates to HR/Payroll, so that the two may process employee payroll payments as miscellaneous vendor payments in the system, contingent on the resolution of the issues that have been identified by the PMO, and the subsequent memorandums of understanding that will come of that. The Chair suggests all memos of understanding that are negotiated between independent departments are to be reviewed and passed upon by the wvOASIS Board, as to assure consistency and lack of conflict. Josh Stowers seconded and the motion carried unanimously.

VI. Unfinished Business

When the conversion to bi-weekly pay is completed, employees that are not paid hourly, but statutorily/salary, W-2's at the end of the year are not going to match. The Board received a letter from the Agriculture Commissioner asking if there is a solution to the issue. The problem is 365 days is not evenly divisible by 26, therefore, each year will show being paid for 364 days. This issue needs to be evaluated by the Board and a formal policy be issued before year end.

VII. Executive Session

Josh Stowers moved that the Board go into Executive Session to discuss contractual issues. Jason Pizatella seconded and the motion passed unanimously. Following Executive Session, the meeting was resumed. No action was taken by the Board.

VIII. Amendment 7

The Board had created framework provision that it will agree be incorporated into a formal Amendment 7 to the contract: The framework asked to be built into the amendment, it will revise the release of retainage provisions that remaining A & B retainage, as well as the second one-third of Phase C retainage would be released upon execution of Amendment 7. Remaining Phase C retainage, which would be the final one-third, would be released once all of the mutually agreed items on the State's list that is also being prepared with the State PMO, as well as the CGI PMO, are addressed. A one-third of Phase D retainage will be released upon successful implementation of wave 1. A second one- third will be released with the successful implementation of wave 2, with the final one-third will be released upon completion of the project. Additionally, it is the Board's position that that we would not withhold retainage on the increased value to the contract relating to Amendment 7. The State would, and CGI has agreed, to use the blended rate of $86.12 for Phase D & E extension hours which total 39,858. Use of contractual rates for kronos for Phase D extension hours and Agile in relation to Phase E extension hours, keeping in mind that kronos crosses both Phase D & E; however, those hours are being tracked as part of Phase D. Additional Services will be tracked and included in section 3.8 of the weekly project status report, broken out for from Phase D & E resources and hours which are involved to the States monthly deliverable at number five. The number of deliverable monthly payments with is extended through December 2016 on the payment schedule. Hours not expended, which are less than forecast, planned hours will be converted to the value at the appropriate rate and deposited in the pool of hours, just for Phase D.

Correction: In the first bullet, when we talk about tracking, it is just the Phase D hours.

The State retains the ability to eliminate, change or exchange resources to month to month within Phase D hour cap of 23,818 upon 30 day notice. The State also agrees that the blended rate of $86.12 and $125 are not applicable to any future CGI work after completion of Phase D & E. The State can repurchase the upgrade services at the same cost before expiration of our current contract. Phase D fixed cost deliverable will be paid upon completion of wave 1 implementation. The state must agree to any changes to post go-live resources and approval will not be unreasonably withheld.

Jason Pizatella moved that the Board accept the proposed Amendment 7 provisions as amended and has been described. Josh Stowers seconded and the motion carried unanimously.

The Chair accepted the suggestion that the PMO update the readiness scorecard on a monthly basis now that Phase D has largely gone live. The Chair asked that the Board be updated as the Agriculture Commissioner's issue is worked through, as well as in regard to the WVU/Marshall issues.

IX. Adjournment

As there was no further business to bring before the Board, Jason Pizatella moved to adjourn the meeting. Josh Stowers seconded and the motion carried unanimously.

Prepared by:

State Auditor Glen B. Gainer III
Board Secretary

Governor Earl Ray Tomblin, Chair