MINUTES OF THE

WEST VIRGINIA ENTERPRISE RESOURCE PLANNING BOARD

February 10, 2017

In accordance with Chapter 12, Article 6D, Section 1, of the West Virginia Code, a meeting of the West Virginia Enterprise Resource Planning Board (WV ERP) was held on February 10, 2017, in the State Auditor's Conference Room, Building 1, Room W-100, 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.

I. **Call to Order and Roll Call of Members**

The meeting was chaired by Auditor John B. McCuskey, and called to order at 1:00 p.m. A roll call was taken with a quorum present consisting of the following Board Members:

Jason Pizatella - Representing Governor Jim Justice
John B. McCuskey – State Auditor
Josh Stowers – Representing Treasurer John Perdue

Also in attendance were:

Todd Childers, ERP Board
Fred Thomas, ERP Board
Rick Pickens, ERP Board
Randy Meek, ISG
Tom Augustine, CGI
Keith Chapman, WVDOT
Kent Hartsog, WVSAO
Lisa Hopkins, WVSAO
Jeff Waybright, WVSAO
Michael Sizemore, WVSAO
Cathy Hart Price, WVSAO
Nancy Pennington, WVSAO

II. **Approval of Minutes of September 29, 2016 Meeting**

Josh Stowers, made a motion to approve the Minutes of the September 29, 2016 meeting. Jason Pizatella seconded the motion. The motion carried unanimously.

III. Phase D Update

Topic: Outstanding Wave 1 and 2 Issues

Todd Childers discussed the following outstanding Wave 1 and 2 issues: payroll summarizations, departments failing to process employee health insurance contributions correctly upon employee separations, and agency failure to finalize Kronos timecards and preliminary payroll reports causing incorrect payroll runs.

Mr. Stowers asked what remedies could be considered for a Department's timecards review since that is not a system issue.

Mr. Childers stated that the team could provide some statistics and metrics around that issue to show the departments that routinely cause an increase in the volume of corrections and online checks.

Next Topic: Wave 3 Status

Mr. Childers addressed the Wave 3 implementation progress which includes approximately 9,800 employees in the following 12 departments: DHHR (three additional within DHHR), State Police, Juvenile Services, Sanitarians, Public Service Commission, Senate, House, Joint Expenses and the Supreme Court. May 13 is targeted for the Go-Live for the remaining agencies. The project is currently completing user acceptance testing with these agencies.

Mr. Childers stated that all three Wave agencies are in the HRM side. Mr. Childers stated that the Supreme Court and State Police are not going to use Kronos. The State Police have another time and leave system which they are going to interface.

Mr. Stowers asked whether the agencies that are going to use Kronos are accurately putting time in the system.

Mr. Childers responded that DHHR is the organization that has the most work to do around KRONOS time entry. The project is getting ready to do a parallel run from the last pay period so they will have better metrics on how DHHR is doing in terms of getting it rolled out to all their employees.

Mr. Stowers asked whether the Board could get regular updates on Kronos utilization.

Mr. Childers indicated that they provided status updates and readiness checklists during Wave 1 and 2 and would envision continuing that with Wave 3.

Next Topic: West Virginia University and Marshall University Status

Mr. Childers stated that previously the ERP Board had approved the two institutions to process the gross to net payroll calculations outside of *wv*OASIS, referred to as the CPRB model. The institutions will be responsible for doing the calculations within their ERP Systems. The State will be responsible for processing the employee deposits and getting the third-party vendors paid. WVU is working with the State Auditor's Office to validate garnishments and to test and validate the accuracy of their payroll processing on their side. Each institution has a readiness checklist and the project has made regular calls with both parties working through that list. Each institution is going to take the responsibility for the necessary communication to their employees regarding the change and the frequency in the pay amounts. The only outstanding issue is to finalize a new targeted Go-Live date which is estimated to be early fall.

Next Topic: Phase D Knowledge Transfer and Training Plan

Phase C Knowledge Transfer is a significant concern as some of the most knowledgeable CGI resources plan to roll off at the end of June and sufficient knowledge transfer, particularly concerning Phase C. Financials has not occurred.

Mr. Childers stated that without adequate knowledge transfer the worst case scenario is catastrophic failure of the system and loss of confidence in the system. The State needs to access certain vendor resources as soon as possible.

Mr. Stowers made a motion that the Board adopt a Resolution directing our consultants to prepare a written knowledge transfer and training plan and provide that written plan to the Board by April 4, 2017.

Mr. Pizatella seconded the motion.

The motion carried unanimously.

IV. **Financial Update and Project Cash Flow**

Mr. Hartsog reported on the Receipts and Disbursements for FY 2017 for *wv*OASIS. Currently, they have over $6,000,000 in cash, however, they are projecting an approximate $4.4 million short fall for the year. Payables are current, however, about $5.3 million is outstanding. They are working with the consultant and vendor to make those payments match with the revenue stream. The project is also planning on reducing expenses and needs to work on transitioning routine tasks from consultants to state employees.

Mr. Pizatella stated that the Governor's Office requested a Supplemental Appropriation for FY17 to wvOASIS for $3.3 million which is less than the $4.4 million projected cost.

V. **Phase E Update**

Mr. Stowers indicated that Phase E is the last phase of the project and involves the Department of Transportation FHWA billing and the decommissioning of old systems.

Auditor McCuskey asked for a brief update from the consultant, vendor, and the PMO regarding history and status of Phase E.

Mr. Meek indicated that DOT elected to suspend activities around User Acceptance Testing (UAT) due to challenges in testing the system, particularly with the interfaces and integration across multiple products. DOT worked primarily with ISG to identify the changes they believe are required to the solution or the business processes (the Business Blueprint). IS&G divided a team of employees at DOH into work groups to focus on Business Solutions and system functionality that integrates across the modules of wvOASIS, Transportation Asset Management, and Linear Referencing System (LRS) the automated map is based on the geography of the State. They have also assessed the impact on new regulations like TAM (Transportation Assets Management) and Performance and Investment Analysis of Assets and MAP 21 which just came out last fall.

Mr. Childers indicated that it would be in the State's best interest to step back and look at the two main priorities which are the decommissioning of the legacy systems and the Federal Highways Certification as focusing on these two items simplifies and narrows the efforts.

Auditor McCuskey thanked Mr. Childers for his comments and asked if anyone had any questions.

Mr. Augustine (VP, CGI) stated that he agrees with the feedback from Mr. Meeks and Mr. Childers regarding the new approach. CGI supports the approach of a Project Charter that will allow a clear understanding of the scope, resources, timing, and governance for the project moving forward.

Mr. Pizatella asked Auditor McCuskey if it would be alright if Keith Chapman (Department of Transportation), briefly summarize the understanding of the Department before the Board votes on Phase E rescope to make sure everyone is on the same page.

Auditor McCuskey invited Mr. Chapman to comment.

Mr. Chapman stated that DOT is confident that it has a plan and the resources necessary to complete the project in a timely manner.

Auditor McCuskey thanked Mr. Chapman for his comments and added that the Board appreciates everyone's willingness in a short timeframe to re-scope and refocus.

Mr. Stowers moved that the Board adopt a Resolution to re-scope Phase E to include FHWA Certification and authorize the project and staff to work with DOT, their consultant and the vendor to engage in a scoping negotiation process surrounding FHWA certification and any other components they deem appropriate to include in the scope.

He further moved that the Board adopt a Resolution requesting that these parties report back, in writing, to the Board by April 4, 2017, with agreed upon specifics of the modified scope including itemized cost, a timeline for implementation and a recommendation concerning an executive sponsor.

Mr. Pizatella seconded the motion.

The motion passed unanimously.

Mr. Stowers further moved that the Board adopt a Resolution to authorize DOT to independently contract to complete any remaining Phase E components that are not included in the modified scope.

Mr. Pizatella seconded the motion.

The motion passed unanimously.

Auditor McCuskey thanked everyone for their input and stated he feels comfortable with the status and looks forward to hearing from them with good news about timelines and cost.

VI. **ERP Project Management**

Auditor McCuskey initiated a brief discussion amongst the Board and staff concerning the post project completion vision. Auditor McCuskey asked whether the Governor's Office had anything specific regarding the post Go-Live vision.

Mr. Pizatella indicated that they did not, however, the Governor fully supports the Auditor's vision and the Treasurer's vision to use the end of calendar year 2017 as a goal to complete Phase D and the re-scoping of Phase E.

Auditor McCuskey added that the post-completion aspect of the project should focus on optimization as much as it focuses on maintenance and the division of labor between the State and its contractor.

Mr. Stowers noted Todd Childers' imminent retirement and moved that the Board adopt a Resolution appointing Kent Hartsog, as Project Director, to fill the vacancy created by the departure of Todd Childers.

Mr. Pizatella seconded the motion.

The motion passed unanimously.

VII. New Business

Auditor McCuskey asked whether there was any new business.

Mr. Childers indicated that there are a couple items where the Project Team needs direction from the Board. He recommended Amendment 9, which is a change order to the State's contract to include payment for bundled third party software, which the State has been utilizing, and should have been included in a prior amendment. The cost for that software license is $43,743.00 with an annual maintenance of a little over $1600.00. Amendment 9 should also include some enhancements to the Pcard functionality to allow for a Virtual Pcard. CGI has provided the State a level of effort at a cost of $200,000.00 plus the utilization of 600 hours to do interface, design, development and testing of the actual enhancement.

The Project Team asked that the Board approve a Resolution to authorize them to move forward with the creation of Amendment 9 to address both the software license issue and the Virtual Pcard enhancement.

Auditor McCuskey asked if there were any questions for Mr. Childers. No questions were asked.

Mr. Stowers made a motion that the Board adopt a Resolution to authorize the Project and staff to negotiate Amendment 9 to the CGI contract to include an enhancement of the Pcard functionality and to purchase additional software licenses required to operate the CGI Advantage software, namely IBM Websphere, Redhat JBoss with Management, Eclipse BIRT (replacing Adobe Forms).

Mr. Pizatella seconded the motion.

The motion passed unanimously.

VIII. Adjournment

As there was no further new business before the Board and nothing on the agenda, Mr. Stowers moved to adjourn the meeting at 2:00 p.m. Mr. Pizatella seconded, and the motion carried unanimously.

Prepared by:

The Honorable State Auditor John B. McCuskey
ERP Board Secretary

The Honorable Governor Jim Justice
ERP Board Chair