MINUTES OF THE
WEST VIRGINIA ENTERPRISE
RESOURCE PLANNING BOARD

April 18, 2023

In accordance with Chapter 12, Article 6D, Section 1, of the West Virginia Code, a meeting of the West Virginia Enterprise Resource Planning Board was held on April 18, 2023 in the State Auditor's conference room located at the Capitol building, Room W-100. 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 State Auditor J.B. McCuskey and called to order at 10:02 a.m. A roll call was taken with a quorum present consisting of the following Board Members:

State Auditor J. B. McCuskey
Ann V. Urling - Representing Governor Jim Justice
Steve Bohman – Representing Treasurer Riley Moore

Also in attendance were:

Kent Hartsog, WVSAO
V. J. Smith, WVSAO
Malissa Hohmann, WVSAO
Amy Lewis, WVSAO
Rick Pickens, Enterprise Resource Planning Board
Matt Ellison, Enterprise Resource Planning Board
Evan Pauley, Enterprise Resource Planning Board

II. Approval of July 28, 2021 Minutes

Mr. Bohman moved for approval of meeting minutes from the July 28, 2021 board meeting. The motion was seconded by Ms. Urling. A vote was taken and the motion passed unanimously.

III. Project Management Updates

Auditor McCuskey asked Mr. Hartsog to begin with ERP Project Management updates. Mr. Hartsog introduced staff from the WVSAO and ERP in attendance. He then turned to the travel system upgrade.

a. Travel System Upgrade to 4.X

The travel upgrade contract with CGI was signed in November 2020, and a project kick-off meeting was held on March 1, 2021. A detailed project plan was developed and approved at that time with an anticipated go-live date of September 1, 2021.

During the project implementation, ERP staff discovered that CGI was not honoring its obligations as it was proposing to house much of the travel system on-site rather than in the CGI cloud as required by the contract. This caused a significant delay for go-live of the system, which occurred on a limited basis in May 2022.

Due to technical issues with the software, its rollout to other agencies was delayed until the end of 2022/beginning of 2023. Currently 24 agencies are live on the Travel 4 system. Mr. Hartsog noted that in the next nine months, the travel system would be rolled out to seven additional agencies.

b. Actian to Pentaho

Actian is a critical piece of software that controls interfaces to bring files in and out of the Oasis system. The Actian software has been a component of Oasis since its inception and is a part of the CGI contract. CGI approached the State last fall with plans to transition from Actian to another provider, Pentaho.

The transition to Pentaho will require a lot of detailed testing that the State will be required to facilitate. The State initially proposed that the transition occur during an anticipated upgrade to Advantage 4.0, but CGI has informed the State that its contract and licensing with Actian runs through August, 2024, at which time it has proposed the State must be converted to the Pentaho software. However, an August 2024 cutoff date conflicts with year-end activities that the Oasis staff undertakes each year, so a goal has been set with CGI to convert by April 2024.

The State has pushed aggressively for CGI to provide most of the resources required for this transition, as the transition provides little added benefit to the State, and provision of the Actian software is required by the State's contract with CGI. CGI has not yet provided a roadmap for the transition as requested by the State, although at this time the State is working with CGI to make the transition.

Finally, an amendment may be required in order to add Pentaho and remove Actian from the State's contract. The State hoped that such amendment would be provided and available prior to this Board meeting, but to date CGI has not provided it. This will need to be addressed in the near future.

Ms. Urling questioned whether the contract required CGI to provide the financial resources in order to undertake the conversion. Mr. Smith and Mr. Hartsog explained that the contract does require CGI to provide the Actian software and therefore the expectation is that CGI would provide most of the resources for the conversion, and the State is attempting to work with CGI to accomplish the conversion. The State will be able to capture its cost in making the conversion, whether in hours spent on the project or otherwise.

c. Security

Mr. Hartsog next turned to measures the State has undertaken to provide additional security around the State's servers that house the Oasis system. Mr. Hartsog recognized the efforts of Matt Ellison and Paul White in taking the lead on the endeavors.

Specifically, Mr. Hartsog described a new requirement for multifactor authentication in order to log on to the Oasis system, and the addition of artificial intelligence software onto the State's servers. This software learns Oasis activity patterns and flags anomalous activity, which can then be investigated by the Oasis technical team.

Mr. Ellison provided more specific detail on the software, stating that it allows the State's posture to be more proactive as opposed to reactive to threats to the system. Mr. Ellison explained that the software also takes a snapshot of the State's data when the anomalous activity is detected, which provides greater disaster recovery capabilities if any such activity is malicious.

Finally, Mr. Hartsog noted that the technical team has worked on general disaster recovery plans. In conjunction, the State recently had its system evaluated by CISA, a federal agency under the Department of Homeland Security, to evaluate potential vulnerabilities. CISA gave some feedback and points of improvement which the team has undertaken to implement.

d. Year-end Activities

Normal year-end activities, including year-end closing on June 30 and thirteenth month activity, are anticipated to proceed as normal this year. There are additional items that must be undertaken this year which will significantly increase the Oasis staff workload. These include three payrolls in the month of June, the annual increment paid to employees each July, across-the-board raises to begin after July 1, PEIA premium increases, and the statutory DHHR reorganization.

IV. Functional Area Updates

Mr. Hartsog provided an update on the following functional areas of Oasis.

a. HRM Payroll

Oasis staff is working closely with the Division of Highways to implement TimeI functionality to maintain the division's time and leave tracking. Infrastructure was purchased by Oasis which is being utilized by Highways in order to better interact with the Advantage system. The finance team is in constant communication with Highways to assist it with more robust utilization of Oasis and to help it move away from legacy and non-integrated systems. Highways is reimbursing Oasis for the infrastructure costs.

In December 2021 through January 2022, UKG, Oasis's time and leave software provider, suffered a ransomware incident which greatly disrupted payroll processing. Despite the incident, Oasis staff, with HRM Payroll leading, was able to pivot to its contingency plan and the State's payroll was able to be processed successfully for each of the pay periods affected by the incident. Mr. Hartsog recognized the work of the HRM Payroll staff and its Director Malissa Hohmann for their efforts to ensure state employees were paid despite the disruption.

Finally, the HRM Payroll staff continues to provide training to agencies on use of the HRM Payroll application and the UKG time and leave systems.

b. Finance Team

The Finance team has been working closely with higher education institutions to instruct them on use the Oasis system to complete their required financial reporting rather than using the non-integrated Banner system. This continues general outreach efforts by the Oasis staff to push agencies to use Oasis functionality to drive the State towards a more integrated financial system.

Mr. Hartsog ran through several projects that are being worked on by the finance team. Those include development and testing of enhancements to the Preliminary Replacement Tool, which reduces risk when making bi-weekly payroll; working with Division of Highways for more robust use of the Oasis system; assisting the DHHR with its statutory reorganization; and assisting the State Budget Office to utilize the Oasis Business Intelligence application to help create the yearly budget bill.

c. Technical Team

The technical team has completed several major projects in the past year. Oasis completed its annual SOC I audit, undertaken by Ernst and Young. This year, as in several consecutive years past, the audit had no exceptions reported.

Other projects completed include implementation of new hardware to include primary and disaster recovery sites, 2022 tax and ACA reporting, automation of manual tasks including preliminary operations, travel, and refresh of environments. As with other functional areas, the technical team has spent many working hours assisting the Division of Highways to further integrate its financial system into Oasis.

V. Fiscal Outlook

The fiscal outlook is somewhat uncertain at this time due to several expected costs, including an upgrade of the Advantage system to version 4.0. Budgetary estimates for the upgrade had been booked at around $3.5 million, which was based on a figure given by CGI in 2020. However, recently CGI has given an updated estimate that greatly exceeds that number. Other expected costs include the purchase of new technical infrastructure to house the Advantage software on premise rather than in the CGI cloud.

Due to the uncertainty of these expected costs, there is no proposal at this time to change the Oasis user fee from its current rate of $275.

Oasis staff continues to request a long term agreement with CGI. CGI continues to push the State to move to its cloud-based solution. No decision has been made by the Board at this time whether to move to CGI's cloud or on premise. CGI's current track record of performance does not instill a high degree of confidence in CGI's ability to deliver for the State in its cloud.

VI. UKG Upgrade Agreement

Mr. Hartsog explained that the State must be on the UKG Dimensions platform by December 31, 2025 because the State's current platform, UKG Central, will no longer be supported after that date. The upgrade process is expected to take at least 12 months. Oasis staff has negotiated a contract to upgrade to UKG Dimensions.

CGI's TimeI product could also be an option. Oasis staff has evaluated the costs and benefits of moving to TimeI rather than staying with UKG. Due to the costs quoted by CGI, the timeframe to implement TimeI, and other issues, Oasis staff recommends to upgrade to the UKG Dimensions platform.

Mr. Bohman moved that the Board enter into an agreement with Kronos Incorporated (UKG) to upgrade to its Dimensions platform and for timekeeping services for a period of 4 years with three optional renewal years. Ms. Urling seconded, and the motion carried unanimously. Resolution adopted.

VII. Advantage ERP Upgrade and New Contract Status

Mr. Hartsog explained that a contract was drafted by the State and sent to CGI to upgrade to its Advantage 4.0 system. The contract called for a 5 year term with five optional renewal years. CGI has proposed a ten year contract term and it is expected that any contract that CGI provides to the State will align with that term.

The State has requested the contract contain a service level agreement (SLA) with CGI which would provide financial penalties to CGI for failure to timely respond to and resolve maintenance issues. CGI has not responded with a contract that can be negotiated for the upgrade. CGI wants the upgrade to be in its cloud, but Oasis staff is of the opinion at this time that any upgrade should be an on premise solution.

VIII. Claim Review

Mr. McCuskey moved that the Board enter into executive session in order to discuss a legal claim against Kronos Incorporated (UKG), noting that no votes would be taken and

no decisions rendered during the session. Mr. Bohman seconded the motion. All members voted to move the meeting into executive session.

Upon return from executive session, Mr. Bohman moved that the Board enter into a settlement agreement with Kronos Incorporated to resolve the State's claim against it due to its service outage in December 2021 to January 2022. Ms. Urling second the motion and the motion carried unanimously.

IX. Public Comment

There was no public comment.

X. New Business

There was no further new business before the Board.

XI. Adjournment

Mr. McCuskey moved to adjourn the meeting at 10:50 a.m. Ms. Urling seconded, and the motion carried unanimously. Meeting adjourned.

Prepared by:

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The Honorable State Auditor John B. McCuskey
ERP Board Secretary

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The Honorable Governor James C. Justice, II
ERP Board Chair