

**Payroll and Accounting Systems Replacement Analysis****FY2004 Request:****\$400,000****Reference No:****37950****AP/AL:** Appropriation**Project Type:** Information Systems**Category:** General Government**Location:** Statewide**Contact:** Dan Spencer**House District:** Statewide (HD 1-40)**Contact Phone:** (907)465-5655**Estimated Project Dates:** 07/01/2003 - 06/30/2004**Brief Summary and Statement of Need:**

Funding will be used to continue replacement analysis and planning for the statewide accounting and payroll systems (AKSAS & AKPAY) currently managed by the Division of Finance.

<b>Funding:</b>	<u>FY2004</u>	<u>FY2005</u>	<u>FY2006</u>	<u>FY2007</u>	<u>FY2008</u>	<u>FY2009</u>	<u>Total</u>
Gen Fund	\$400,000						\$400,000
<b>Total:</b>	\$400,000	\$0	\$0	\$0	\$0	\$0	\$400,000

<input type="checkbox"/> State Match Required	<input type="checkbox"/> One-Time Project	<input checked="" type="checkbox"/> Phased Project	<input type="checkbox"/> On-Going
0% = Minimum State Match % Required		<input type="checkbox"/> Amendment	<input type="checkbox"/> Mental Health Bill

**Operating & Maintenance Costs:**

	<u>Amount</u>	<u>Staff</u>
Project Development:	0	0
Ongoing Operating:	0	0
One-Time Startup:	0	0
<b>Totals:</b>	<b>0</b>	<b>0</b>

**Additional Information / Prior Funding History:**

This project was appropriated \$600.0 of GF in FY2003.

**Project Description/Justification:****Project Overview**

The Department of Administration began a requirements and replacement analysis for our statewide systems in FY2003 with a \$600.0 capital appropriation. This is the first step in a long and rigorous process to assess the remaining useful lives of our aging statewide administrative systems and eventually replace them with current technology. The \$600.0 will be used to evaluate and document our business requirements, adjusted for best practices where appropriate, and prepare a request for proposals for a solution that meet our requirements. This additional \$400.0 will be used to pay for the continued expertise of our selected consultant through the lengthy selection and subsequent contract negotiation process with software solution vendor(s). Their knowledge of industry practices and pitfalls will be invaluable to the State during this crucial phase of the project.

Once the cost of the software solution is known, a subsequent appropriation for the cost of implementation will be submitted. Momentum and timely follow-through on a project of this scope are key to success in terms of costs and benefits.

**Current Project Status**

The Department of Administration has selected an experienced vendor to assist in the business requirements analysis (notice of intent to award is final on 9/16). Assuming contract negotiations proceed without delay, the contractor should be on board by October 1, 2002. The business requirements analysis will encompass all statewide administrative systems including budgeting, purchasing, disbursements and receipts, payroll and human resources, and general ledger accounting to support the financial statements. This analysis will involve a broad cross section of individuals involved in these processes and will include a comparison to governmental best practices. The analysis should be complete by May 2003 with the drafting of an RFP for a solution to meet the business requirements and a cost estimate for that solution.