

Statewide Administrative System Replacement Phase 1 - FY2006 Request: \$20,000,000
Human Resources and Payroll Reference No: 40081

AP/AL: Appropriation **Project Type:** Information Systems
Category: General Government
Location: Statewide **Contact:** Eric Swanson
House District: Statewide (HD 1-40) **Contact Phone:** (907)465-5655
Estimated Project Dates: 07/01/2005 - 06/30/2009

Brief Summary and Statement of Need:

The Department of Administration is responsible for operating statewide payroll and accounting systems. These systems are aging, and need to be replaced.

Funding:	<u>FY2006</u>	<u>FY2007</u>	<u>FY2008</u>	<u>FY2009</u>	<u>FY2010</u>	<u>FY2011</u>	<u>Total</u>
Master LOC	\$20,000,000						\$20,000,000
Total:	\$20,000,000	\$0	\$0	\$0	\$0	\$0	\$20,000,000

<input type="checkbox"/> State Match Required	<input checked="" type="checkbox"/> One-Time Project	<input type="checkbox"/> Phased - new	<input type="checkbox"/> Phased - underway	<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	
Totals:	0	0

Additional Information / Prior Funding History:

In FY2003 \$600,000 was appropriated for business case development and in FY2004 \$300,000 was appropriated to be used to develop an RFP.

Project Description/Justification:

The business case recommended the state begin with HR/payroll as the first statewide system to be replaced. This is due to the mission critical nature of this administrative function, and the risk that support for our current payroll system, with less than 50 licensed users, may be discontinued by the vendor.

The business case further recommended that the state begin work on a data warehouse as a first step toward successful system replacement. This warehouse would eventually serve as a central repository of our information from a variety of administrative systems. As legacy systems are replaced, historic data is converted to the data warehouse. As new systems are implemented, accessibility to information is essential. All information is presented in a consistent format for users to access with reporting software.

As we have researched the possible solutions available to replace our existing systems, it has become clear that they range from licensing and hosting our own copy of integrated software to purchasing contracted services for administrative functions with many options in between. It is in the state's interest to select the "best fit" solution for each administrative function, and we plan to use the procurement process to determine this outcome. The data warehouse becomes more critical as we consider mixing various components to replace our existing systems. To maintain acceptable levels of management information as the replacement process begins, it is important that we move ahead on the data warehouse as well.

The nature and cost of each of these two initiatives cannot be known with any certainty until the state can get to a "meeting of the minds" with potential vendors. Such specific discussions are lengthy and involve complex negotiations that are best confined to a procurement process.

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System choices have long-lasting financial and administrative repercussions. Accordingly, the procurement process must weigh the total cost of ownership over an extended period to determine the best solution for the state's needs.