

Integrated Resource Information System (IRIS) Upgrade

FY2019 Request: \$4,500,000

Reference No: 61876

AP/AL: Allocation

Project Type: Information Technology / Systems / Communication

Category: General Government

Location: Statewide

House District: Statewide (HD 1-40)

Impact House District: Statewide (HD 1-40)

Contact: Cheri Lowenstein

Estimated Project Dates: 07/01/2018 - 06/30/2023

Contact Phone: (907)465-5655

Appropriation: Statewide Information Technology Projects

Brief Summary and Statement of Need:

This project upgrades the statewide enterprise resource planning system to the latest major version 3.11.x. This is a contractually required upgrade that the state must complete prior to January 2020. In addition, ALDER (the statewide reporting system) data warehouse servers will be replaced, and the application and database software will be upgraded to the latest version available.

Funding:	<u>FY2019</u>	<u>FY2020</u>	<u>FY2021</u>	<u>FY2022</u>	<u>FY2023</u>	<u>FY2024</u>	<u>Total</u>
1004 Gen Fund	\$4,500,000						\$4,500,000
Total:	\$4,500,000	\$0	\$0	\$0	\$0	\$0	\$4,500,000

<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	0
Totals:	0	0

Prior Funding History / Additional Information:

- Sec1 Ch5 SLA2011 P2 L25 SB46 \$47,380,000
- Sec10 Ch11 SLA2008 P57 L15 SB256 \$4,100,000
- Sec24(c) Ch82 SLA2006 P147 L6 SB231 \$20,000,000
- Sec1 Ch82 SLA2003 P2 L24 SB100 \$300,000
- Sec1 Ch1 SLA2002 P2 L30 SB2006 \$600,000

Project Description/Justification:

The Integrated Resources Information System (IRIS) is the statewide accounting and human resource software used by all departments for financial, procurement and human resource management. Funding will be used to upgrade to version 3.11.x, the latest major release and is a contractually required upgrade that must be complete prior to January of 2020 with work beginning in March of 2018. In addition, ALDER data warehouse servers will be replaced, and the application and database software will be upgraded to the latest version available.

What is the purpose of the project?

The purpose of the project is to upgrade the statewide system to the latest major version and to ensure the statewide reporting systems hardware and software are running on the latest version. This upgrade is anticipated to take eighteen months and will require a large data conversion, a new environment, and significant system and user testing.

Key benefits for this upgrade are:

- 1) The software modifications that were completed during the fit/gap process of the implementation will be considered baseline features in the new version. If the state does not complete this upgrade, the customization will not be baselined, and responsibility will shift to the state.
- 2) New features and defect resolutions are included.
- 3) The state will maintain a supported version of the software installed.

Is this a new systems development project? Or, an upgrade or enhancement to existing department capabilities?

This is an upgrade to an existing system.

Specifically, what hardware, software, consulting services, or other items will be purchased with this funding? Include a line item breakdown.

Budget					
Item Description	Unit Cost	Quantity	Total Item Cost	Budget Total	Notes
Servers	\$ 117,000	3	\$ 351,000	\$ 351,000	ALDER (includes extra drives)
Annual Maint for add'l Servers	\$ 77,220			\$ -	Annual Agency Chargeback - Increase
SAP Business Object (BOBJ) Licenses	\$ 129,908	1	\$ 129,908	\$ 129,908	1 additional enterprise license (250 users)
SAP Maintenance	\$ 28,580			\$ -	Annual Agency Chargeback - Increase
SOA Staffing	\$ 125,576	8	\$ 1,004,608	\$ 1,004,608	Short Term non-perm positions (20F)
CGI Consulting for Upgrade	\$ 540,000	5	\$ 2,700,000	\$ 2,700,000	
Oracle Transparent Data Encryption (TDE)	\$ 12,000	24	\$ 288,000	\$ 288,000	
Oracle Encryption Maintenance	\$ 63,360			\$ -	Annual Agency Chargeback - Increase
Hardware Totals				\$ 4,473,516	

How will service to the public be measurably improved if this project is funded?

IRIS is primarily a State of Alaska, internal facing system. The exception is Vendor-Self-Service (VSS). A significant number of feature enhancements to the VSS portal are available in the new version with the goal of increasing and streamlining vendor use of the system.

Will the project affect the way in which other public agencies conduct their business?

The upgrade will improve efficiency of use of IRIS.

What are the potential out-year cost implications if this project is approved? (Bandwidth requirements, etc.)

An increase in the annual software maintenance. This is an operating cost that will be included in the administrative system agency chargeback.

What will happen if the project is not approved?

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The State has made a significant investment in IRIS (a statewide Enterprise Resource Planning (ERP) solution) that replaced AKSAS financial and AKPAY payroll that were in productive use for over 25 years. If properly maintained, IRIS has the capability of serving the state for a similar extended period. Ensuring that IRIS has current software and infrastructure platform ensures that the state can continue to use the system and receive a return on initial investment.

Remaining on an unsupported software and aging hardware dramatically increases risk of system failure and unplanned outages that would be unacceptable for an administrative system that performs all statewide accounting and payroll functions. If the State delays implementation of the upgrade beyond 2020, additional contractor support costs may be incurred.