Financial Services Update

INTEGRATED SYSTEM UPDATE

Greetings from Financial Services:

This article provides an update on the integrated financial, human resource, and procurement system project and the relationship between the Department of Administrative Services and the Department of Transportation that has been developing to further that project.

As always, we welcome your comments and suggestions on these and other issues of financial importance to the Department. Feel free to share these updates with your staff or others you think might be interested. Please email your comments or suggestions for future issues to:

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This is an update on the proposed integrated financial, human resources, and procurement system that was the subject of a *Financial Services Update* in April 2006. At that time, the Oregon Department of Transportation (ODOT) was beginning the process of acquiring and implementing a new integrated system to replace its legacy financial system, TEAMS. Since then, ODOT has completed a draft cost-benefit risk analysis report and a business case. Moreover, ODOT and the Department of Administrative Services (DAS) have taken steps to partner on the acquisition of an integrated system.

INTERAGENCY AGREEMENT

The Department has been working with the Department of Administrative Services and recently signed an interagency agreement (Agreement) with DAS. The Agreement provides that the Department of Administrative Services' Human Resource Services Division will partner with ODOT on the human resources components of the integrated system. DAS will also continue its planning process for a human resources module, within the ODOT system, that potentially could be implemented statewide.

Just as it is difficult for ODOT management to gather financial and human resource information to manage business programs, DAS Human Resources Service Division has issues with its statewide human resources (HR) database. At ODOT, system expertise is required to retrieve information. For DAS Human Resource Services Division, issues with its HR Position and Personnel Database (PPDB) had led it to begin exploring options for replacing this legacy system. These concerns were the basis of the Agreement, which provides that DAS Human Resource Services Division will partner with ODOT on defining the requirements for an HR module that could be scaled to meet the statewide human resource data needs that DAS is responsible for administering and maintaining.

In addition to working with DAS on its most immediate need to address a statewide HR system, the Agreement also addresses other DAS divisions' support for the effort (e.g., State Controller's Division and State Services Division).

While both agencies have been working on independent solutions to meet their current and future technology needs, DAS and ODOT recognized the value and importance of partnering to seek a strategic solution that can potentially be deployed statewide at such time as DAS' stand-alone systems are replaced or significantly modified.

Because of ODOT's exigent needs, DAS is supporting ODOT's pursuit of an integrated solution that meets ODOT's near-term needs and has the potential for being scaled to meet statewide needs in the future.

Shared DAS/ODOT Project Vision

To implement a strategic investment in technology that will meet the state's long-term needs while meeting ODOT's near-term needs.

Financial Services is a branch of ODOT's Central Services Division. Financial Services provides centralized accounting, financial reporting, payroll and benefits, budget development, economic and financial analysis, business planning, debt administration, cash management, the Oregon Transportation Infrastructure Bank, tax collection and auditing, revenue forecasting, tax policy analysis and cost allocation services.

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JOINT EFFORT

The joint effort to be undertaken in the 2007-09 biennium will include:

- An analysis and establishment of business requirements for ODOT and analysis of statewide HR business requirements.

- Further definition of the scope of the initial and subsequent releases of the system including interfaces between ODOT's new system and statewide systems.

- Detailed planning, acquisition and implementation strategies including detailed cost estimates.

- Preparation of requests for proposals (RFPs) for quality assurance oversight, software acquisition, and system integration and implementation services for the ODOT system.

If the program option packages are approved, DAS and ODOT will begin work in the 2007-09 biennium to complete the tasks outlined above. ODOT will begin its implementation process in 2007-09 and continue implementation through 2009-11, following legislative approval to do so. DAS will complete the planning process and determine if funding will be sought in the 2009-11 biennium to begin implementation of a statewide HR Module in collaboration with ODOT.

ODOT's preliminary estimate for total system acquisition and implementation costs over the span of three biennia is just over $22 million. This estimate does not include DAS expenses for planning and implementation of a statewide HR module. As pre-implementation work proceeds and system requirements are established, these numbers will be further refined.

OVERSIGHT AND REVIEWS

In addition to the interagency agreement, DAS and ODOT formed a steering committee to jointly plan and address any issues identified in moving toward an integrated system. The project will also receive external quality assurance reviews in accordance with DAS statewide policy. But just as importantly, DAS and ODOT will be making periodic presentations to the Joint Legislative Committee on Information Management Technology (JLCIMT), which also has oversight of such projects. The first presentation will be made at the end of November at which time the agencies will seek approval for the concept of a joint project as outlined above.

NEXT STEPS

Once the pre-implementation work ends, it is anticipated that the first phase of implementation will begin in July, 2009. This will allow for "go-live" of the first phase on July 1, 2010.

Integrated System Program Option Package (POP) Time Line

- ☆ June 2006—OTC approval of POP

- ☆ September 2006—Agency Request Budget submitted that included POP

- ☆ November 2006—Joint DAS/ODOT presentation to Joint Legislative Committee on Information Management and Technology

- ☆ December 2006—Governor's Recommended Budget approval of POP is expected

- ☆ January-June 2007—Presentations of POP to Ways and Means Committee

- ☆ July 2007—After receipt of legislative approval, pre-implementation work begins