Cardinal
Project Status

Senate Finance Subcommittee on General Government/Technology

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State Comptroller

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DOA
Virginia Department of Accounts

Financial Accountability. Reporting Excellence.

Statewide Financial Management System

- DOA/VDOT partnership to replace legacy systems using Oracle PeopleSoft software, Accenture integration services and VITA IT infrastructure

- Statewide Base Financials – general ledger, accounts payable, funds receipt

- VDOT-only Modules – accounts receivable, project accounting, procurement, time and attendance/labor distribution

- Replaces obsolete CARS and FMS systems
  - Provides powerful reporting capabilities to facilitate better decision-making and standardize data to optimize transparency
  - Essential first step towards expanding Statewide Base Financials system functionality to reduce operating costs of agency-based and central systems

Cardinal Timeline

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2004-05 – Business case, Enterprise Resource Planning (ERP) system evaluation

2006-07 – Full ERP and reduced ERP plans not fully funded

2008-09 – Cardinal plan approved, PS/Accenture contracts established

2010-12 – Statewide Base System and VDOT-only modules
- Part 1 – <u>in production</u> in VDOT – December, 2011
- Part 2 – <u>in production</u> in DOA – October, 2012
- Total cost $59 million funded primarily by VDOT

2013-2016 – Statewide Base System roll-out – Part 3
- Wave 1 – Cardinal-only agencies, <u>in production</u> – October, 2014 – 143 agencies, nearly 400 users
- Wave 2 – Cardinal Interface agencies, <u>in production</u> – February, 2016 – 137 agencies, 1,300 users
- Total budget $60 million funded by working capital advance (WCA)
- $52.4 million expended through January 31, 2016 – project on schedule, on budget

2017 – CARS to be decommissioned
- Cardinal becomes financial management system of record

Cardinal – Operating Budget

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Budgeted Annual Operating Costs	(Actual Costs) Wave 1 Agencies	Plus Wave 2 Agencies Rollout Complete	CARS Retired Cardinal - System of Record	
	FY 2015	FY 2016	FY 2017*	FY 2018*
Software (PS) Maintenance/License fees	$ 2,779,448	$ 3,454,000	$ 4,054,000	$ 4,257,000
Hardware / Equipment – VITA	2,677,235	2,750,000	3,300,000	3,465,000
Internal Staff (Salaried)	1,169,799	1,444,000	1,516,000	1,592,000
Post Production Support Contract/Staff	8,709,128	9,402,000	9,873,000	10,366,000
Facilities, Training, Indirect Admin.	208,945	923,000	1,317,000	1,383,000
WCA Repayment/Federal Payback	-	-	7,082,000	7,082,000
Total Cardinal System Operating Costs	$ 15,544,555	$ 17,973,000	$ 27,142,000	$ 28,145,000

* Working Capital Advance (WCA) and Federal payback begins in FY 2017 - $7.1 million annually/ 10 years

Cardinal – ISF Charges

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Budgeted Annual Operating Costs	(Actual Costs) Wave 1 Agencies	Plus Wave 2 Agencies Rollout Complete	CARS Retired Cardinal - System of Record	
	FY 2015	FY 2016	FY 2017	FY 2018
Total Cardinal System Operating Costs	$ 15,544,555	$ 17,973,000	$ 27,142,000	$ 28,145,000
Charge Allocations:				
VDOT Base System Charge	$ 2,366,048	$ 2,413,000	$ 4,045,000	$ 4,175,000
VDOT-only Modules Charge	6,378,615	6,506,000	7,262,000	7,625,000
VDOT Residual Charge	6,297,591	4,752,000	-	-
Agencies Base System Charges *	502,301	4,302,000	15,835,000	16,345,000
Total Charges	$ 15,544,555	$ 17,973,000	$ 27,142,000	$28,145,000
Charge Allocations – By Fund Type				
General Fund	$ 490,280	$ 1,727,000	$ 5,801,000	$ 5,984,000
Non-General Funds	$ 15,054,275	$ 16,246,000	$ 21,341,000	$ 22,161,000

* Agency charges upon conversion

CIPPS was originally implemented in the mid-1980s

– Software support guaranteed only through May 31, 2018
– Vendor support for payroll is critical to obtain software updates for federal and state tax tables and rule changes

Budget (SB 30 Item 261 B.1.) – working capital advance (WCA) to provide initial project funding

Payroll Assessment (in process)

– As-Is and To-Be process flows and narratives
– Agency surveys on key payroll and time and leave capture business functions
– White papers on key decision points such as consolidation of payroll frequencies and big-bang vs. phased implementation
– Cardinal Payroll system requirements
– Overall project and operating cost estimates and implementation timeline