



Virginia Enterprise Applications Program (VEAP)

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Agenda



- Business Case
- Vision
- Status
- Summary

EA Project Office



- Concept initiated by the General Assembly
- Office headed by a Director
 - 6 year contract
 - Bridge administrations
 - Provide continuity
- “Direct Commonwealth’s efforts to modernize central administrative systems”

Strong Business Case for Enterprise Applications



- Current enterprise legacy systems are hindering effectiveness of other large Commonwealth systems
- Business functionality cannot be realistically added to the current enterprise systems
- Numerous agencies are enacting manual and electronic workarounds
- Functionality and data overlaps with current systems

Enterprise Applications Benefits



- Centrally Managed
 - Supports Virginia’s ability to maintain position as best-managed state
 - Allows agencies to focus on core business functions
 - Provides economies of scale for non-core functions
- Less input systems
 - Reduces redundant functionality and systems, better data quality
- “Gold Source of Data”
 - Provides enhanced services to citizens & businesses
 - One employer, one vendor
 - Improves efficiencies and capabilities across agencies
 - Access to data without depending on or tasking other agencies

Financial Business Case



If an Enterprise solution was not being considered at this time, the Commonwealth would still face the need to replace its financial systems

Current systems do not support the needs of most state agencies.

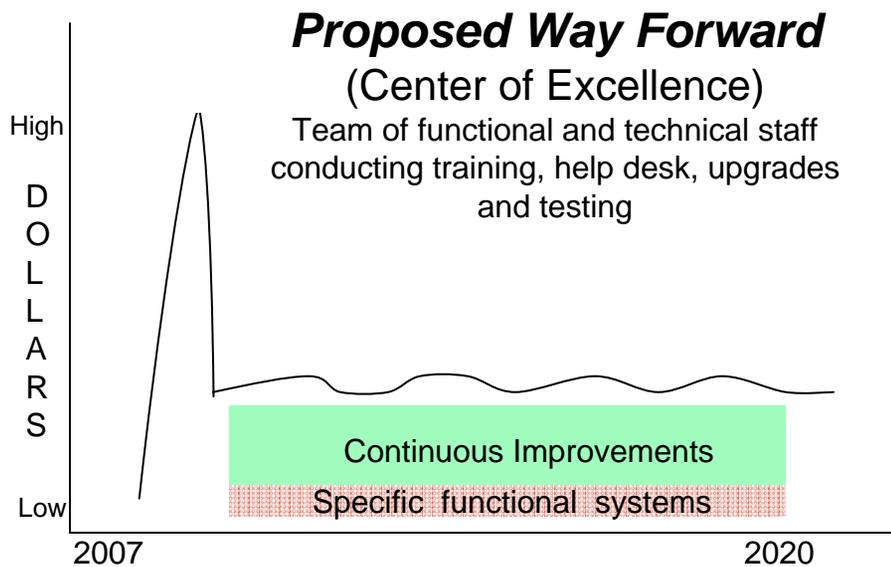
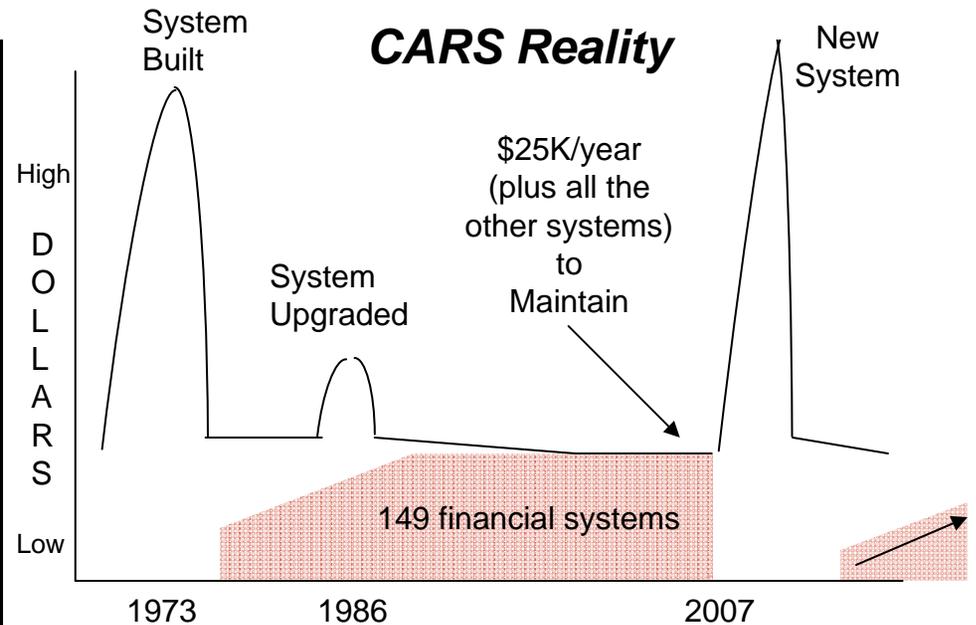
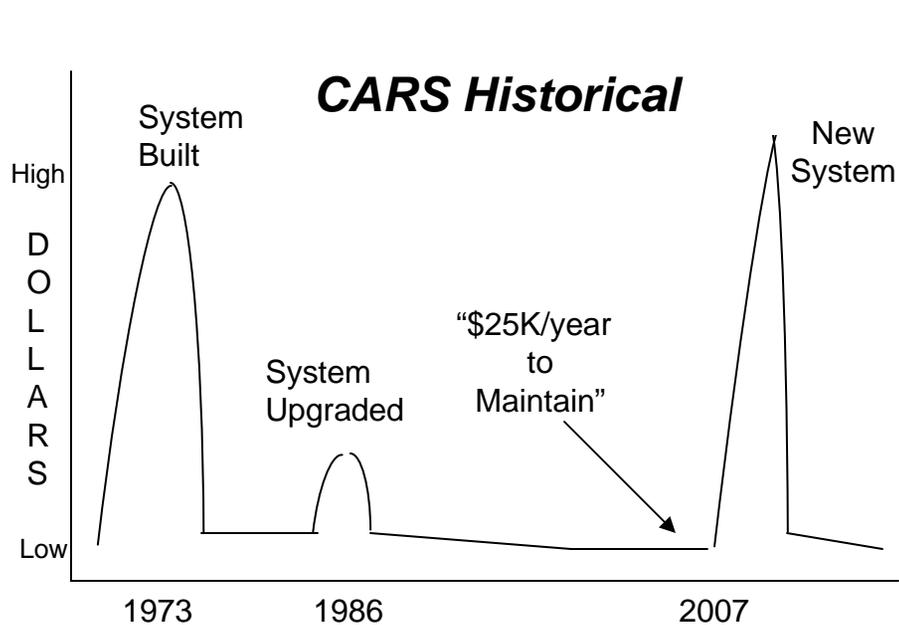
- Over 150 separate financial systems of various types were discovered during due diligence

The potential exists for material errors resulting from risks associated with legacy systems.

Concerns include:

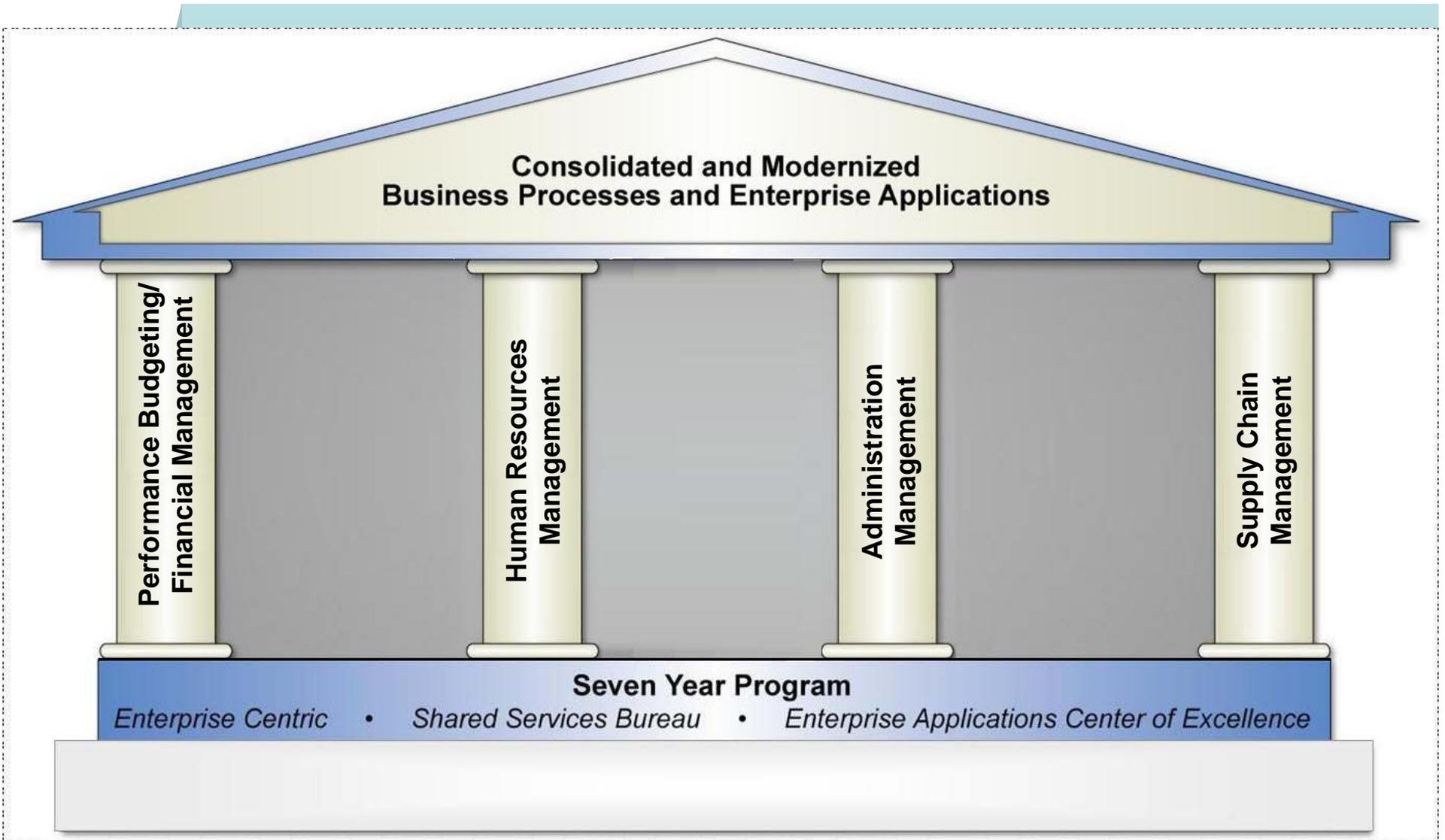
- Manual interventions
- Weaknesses in numerous reports as cited by the APA

Long Term Maintenance



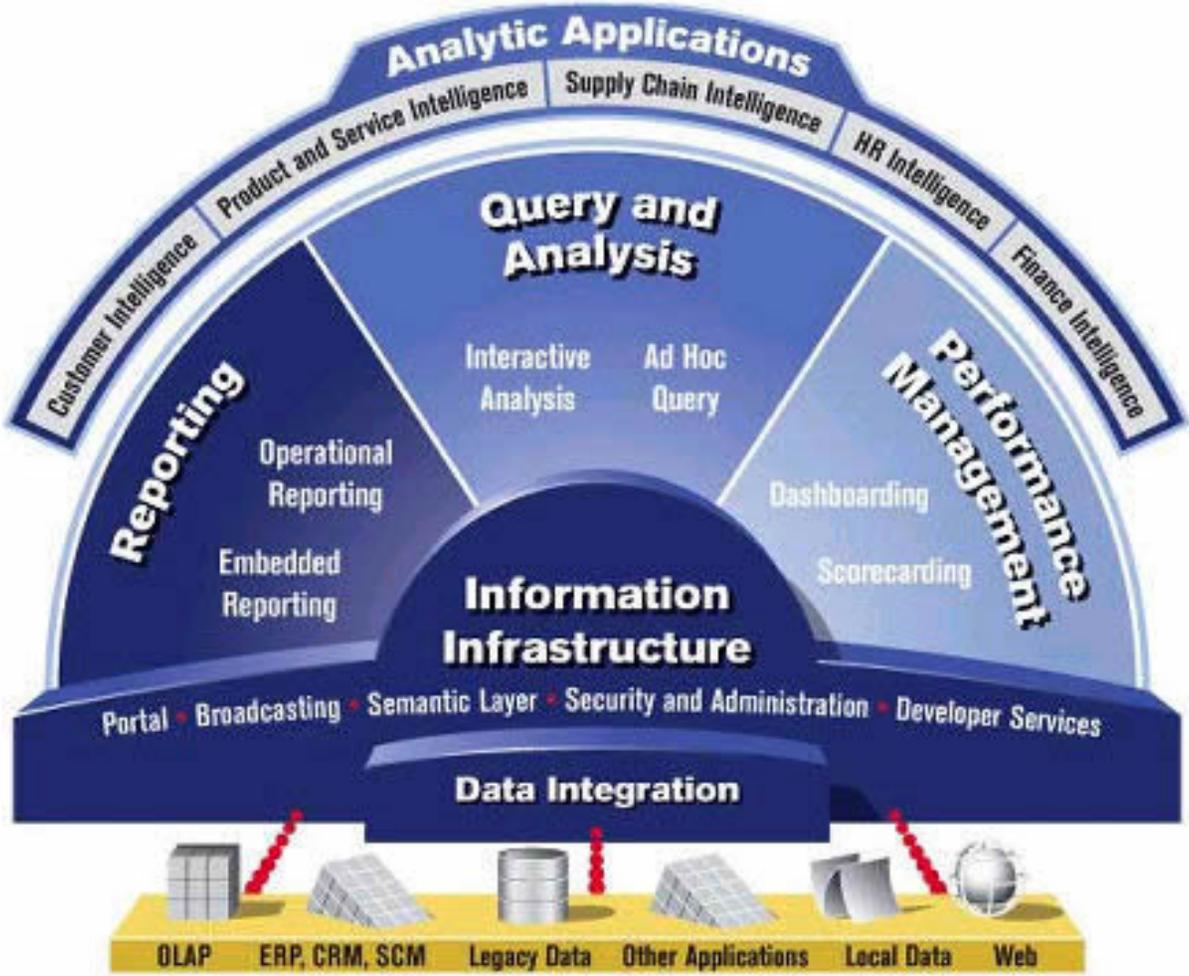
- Brand new systems are painful and disruptive to the organization
- Continuous upgrade of business rules, processes, and technology
- Old, documented software, running on current technology is very powerful

VEAP Overview



Enterprise Applications

Objective



Planning Status



- Statewide ERP Software Request For Proposals
 - Released March 9
 - Proposals received April 9th
- Future State Business Process Documents
 - 8 areas
 - New business processes and capabilities
 - New flow diagrams
 - Detailed requirements
 - Over 5000 currently documented

Performance Based Budgeting
General Accounting
Cost Accounting
Purchasing
Accounts Payable
Accounts Receivable
Fixed Assets
Time and Attendance, Labor
Distribution and Leave

Core Financials Replacement



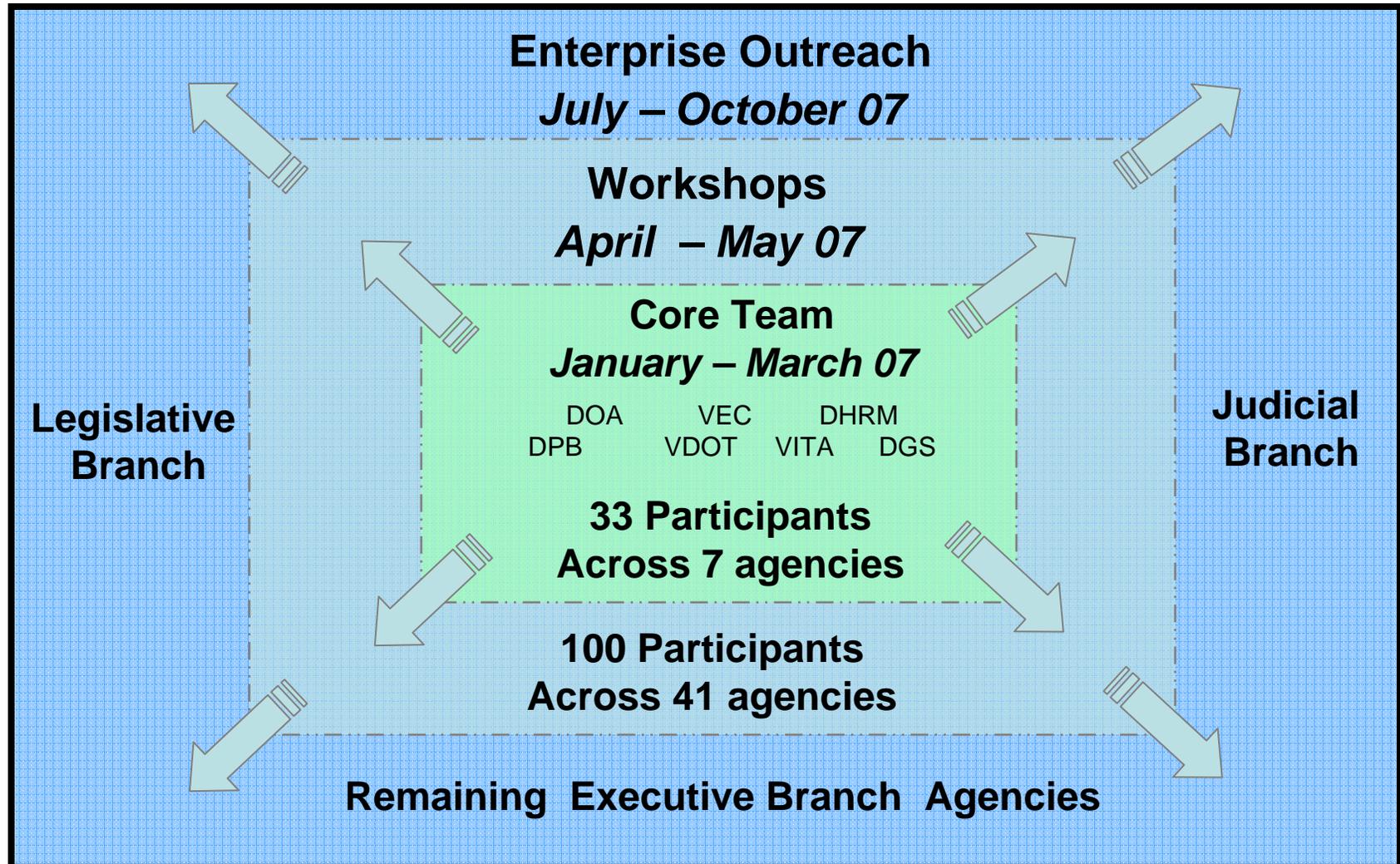
- Replacement of ProBud
 - All COVA entities impacted by replacement of ProBud
- Replacement of CARS
 - All COVA entities impacted by replacement of CARS
- Replacement of legacy financial systems outside of CARS
 - DGS, VITA, VEC and VDOT

What is the impact?

- Change Management
- Training
- Technical

**Open Lines of Communication
Top Down Support**

CoVA Team Members



Workshop Participants (April – May)



VEAP Future State Workshops - Participating Agencies

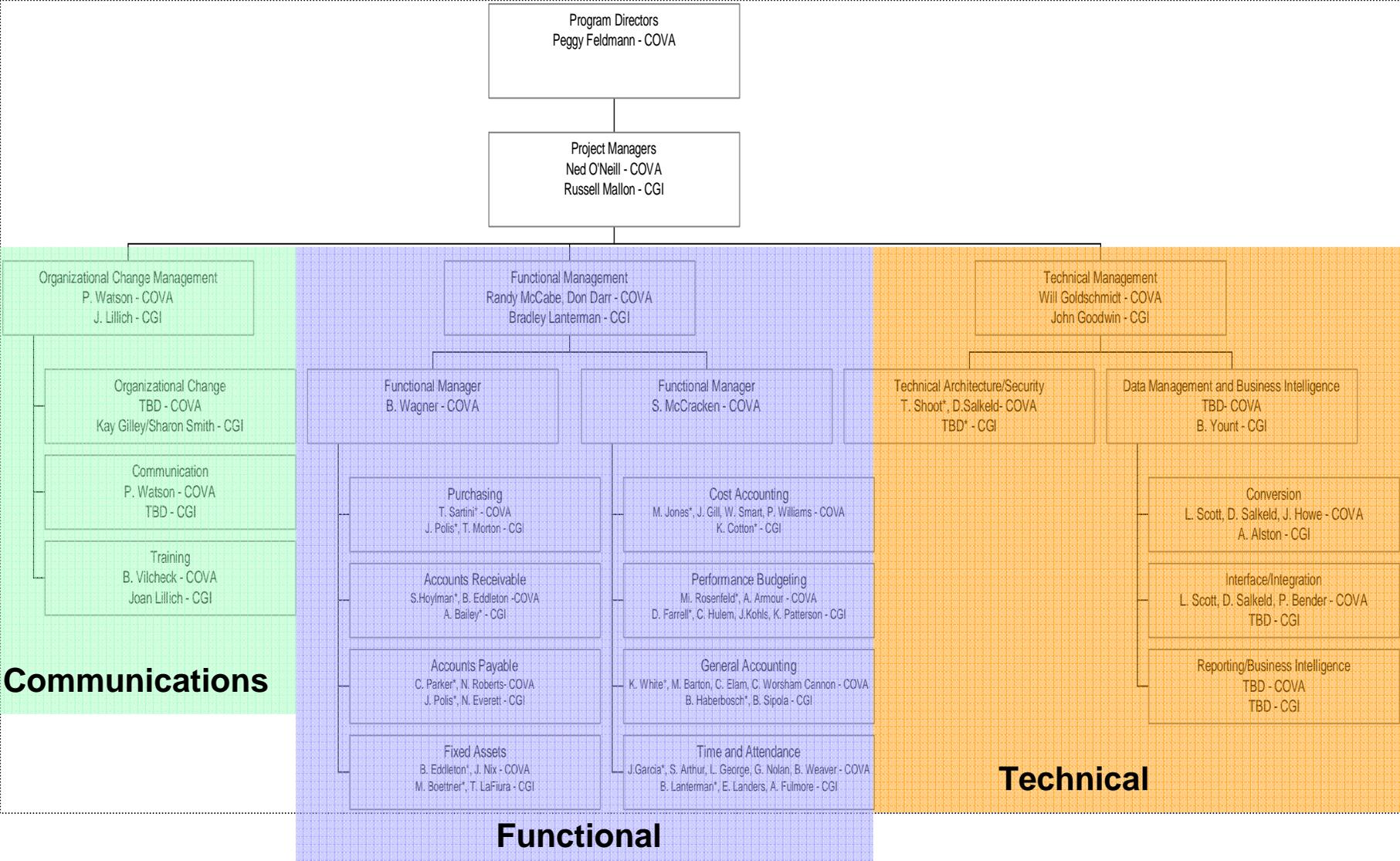
Attorney General	Department of Mental Health, Mental Retardation & Substance Abuse Services
Compensation Board	Department of Mines, Minerals and Energy
Department of Accounts	Department of Motor Vehicles
Department of Aviation	Department of Social Services
Department of Business Assistance	Department of State Police
Department of Charitable Gaming	Department of Taxation
Department of Conservation and Recreation	Department of the Treasury
Department of Corrections	State Corporation Commission
Department of Criminal Justice Services	State Council of Higher Education for Virginia
Department of Education	The Library of Virginia
Department of Emergency Management	Virginia College Savings Plan
Department of Environmental Quality	Virginia Department of Agriculture and Consumer Services
Department of Forestry	Virginia Department of Correctional Education
Department of General Services	Virginia Department of Transportation
Department of Health	Virginia Employment Commission
Department of Health Professions	Virginia Information Technologies Agency
Department of Historic Resources	Virginia Museum of Fine Arts
Department of Housing and Community Development	Virginia Retirement Services
Department of Human Resource Management	Virginia School for the Deaf and Blind at Staunton
Department of Juvenile Justice	Virginia School for the Deaf, Blind and Multi-Disabled at Hampton
	Virginia Workers' Compensation Commission

Future State Participant Goals



- Develop understanding of *DRAFT* Future State Business Processes
- Collect additional input and insights to improve the future state processes
- Discuss/validate *truly* unique functional requirements
- Identify and discuss business process change and expected organizational impacts from future business state

Project Team



Enterprise Applications



- Phase 1 – Draft Cost Estimate ~\$102 million*
 - Current appropriation covers cost of Project Planning (through General Design) ~\$11m
- Current Cost Summary
 - Integrator costs ~\$61m
 - Commonwealth (COVA) staff costs ~\$8m
 - Other COVA costs for software, hardware, PMO expenses (rent, equipment, supplies, etc.) ~\$27m
- Final cost will be confirmed during Project Planning

* includes 5% contingency

Enterprise Applications



- Phase 1 – Funding will come from several sources, released by ITIB (through VTIF) as appropriate
 - Current General Fund Appropriation - \$11m split between years: \$5.5m in FY07 and \$5.5m in FY08
 - \$5.5m approved by ITIB for planning and product selection
 - Will need to advance FY 08 funds to FY 07 to keep project moving
 - Additional funds will be needed. Sources will include:
 - Additional General Fund support from the General Assembly
 - Consolidated Collections in partnership with CGI (estimated at \$71m over 8 years)

Enterprise Applications



- Working Capital Advance
 - Needed to ensure project continuity following the completion of planning
 - Project Funding Timeline Gap
 - Planning is complete and \$11m of planning funds are exhausted between end of FY 07 and first quarter of FY 08
 - Development phase must begin immediately to meet planned project timeframes
 - Revenue generating engines may not yield enough in year 1 to sustain development continuity
 - Additional development funding will be included in FY 08 caboose bill but would not be available until late FY 08

Enterprise Applications Estimated Cost by Fiscal Year for Phase I



	CGI Charges	COVA Charges w/out staff	COVA staff	TOTAL
FY 2007	8,719,897	968,000	899,200	10,587,097
FY 2008	23,209,877	20,273,750	1,175,552	44,659,179
FY 2009	20,860,027	3,298,750	6,422,336	30,581,113
FY 2010	8,405,232	2,530,750	-	10,935,982
Subtotals	61,195,033	27,071,250	8,497,088	96,763,371
			Contingency (5%):	4,838,169
			Total Estimated Cost	\$ 101,601,540

Summary



- Strong Business Case for improving the Commonwealth's core business systems
- Vision, objective and execution are falling into place
- Commitment to continuous improvements will sustain Virginia as the best managed state
- The COVA team is very strong