

Shared Service Example Human Resources (Payroll)

HR/Payroll

(Scope & Participants)

Deliver a shared service solution that:

- 1) Meets critical agency Time, Attendance, and Leave (TAL) capture and reporting requirements
- 2) Is based on an enhanced version of the Virginia Alcoholic Beverage Control's myABC solution

Lead: VEAP & DHRM

Participating in Requirements Working Group:

DHP, DHR, DJJ, DMAS, DMHMRSAS, DMV, NVCC, TAX, VDACS, DOC, VDEM, VDH, DSS, VITA, VSP

Larger participation in HR Stakeholder Working Group

Other Key Stakeholder Agency: DOA

myABC provides functionality beyond Time, Attendance and Leave

Commonwealth Payroll

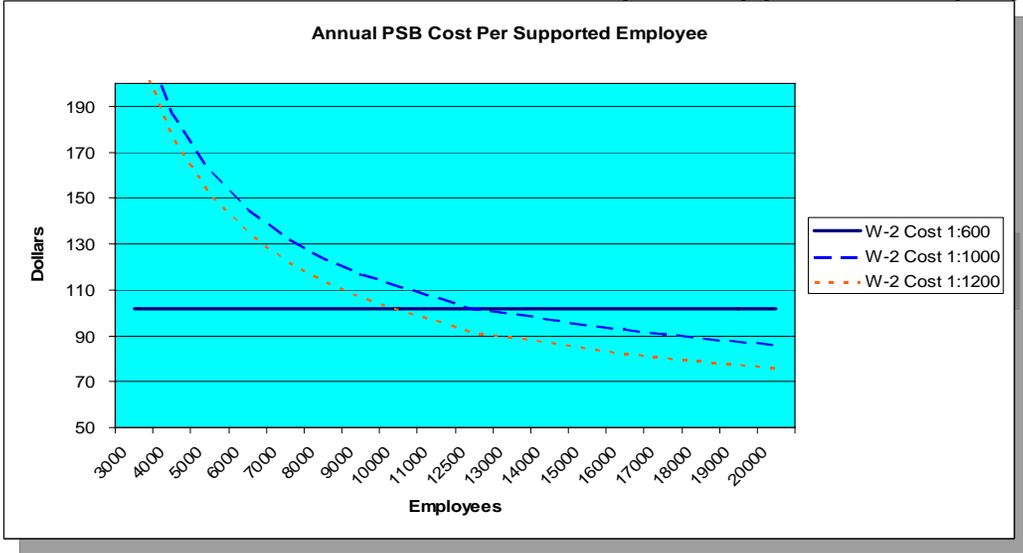
(Current)

- 90,000 Executive Branch Employees
 - (74,000 Classified & 16,000 Wage)
- 12,500 Employees serviced by the PSB
 - PSB Ratio 1:600 (Clerk:Employees)
 - PSB Fee \$102 per supported employee
 - PSB Fee pays personnel costs
 - Fully burdened PSB clerk ~\$61,000 annually

Commonwealth Payroll (Example with PSB & myABC)

- Employees serviced by the PSB
 - Improved PSB Ratio 1:1000
 - PSB Fee \$83 per supported employee
 - PSB Fee includes personnel and myABC infrastructure
 - Includes burdened labor cost of \$63 per supported employee annually
 - Includes infrastructure cost \$20 per supported employee annually

Ratio could be
1:1200



Savings or Cost Avoidance of \$1.2M annually for 40,000

myABC ROI

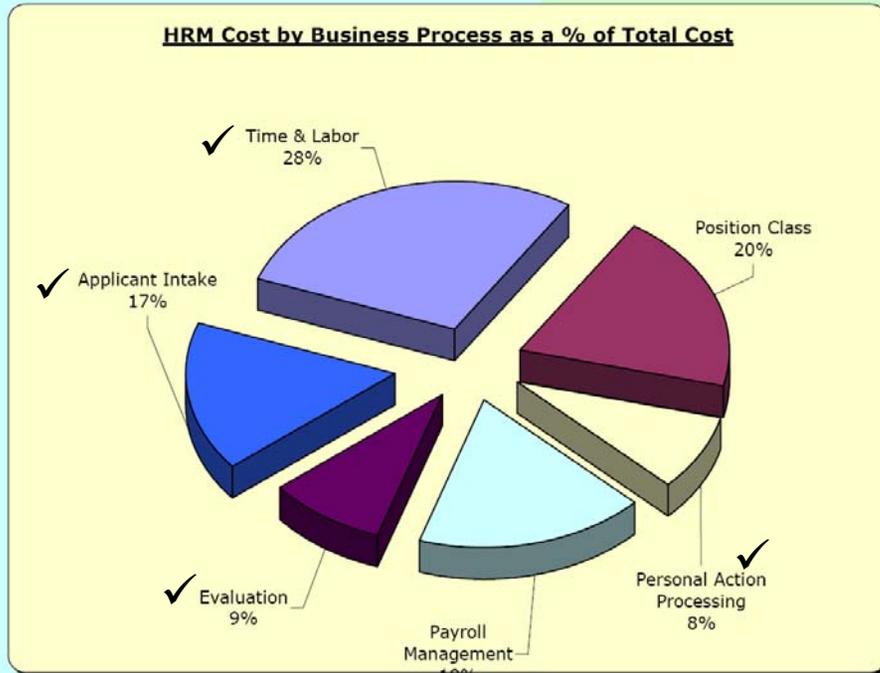
Annual Costs	Y1	Y2	Y3	Y4	Y5	Total
HW	\$ 173,000	\$ 173,000	\$ 173,000	\$ 173,000	\$ 173,000	\$ 865,000
SW	\$ 20,000	\$ 20,000	\$ 20,000	\$ 20,000	\$ 20,000	\$ 100,000
SI/Maint	\$ 748,364	\$ 200,000	\$ 200,000	\$ 200,000	\$ 200,000	\$ 1,548,364
Total	\$ 941,364	\$ 393,000	\$ 393,000	\$ 393,000	\$ 393,000	\$ 2,513,364
Employees	12,500	15,000	20,000	30,000	40,000	
PSB @ \$63 Annually	\$ 787,500	\$ 945,000	\$ 1,260,000	\$ 1,890,000	\$ 2,520,000	\$ 7,402,500
myABC @ \$22 Annually	\$ 275,000	\$ 330,000	\$ 440,000	\$ 660,000	\$ 880,000	\$ 2,585,000
Y1 SI/Maint = \$750,000K for SI. Y2-Y5 = 200,000 for two FTEs						

Savings / Cost Avoidance after infrastructure costs	Y1	Y2	Y3	Y4	Y5	Total
1:1000 Ratio	\$ 5,661	\$ 107,327	\$ 310,661	\$ 717,327	\$ 1,123,994	\$ 2,185,000
1:1200 Ratio	\$ 132,744	\$ 259,827	\$ 513,994	\$ 1,022,327	\$ 1,530,661	\$ 3,335,000

Cost per supported employee		
Employees	PSB & myABC 1:1000	PSB & myABC 1:1200
12000	\$ 101	\$ 91
15000	\$ 95	\$ 84
20000	\$ 86	\$ 76
30000	\$ 78	\$ 68
40000	\$ 74	\$ 63

HR / Payroll

(June 2005 Due Diligence Findings)



Potential for additional cost avoidance with the \$500,000 annual investment

4 of 6 functions within myABC

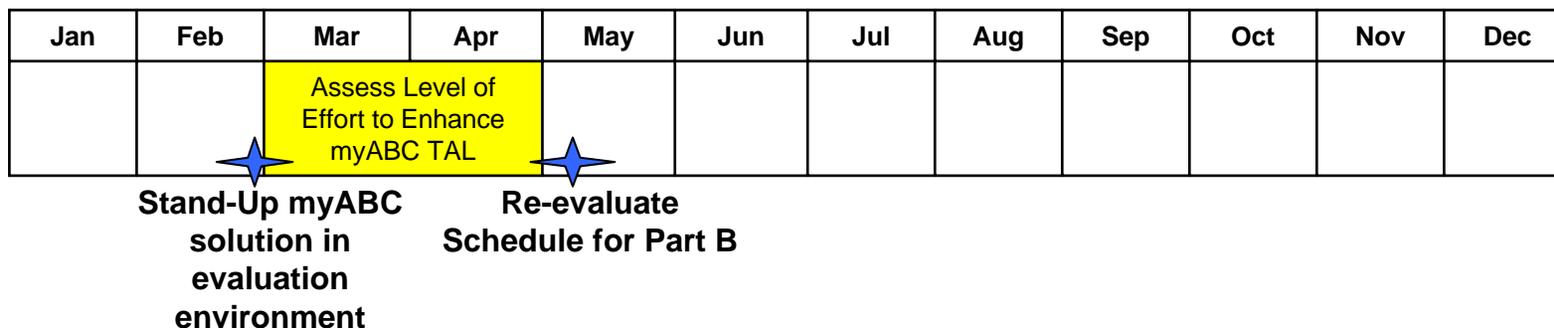
Exhibit 9 Cost Estimate by HR Function

Function	Total Annual Cost (1000's)
Time & Labor	\$10,224,140
Position Class	\$7,109,338
Personal Action Processing	\$2,930,084
Payroll Management	\$6,451,235
Evaluation	\$3,201,848
Applicant Intake	\$5,922,988
Total	\$35,839,684

HR / Payroll (Timeline)

Part A - Assess Level of Effort to Enhance myABC TAL

2009



Part B – Desired Timeline (Subject to Revision Based on Part A Assessment)

2009

