

***Virginia Department of Transportation
FMS Upgrade Project
Status Presentation to the ITIB***

July 19, 2006

Project Overview

PHASE I : FMS PROJECT PLANNING

- ◆ Project Justification: Reduce the risks associated with unsupported application and supporting platform
- ◆ Scope: Evaluation of the current supported version of PeopleSoft's financial management products necessary to replace the existing functions of FMS II; Capital Assets requirements added to scope in October 2005
- ◆ Deliverables: Detailed Business Requirements, Fit Gap Assessment, Phase II Implementation Cost and Schedule Estimate
- ◆ Goal: Leverage "delivered" software to meet VDOT business requirements. Minimize number of modifications made to the new FMS

Project Overview

PHASE I : FMS PROJECT PLANNING DELIVERABLES

- ◆ Detailed Business Requirements
- ◆ Fit Gap Assessment
- ◆ Phase II: Implementation Cost and Schedule Estimate

VITA STATUS REPORTING

- ◆ On-Time Project Completion
- ◆ On-Budget Completion
- ◆ VITA Dashboard status consistently “GREEN”

FMS Upgrade Project

Phase I Requirements Gathering Facts

Module	No. of Processes	No. of Requirements	No. of Interviewees
Accounts Receivable	17	624	77
General Ledger	9	382	91
Purchasing	13	1125	81
Time Entry	10	527	82
Accounts Payable	11	676	92
Enterprise Planning & Budgets	12	375	182
Operational Reporting	3	542	460
Capital Assets	10	159	66
Totals	85	4410	1131

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Phase I Lessons Learned

- ◆ VDOT business requirements are data driven (data, processes, business rules)
 - Internal agency policies, procedures
 - External mandates (DOA, APA, and GAAP compliance)
 - Federal requirements (FHWA, FEMA, IRS)

- ◆ Standard business processes exist – there are BPR opportunities

- ◆ Some DOT-specific functions/requirements will not be met by any “delivered” system

- ◆ Significant need for data analysis capabilities
 - In addition to need for specific data elements, “data warehouse” concept raised consistently across functional areas

- ◆ “Vanilla” implementation is not realistic
 - Reports, interfaces and conversion require significant levels of effort
 - Research indicates the need for some level of customization

- ◆ Limited agency subject matter expertise
 - Much of the detailed knowledge exists with a few key individuals
 - Progressively aging workforce

- ◆ Implementation costs for a VDOT-specific solution \$30-\$35m over 3 years

Recommendations

VDOT DIRECTION

- ◆ In light of the PPEA EA project, VDOT will not move forward with the FMS Upgrade implementation
- ◆ Fully support the Enterprise Applications project – dedicate necessary resources
- ◆ Begin to analyze DOT-specific functions for possible alternative solutions
 - New processes and technologies

VDOT PRIORITIES FOR NEW SYSTEM

- ◆ Financial Accountability (including Capital Assets)
- ◆ Budgeting and Federal Programming business processes
 - Federal Funds Management, Financial Planning, Cash Forecasting
- ◆ Robust Data Warehouse / Reporting capabilities
- ◆ Integrated Procurement solution
 - Completed analysis of full eVA-FMS II integration
- ◆ Integrated HR solution

Considerations

- ◆ VDOT has a very real technical risk
 - 5 of the top 10 technical risks identified in 2003 have been realized
 - Current risks will NOT be mitigated until a new solution is available
 - ⇒ Security Software vendor is out of business
 - ⇒ No support from Oracle for Oracle database (unsupported version)
 - ⇒ No support from Oracle for PeopleSoft application (unsupported due to version and significant modifications)
 - ⇒ Staff turnover (market skills are not available for antiquated technology)
 - ⇒ Reporting failures (threat of incompatibility between FMSII and desktop applications, such as Microsoft Excel)
 - Only short-term operational solutions exist (using CARS and eVA for transaction processing)

- ◆ 3 Step Risk Mitigation effort underway
 - Freeze of technical environment
 - Staff augmentation strategy
 - Financial Reporting solution

- ◆ Financial and Audit Risk
 - Fiscal accountability is core to VDOT's mission
 - Imperative to have new solution ASAP