

# **Request for Information**

RFI

&

Responses



**STATE OF ALASKA**  
**REQUEST FOR INFORMATION**  
**Statewide Administrative Systems Replacement Project**  
**March 2010**

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To: All Interested Software Providers/Vendors  
Re: Request for Information Regarding a Statewide Administrative Systems Replacement

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**OVERVIEW**

The State of Alaska is issuing this Request for Information (RFI) in support of a Statewide Administrative Systems Replacement project. The information obtained from the RFI responses will be used to help structure a Request for Proposal (RFP) that will be issued later this year. This request (RFI) is an informal action and will not prequalify vendors for or preclude vendors from competing in the resulting RFP process.

The Statewide Administrative Systems Replacement RFP process will follow the standard State of Alaska procurement rules and include all applicable Alaska preferences. The State will not use a Limited Competition Procurement process. Specifically, the current Alaska Statute rules that apply are:

- A 5% Alaskan Bidder Preference will be applied prior to evaluation per 2 AAC 12.260 and AS 36.30.170 to qualifying proposals prior to evaluation.
- Vendors that qualify for the Alaskan Bidder Preference will receive 10% of the total available scoring points which will be added to the overall evaluation score of a proposal.

The State will use a performance based procurement model that will select the best-value vendor based on evaluation factors including cost.

**EDUCATIONAL MEETING**

A best-value vendor educational session will be held on **March 31, 2010** to discuss the best-value selection process which will be used for this procurement. The best-value procurement model is a paradigm shift from the traditional procurement model previously used by the State. It is strongly recommended that interested vendors attend a minimum of one educational session and vendors are welcome to attend multiple sessions. The current schedule for the procurement process:

Event	Date	Time	Location
Request for Information (RFI) Release	03/04/10		
Best-Value Educational Session 1*	03/31/10	1 pm to 4 pm	Division of Personnel Training Room
Request for Information (RFI) Due	04/22/10		
Request for Proposal (RFP) Release	06/21/10		

Event	Date	Time	Location
Best-Value Educational Session 2*	06/29/10	8 am to 12 pm	Division of Personnel Training Room
Best-Value Educational Session 3*	07/21/10	8 am to 12 pm	Division of Personnel Training Room
Pre-proposal Conference *	07/21/10	1 pm to 4 pm	Division of Personnel Training Room
Request for Proposal (RFP) Due	10/01/10		
Preferred vendor notification	11/12/10		
Notice of Intent to Award (NIA)	05/31/11		

\*Best-Value Education Sessions and Pre-proposal Conference will be held in Juneau, Alaska at 333 Willoughby Avenue, State Office Building, 10<sup>th</sup> floor training room.

General information related to the procurement process:

- The best-value educational sessions will not include a teleconference component.
- Each best-value educational session will be driven off the same presentation.
- Pre-proposal conference will be held following the third educational session.
- Pre-proposal conference will review the RFP content and include a question and answer session.
- Pre-proposal conference will have teleconference capability.

A maintained list of the procurement schedule with any updates to dates, time, and location information is available on the Department of Administration, Division of Finance <http://fin.admin.state.ak.us/dof/sysrepl> web site.

To register for an educational session, please submit an RSVP to Staci Augustus at [Staci.Augustus@Alaska.gov](mailto:Staci.Augustus@Alaska.gov) for information and to confirm time and location.

### **BACKGROUND INFORMATION**

The State anticipates issuing an award to a vendor that is capable of replacing existing systems and adding additional functions to create an integrated Statewide Administrative System. As described below, a number of applications comprise the State's current administrative systems with some of them scheduled for decommissioning as different integrated components of an Enterprise Resource Planning (ERP) solution are implemented.

#### Alaska Statewide Accounting System (AKSAS)

The Alaska Statewide Accounting System (AKSAS) is a custom application developed by Price Waterhouse and implemented in 1985. It serves as the general ledger for state government and pays the State's 56,500 vendors, grantees, and beneficiaries through overnight batch processing of transactions created by online data entry. Approximately 3,300 employees in all three branches of government from across the state use AKSAS with an average of 550 concurrent users. A hierarchal structure exists that allows financial accounting by fund, appropriation, organization, program, project, contract, and grant. Current and legacy financial data is maintained in a separate data warehouse to allow real-time reporting and provide continuity of business information into the future. Details related to AKSAS can be reviewed at [http://fin.admin.state.ak.us/dof/aksas\\_handy\\_guide/handy\\_toc.jsp](http://fin.admin.state.ak.us/dof/aksas_handy_guide/handy_toc.jsp) on the

State's web site. This application will be decommissioned and replaced as part of the Statewide Administrative Systems Replacement project.

#### Alaska Statewide Payroll System (AKPAY)

The Alaska Statewide Payroll System (AKPAY) is a vendor-supplied payroll software product, Empower, which was implemented in 1990 and is substantially modified to accommodate the State's requirements. It provides payroll services to the State's 16,500 permanent and seasonal employees in either a semi-monthly or biweekly payroll cycle. Employees are distributed among 13 groups, each with different pay and benefit packages. AKPAY has 1,250 users in all three branches of government with an average of 150 concurrent users entering updates online from across the State. An integrated HR module is not deployed with AKPAY and a variety of different processes, many of which are manual, are used to manage employee HR related actions. This application will be decommissioned and replaced as part of the Statewide Administrative Systems Replacement project.

#### Alaska Data Enterprise Reporting (ALDER)

The State initiated the Alaska Data Enterprise Reporting (ALDER) data warehouse project to secure legacy data from AKSAS, AKPAY, and the WorkPlace Alaska recruitment systems. In October 2008 the business intelligence platform, driven by Business Objects, was implemented to allow real-time reporting on AKSAS financial data from 2001 to present for 900 users in all three branches of government. The project team is currently working on AKPAY payroll reporting capability which will be in production later this year, with WorkPlace Alaska reporting shortly thereafter. It is anticipated that an additional 300 users will be added to the system. The State will NOT decommission this application as part of the Statewide Administrative Systems Replacement project, but ALDER must integrate with the solution.

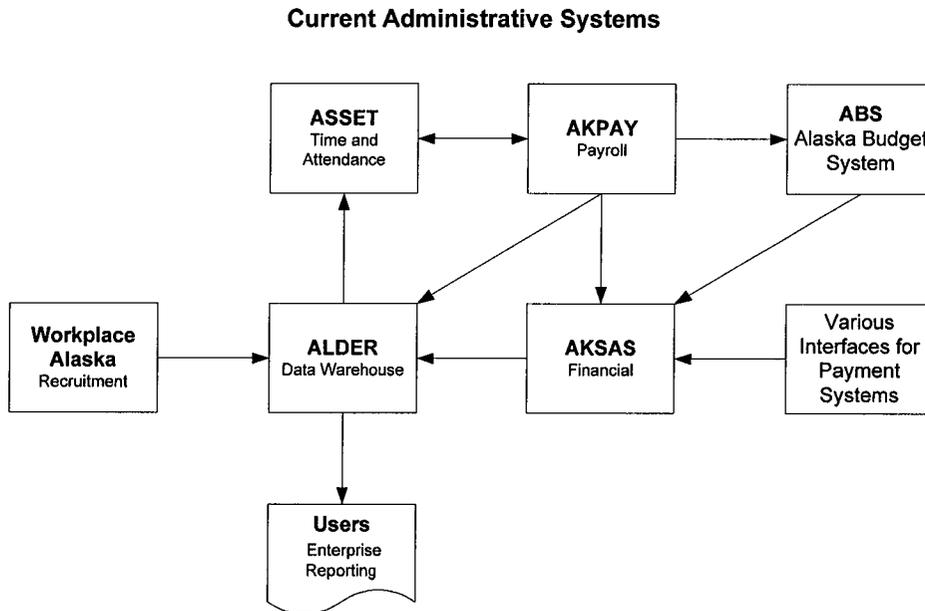
#### Alaska Statewide System for Employee Time (ASSET)

TimeLink International Corporation and the State are implementing a time and attendance solution known as Alaska Statewide System for Employee Time (ASSET), which is scheduled for deployment in the summer/fall of 2011. The comprehensive system will automate the highly manual process of collecting time and attendance for 16,500 employees in all three branches of government through a browser-based collection and approval application. The system will receive an interface from ALDER to acquire financial information for cost collecting of personal services. In addition, the system will be tightly coupled with AKPAY to acquire essential employee information so that time and attendance records can be generated and provided to the payroll system for processing. The State will NOT decommission this application as part of the Statewide Administrative Systems Replacement project, but ASSET must integrate with the solution.

#### Alaska Budget System (ABS)

The Alaska Budget System (ABS) is the State's central budgetary development system used to develop and track budgets and supporting documentation for State agency operating and capital budgets. It currently meets all major functional requirements and is adaptable to meet demands over the next ten years. The custom built system is based on current technology using a client/server architecture and has infrequent version updates to the application. The State will NOT decommission this application until ABS has exhausted its useful lifecycle. In the interim the solution must integrate with ABS.

The following illustrates the current administrative systems and their relationship to each other.



The State does not have a statewide procurement system. The most significant procurement system is implemented at the Department of Transportation with the BuySpeed product offered by Periscope Holdings, Inc. It has 3,600 vendors and 1,000 users to support the majority of department purchases, except for fleet vehicles and credit card requisitions for general office supplies. It is anticipated that 43,000 vendors and 6,000 users in all three branches of government will utilize an integrated enterprise solution for procurement. The State desires an integrated procurement system as part of the Statewide Administrative Systems Replacement project.

Some of the State's major issues with its current administrative systems infrastructure are:

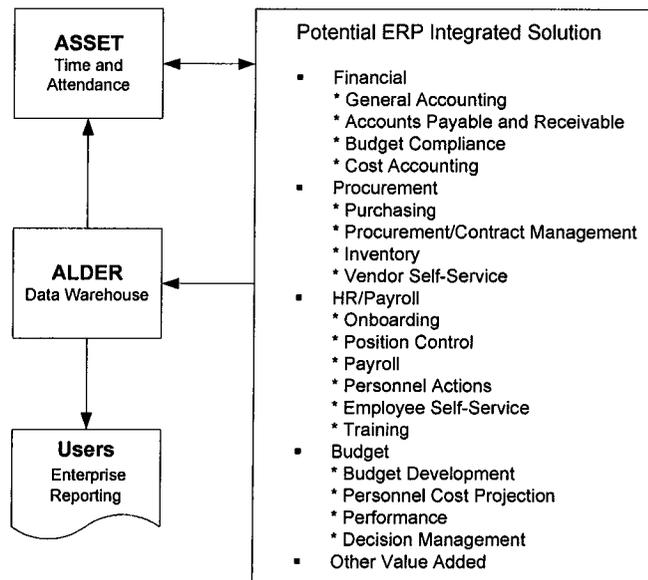
1. Lack of timely data exchange between systems and increased possibility for data discrepancy.
2. Heavy reliance on custom interfaces, controls, and reconciliation between stand-alone systems that involves a manual component.
3. Need for duplicate data entry for a single event in disparate systems.
4. Weak revenue accounting that does not include a customer record to track incoming payments.
5. Non-intuitive green screens for user interface and limited help functions.
6. Costly mainframe environment.
7. Existing applications have multiple programming languages, different database platforms, and are not easily modified to support changes in business processes.
8. Inconsistent approaches to security, including the fact that user access and authority is not controlled by a single point of entry.

## VISION OF THE FUTURE

The State desires a fully integrated statewide administrative solution that automates many of the State's business processes with a best-practice approach; minimizes total cost of ownership for the State; and facilitates provision of essential services to the citizens of Alaska. The State envisions the ASSET (time and attendance) and the ALDER data warehouse systems will remain and be integrated into the overall solution. They will help bridge the gap between legacy systems and an ERP solution by reducing the level of change management necessary, since State employees will already be accustomed to these systems. The ABS budget system will also be integrated with the new system until it reaches end of life.

The following illustrates the State's vision of administrative systems and their relationship to each other.

### Long-term Future of Administrative Systems



Some of the State's major objectives and goals for the new ERP solution are:

1. Improved business process efficiency and effectiveness emphasized by capturing transactions in real-time, automated workflow, and the elimination of duplicate entry, batch synchronization, and manual reconciliation processes.
2. Create an environment for State employee's that expands their ability to interact and process work through an integrated service organization. Employees are trained to solve problems and are equipped with the necessary tools to perform their jobs.
3. Improved quality, consistency, and accessibility of information available to State managers, supporting better decision-making through real-time distribution of information and consistent application of State accounting code structures.
4. Fully automated "req-to-check" procurement process that ties payment to requisition for easy auditing and research.
5. Efficiency increases through reduced paper and manual processing to allow State employees to be more effective.
6. Provide self-service for vendors and State employees.
7. Reliable audit capability for all processes.

8. A technically current solution with a manageable total cost of ownership.
9. Effective, agile, and easily managed role-based security.
10. Complete integration of all components.
11. Disaster recovery and continuity of operations capability.

#### **SCOPE OF VENDOR EFFORT**

The State anticipates procuring the following products and services as part of the Statewide Administrative System Replacement effort:

1. An integrated finance, procurement, human resources, and payroll application, including:
  - Accounts receivable and payable
  - General ledger
  - Project accounting
  - Grant and contract management
  - Fixed assets
  - Cost allocation
  - E-Procurement
  - Personnel action
  - Position control
  - Self-service
  - Payroll
  - Capital and operating budgeting
2. Comprehensive implementation services, including:
  - Discovery and business rules documentation
  - Software configuration
  - Data conversion
  - Interface development
  - Application testing
  - User and technical operations training
  - Post go-live stabilization
3. Associated process re-engineering services.
4. Ten years of software maintenance.
5. Hardware specifications for the solution, including production, quality assurance, development, and fail-over environments that comply with State standards listed at the <http://doa.alaska.gov/ets/plan/standards.html> web site.

#### **ESTIMATED BUDGET**

A capital budget appropriation of \$41 million was allocated in fiscal year 2008 to begin the process of upgrading the statewide administrative systems. The State estimates that \$30 - \$35 million will be available under a fixed price contract for product licensing, maintenance, and system integrator services to implement a solution. It is anticipated that the residual will be used to cover Quality Assurance contracts and internal implementation costs associated with State personnel and office space.

#### **RFI RESPONSE CONTENT**

Note: This is **not** a request for bid or a proposal. No contract or purchase order will be issued as a result of submitting a response to this RFI. This is a request for information that will be used to assist the State

in preparing a future RFP. Your response to the questions below will help us run a procurement that is responsive to the needs of both the State and the vendor community.

1. Knowing that the State is not an expert on ERP implementations, please identify what information you will need in the RFP to prepare an accurate fixed price proposal. Please be as specific as possible so we can provide you with the appropriate information and data in the RFP.
2. What external barriers (or risks) to the vendor exist to implementing a statewide ERP solution for Alaska?
3. If there are specific items (internally) the State can begin working on now to facilitate a more efficient solution once the best-value vendor is selected, please describe what those would be.
4. Given the scope as outlined and the proposed budget of \$30 - \$35 million, how far can the State reasonably expect to get in implementing the different ERP modules?
5. What general implementation timeline and sequencing of ERP functionality might the State expect?
6. How much time will you need to prepare a response to an RFP?
7. Please provide any other comments or recommendations.

Please submit your response by **April 22, 2010**. Please include a cover page with your company name, point of contact, phone, fax, and email in case the State wishes to clarify a response. A 30-60 minute teleconference is scheduled for May 19, 2010 to debrief respondents and other interested parties with the analysis of the RFI results.

You may submit your response electronically via email (preferred) or in hardcopy:

Staci Augustus  
[Staci.Augustus@Alaska.gov](mailto:Staci.Augustus@Alaska.gov)  
Department of Administration  
PO Box 110208  
Juneau, AK 99811-0208

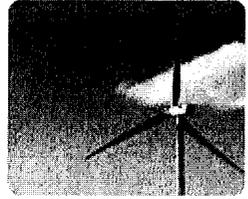
*results of this  
RFI could  
result in*

## **AMENDMENT TO REQUEST FOR INFORMATION**

This notice serves as clarification to the information contained in the Department of Administration's Request for Information (RFI) for Statewide Systems Replacement Project issued on March 3, 2010. The Estimated Budget section on page 6 of the RFI stated that an estimated \$30-\$35 million will be available for licensing, maintenance, and system integrator services to implement a solution. This estimate is based on the monies available from previous legislative appropriations, and was not intended to establish a limit for the cost of the entire project. Depending on the cost information received in response to this request for information (RFI), and any subsequent request for proposals (RFP), the Department of Administration has the option to seek additional funding if the current appropriation is determined to be insufficient.

Be advised that this RFI is not a solicitation. It is for the purpose of obtaining relevant information to assist the State in the development of a future solicitation to enable the State to procure replacement of several existing software systems and to determine if an integrated Statewide Administrative System is feasible.

**BUILDING A WORLD OF DIFFERENCE®**



**STATE OF ALASKA**

**Statewide Administrative Systems  
Replacement Project  
Request for Information**

April 22, 2010

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STATE OF ALASKA  
STATEWIDE ADMINISTRATIVE SYSTEMS REPLACEMENT PROJECT

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# EXECUTIVE SUMMARY

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## EXECUTIVE SUMMARY

Black & Veatch Corporation (Black & Veatch) appreciates the opportunity to respond to the State's RFI and to share information that may assist the State in its Administrative Systems Replacement Project. Our team commits to providing the State with experienced and highly skilled resources for this very high profile and important project. We hope that the information provided herein is of value to the State as it prepares to create a RFP document. Our firm has substantial experience in providing senior level management services designed to assist the State in delivering this project in a best-value offering.

### ***Project Management and Team Experience***

Black & Veatch has built a highly skilled team with deep Enterprise Resource Planning implementation experience and a renowned team of executive Project Management Office personnel.

### **Black & Veatch**

Black & Veatch has prior experience working with the State of Alaska, and has a reputation for being a trusted provider of IT and utility projects. Other Alaska based customers include:

- Alaska Department of Transportation & Public Facilities
- Alaska Electric Generation & Trans. (AEG&T)
- Alaska Energy Authority
- City of Ketchikan
- City of Petersburg
- City of Valdez
- Kodiak Island Borough
- Agrium U.S.
- ALASCONNECT
- ASCG Inc.
- Chugach Electric Association, Inc.
- ENSTAR Natural Gas Company
- Golden Valley Electric Association

### ***Valued ERP Clients in the Public Sector:***

State of California  
City of Charlottesville, VA  
City of Simi Valley, CA  
County of Bernalillo, NM  
County of Clark, NV  
County of Multnomah, OR  
County of Sacramento, CA  
County of San Luis Obispo, CA  
County of Washoe, NV  
Imperial Irrigation Utility Agency  
Fairfax County Water Authority  
Marin Municipal Water District

Over the past seven years Black & Veatch has established itself as a "go to" system integrator in the public sector space. Black & Veatch boasts over 20+ successful ERP engagements, providing the State with a responsible, proven, and reputable partner<sup>1</sup>.

### ***Size and Stability***

Black & Veatch has a proven track record in the public sector and a strong IT consulting practice with an executive team experienced at managing complex and large technology engagements. Consistent with our approach, our goal is to use past ingredients of success from our many experiences with implementations. Black & Veatch is a leading global consulting, engineering, and construction company specializing in enterprise management solutions and infrastructure development in energy, water, information, and government markets. Black & Veatch was founded in 1915 as a partnership and converted to an employee owned corporation in 1999. The Company is headquartered in Overland Park, Kansas, and maintains more than 90 offices worldwide. Black & Veatch employs a total staff of more than 9,600 involved in a wide range of management consulting and engineering activities.

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<sup>1</sup> The terms "partner", "partnership", "partnering" and similar terms contained within this proposal are intended to convey a spirit of teamwork and close cooperation under which all identified parties seek mutual benefit. However, such terms are not intended to imply a legal relationship between the parties.

# EXECUTIVE SUMMARY

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## **“Best Value” Approach**

Black & Veatch’s approach is designed to realize project success:

- **Best Value #1 – Black & Veatch knows ERP and the Public Sector business.** Typically, a system’s integrator knows how to configure the software and relies upon the client to explain its business requirements. We believe Black & Veatch differentiates itself from its competitors through a services team that is particularly knowledgeable of public sector operations, budgeting, reporting requirements, and human capital management. This insight directly translates into cost savings for the State and a more robust final solution.
- **Best Value #2 – Black & Veatch has a proven track record of fully considering each customer's unique needs.** We believe our project experience is second to none. We’ve done similar engagements, successfully, many times before and we encourage the State to speak with any and all of our clients to validate our ability to perform. Because of our long track record in the public sector, we understand the nuances and challenges of each department. There is a significantly reduced learning curve required by our team, thus saving the State, time and money while reducing risk.
- **Best Value #3 – Black & Veatch brings a proven, repeatable methodology for ERP solutions and a senior level Project Management Office team.** Our approach results in meeting agreed project timelines and budget constraints for our projects. We have a large library of accelerators designed to expedite and simplify the implementation process. Furthermore, we will leverage design and configuration accelerators created for prior projects.
- **Best Value #4 – Black & Veatch Support Model (Business Partnership and Long Term Local Support).** We strongly believe in developing long lasting business relationships. We are currently supporting numerous organizations across the United States and maintain superior long term relationships with our valued clients. Black & Veatch will do whatever is necessary to provide a solid ERP support structure for long term assistance, as needed, and on demand. This value translates into a lower long term cost of ownership to the State by having continuity and consistency of support resources, as needed.
- **Best Value #5 – Black & Veatch offers size and stability.** Black & Veatch has a proven track record in this industry. Black & Veatch is a leading global consulting, engineering, and construction company specializing in enterprise management solutions and infrastructure development in energy, water, information, and government markets. Black & Veatch was founded in 1915. Black & Veatch employs a total staff of more than 9,600 involved in a wide range of management consulting and engineering activities. This value translates into a lower risks project.

We are eager to help you turn your expectations into successful accomplishments with many early and continuing victories; and we envision working hand in hand with the State for this success.



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John R. Meyer, Managing Director Public Sector  
**ERP Management Practice**  
**BLACK & VEATCH** - Building a world of difference®  
**Office:** 530.342.5222 | **Fax:** 530.342.5230  
**Email:** [MeyerJR@BV.com](mailto:MeyerJR@BV.com)

# RFI RESPONSE CONTENT

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## RFI RESPONSE CONTENT

**Knowing that the State is not an expert in ERP implementations, please identify what information you will need in the RFP to prepare an accurate fixed price proposal. Please be as specific as possible so we can provide you with the appropriate information and data in the RFP.**

1. In addition to the Functional Scope defined in the working sessions, and RFI it would be useful to identify:
  - a. The name/function of all current systems (manual and software) likely to be replaced, as well as the number of users affected by those systems
  - b. The name/function of all anticipated interfaces.
  - c. What is the State's expectation of retaining legacy data?
  - d. What is the State's expectation regarding reporting (Name/function of top five by functional area)
2. Clarity regarding the Training and Change Management Requirements:
  - a. Does the State have a Change Management team in place?
  - b. Does the State adhere to a certain Change Management methodology (ADKAR, etc.)
  - c. Numbers and types of State resources that will need to be trained.
  - d. Are there onsite training facilities available?
  - e. Are there video conference training tools available and in use by the State?
  - f. How has the State handled training in the past?
  - g. Does the State use a Learning Management System and if yes, which one?
3. Staffing contribution by State resources:
  - a. Project Oversight
    - i. Has the state established a project sponsor? If yes, who
    - ii. Has the state established an executive steering committee? If yes, who is on it
    - iii. Has the state established a PMO?
    - iv. Are decision making guidelines in place
  - b. Has the State established an implementation team for the project? For example, are there:
    - i. Team leads
    - ii. Business process team members – How many, what time commitment
    - iii. What type of technical resources will the State assign to this project? The more clarity regarding skills and capabilities of State workers assigned to this project will assist in estimating the work effort allocated to the Vendor team.
  - c. Additional details regarding the State's expectation of State/Vendor levels of work contribution. For example, is the State anticipated the vendor to do 50% of the work and the Vendor to do 50%.
4. Contractual Requirements
  - a. It would be useful to understand the State's expectations around expected deliverables
  - b. It would be useful to understand the State's expectations around system acceptance.
  - c. It would be useful to understand the State's expectations around system warranty.
5. Clarity regarding phasing of the project and timelines
6. Clarity regarding IT Infrastructure (Managed Services, Hosting, Hardware, etc.)

# RFI RESPONSE CONTENT

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## **What external barriers (or risks) to the vendor exist to implementing a statewide ERP solution for Alaska?**

1. There are a number of risks that must be carefully managed before, during, and after the project completes. For example:
  - a. An aggressive time and budget requirement
  - b. Project resource commitments
  - c. Resource coordination (e.g. geographical distances)
  - d. Competing initiatives that draw State resources away from project assigned roles
  - e. Technical risks could cause requirements not to be met in terms of project designs, delivery schedules, information availability, and so on. Some examples of technical risks include:
    - i. Unclear future state or to-be requirements
    - ii. Hardware or software compatibilities
    - iii. Tight delivery schedules
  - f. Scheduling between interdependent project components
  - g. Human risks could potentially cause human dynamics to impede project objectives, or to reduce or negate benefits. Some examples of human risks include:
    - i. Support from middle or lower levels of management
    - ii. Clarity of the project scope or impacts
    - iii. Communication
    - iv. Compatibility between the project and the existing organizational culture
    - v. Potential changes in key sponsors or project personnel during the life of the project
    - vi. Skill set of employees
  - h. Business risks are the potential for occurrences external to the organization, or in other parts of the organization, that could negatively impact the project. Frequently, these risks fall outside the control of the project team. Some examples of business risks are:
    - i. Legislative or regulatory changes
    - ii. Opportunities that could redirect executive attention and/or funding
    - iii. Union changes
2. Clarity regarding the complex work rules and collective bargaining agreements currently in force at the State will impact the system design if not clearly understood by State staffers.
3. Clarity and *detail* in the State's "as-is" business processes significantly reduces the risk and costs to re-work the solution. It would be very helpful for the State to determine if there are any existing documents in the form of functional specs, architecture diagrams, requirements or flow process diagrams that describe current system functionality.

## **If there are specific items (internally) the State can begin working on now to facilitate a more efficient solution once the best-value vendor is selected, please describe what those would be.**

1. Mapping current business practices - The first step in actually beginning the ERP implementation is to understand the State's current operations in detail so that those operations can be mapped to the processes demanded by the new system.
2. Data cleansing – Clean source data (i.e. void of duplicates, data errors) will greatly reduce the risk and costs associated with the conversion process.
3. Establishing a project oversight structure and Project Management Office if not already in place
4. Assembling a team of business process experts and technical resources that will become the project team

# RFI RESPONSE CONTENT

5. Establish decision making guidelines.

**Given the scope as outlined and the proposed budget of \$30 - \$35 million, how far can the State reasonably expect to get in implementing the different ERP modules?**

There are many variables that interfere with a clear and concise response to the State's question. Such as:

1. Are hardware costs or hosting services part of the proposed budget?
2. What is the anticipated work contribution of State employees to the project?
3. Is there a phasing preference? For example, if multiple modules are phased in simultaneously, the Project Management Office and Technical resources may be deployed concurrently therefore reducing costs. However, the States capacity to implement a large scope in tandem may stress the organization.
4. Does the State have a preference for implementing the base system followed by incrementally enhancing the features/functionality over time? A smaller footprint solution initially reduces risk, but full benefits of the new system are realized over a longer period of time.

**What general implementation timeline and sequencing of ERP functionality might the State expect?**

1. Typically, public sector ERP projects follow this pattern:
  - a. Core Finance and Logistics (procurement, work order management) solutions over a 12 to 15 month term
  - b. Core HR and Payroll solutions over a 12 to 18 month term
  - c. Enhanced business functionality and Reporting and Analytics over a 4-6 month term. Examples are Budget Formulation, Learning Management, e-Procurement and Contracting
2. Concurrent implementations of Financials and HR/Payroll are possible if the State has sufficient bandwidth and dedicated resources (including technical and training team members) to deploy an aggressive schedule.
3. Both approaches require very strong State sponsored Executive Leadership to drive decision making and organizational direction.

**How much time will you need to prepare a response to an RFP?**

Assuming a pre-proposal conference and a rapid turn-around of submitted vendor questions we believe that forty-five (45) calendar days would be adequate..

**Please provide any other comments or recommendations.**

1. System Demonstrations – When the State pursued a system replacement back in January of 2006, there was an expectation that solution demonstrations would be scripted; (see State of Alaska RFP Number 2006-0200-5914, Amendment number 1). We respectfully request that the State provide a broader definition of a system demonstration to allow the vendor(s) a venue to illustrate the full spectrum of capabilities; beyond functionality required for the initial scope of the project.
2. Performance Bond – due to the banking limitations, such bonding options are very limited. We respectfully request that the state not include a bonding requirement. Protections for service delivery to the State may be achieved using other financial instruments.

# RFI RESPONSE CONTENT

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STATE OF ALASKA  
STATEWIDE ADMINISTRATIVE SYSTEMS REPLACEMENT PROJECT

**Would additional Vendor Education Sessions be helpful? Would it be helpful to hold a session in Seattle?**

Yes, it would help to provide additional vendor education sessions.

Ideally, it would be useful to have a private vendor-State educational session. When vendors are required to submit questions in a public forum, they tend to be reluctant to pose essential inquiries due to the concern that the vendor might be revealing strategies, approach, and best value concepts to competing vendors.



**Capgemini Government Solutions LLC**

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[www.capgemini-gs.com](http://www.capgemini-gs.com)

April 22, 2010

Ms. Staci Augustus

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Department of Administration

PO Box 110208 Juneau, AK 99811-0208

**REF: RFI “State of Alaska Statewide Administrative Systems Replacement Project.”**

Dear Ms. Augustus:

Capgemini Government Solutions LLC, a member of the Capgemini global family of companies (“Capgemini”), is pleased to present this RFI response document to the State of Alaska. The initiating catalyst for this document is RFI “Statewide Administrative Systems Replacement Project.”

Capgemini has focused this document on the specific components where a leading global System Integrator can provide the most substantial input based on relevant experience. Capgemini brings robust practices, resources, and unique methodologies to all of our ERP solutions. The recommendations contained within this document are based on Capgemini’s experience providing financial system implementation support services to complex programs. For example:

- Capgemini is a Gartner Magic Quadrant ERP Global Integrator.
- Capgemini has led more than 7,500 ERP implementations across all industry sectors. We are currently leading enterprise-wide financial systems implementations for public sector clients, including the National Gallery of Art.
- Capgemini offers a global network of more than 15,000 ERP professionals linked together via seven day, 24-hour voice, data, and knowledge networks.
- Capgemini’s approach provides an actionable roadmap with risk management features unique to financial system implementations. These methodologies have been used to successfully deliver implementations of various complexities on schedule, budget, and mission. They include Capgemini deliverables, accelerators, tools, techniques, hints, and points of view gathered from Capgemini global project experiences.

Capgemini has successfully assisted numerous clients in transforming their finance organizations into a strategic asset, having successfully implemented more than **3,700** financial operating and processing systems across industries, sectors, and geographic locations, including **86 full-lifecycle financial implementations in the last two years alone**. The success of these programs is measured by the reduced cost of operation, reduced time to perform business processes, and improved accuracy of financial accounting.

As organizations change and adjust to evolving market conditions, they need a structured and accelerated approach to orchestrate, lead, and sustain their transformation in order to implement improvement initiatives. Successful transformations require an integrated framework for addressing the governance, process, technology and performance management challenges. Capgemini offers program management expertise, technical capabilities, and business insight, in tandem with our unique accelerators.

Capgemini looks forward to next steps. If you have any questions or require additional information, please do not hesitate to contact me.

Respectfully,

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April 22, 2010 | RFI Response

# **The State of Alaska Statewide Administrative Systems Replacement Project**

Submitted by:

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## Introduction

Capgemini Government Solutions LLC, a member of the Capgemini global family of companies (“Capgemini”) headquartered in Northern Virginia, is pleased to submit this response to the Alaska RFI for information regarding a Statewide Administrative Systems Replacement. This response will present our approach to leading comprehensive, integrated finance and taxation systems implementations in the public sector and highlight our relevant experience.

For the purposes of this response, the State of Alaska defines a Statewide Administrative System to include the following:

- **Alaska Statewide Accounting System (AKSAS).** AKSAS is a custom application developed by Price Waterhouse and implemented in 1985. It serves as the general ledger for the State government and pays the State’s 56,500 vendors, grantees, and beneficiaries through overnight batch processing of transactions created by online data entry. Approximately 3,300 employees in all three branches of government from across the state use AKSAS, with an average of 550 concurrent users.
- **Alaska Statewide Payroll System (AKPAY).** AKPAY is a vendor-supplied payroll software product—Empower—which was implemented in 1990 and is substantially modified to accommodate the State’s requirements. It provides payroll services to the State’s 16,500 permanent and seasonal employees in either a semi-monthly or biweekly payroll cycle. Employees are distributed among 13 groups, each with different pay and benefit packages. AKPAY has 1,250 users in all three branches of government with an average of 150 concurrent users entering updates online from across the State.
- **Alaska Data Enterprise Reporting (ALDER).** ALDER is a data warehouse project to secure legacy data from AKSAS, AKPAY, and the WorkPlace Alaska recruitment systems. In October 2008, the business intelligence platform—driven by Business Objects—was implemented to allow real-time reporting on AKSAS financial data from 2001 to present for 900 users in all three branches of government. The project team is currently working on AKPAY payroll reporting capability which will be in production later this year, with WorkPlace Alaska reporting shortly thereafter.
- **Alaska Statewide System for Employee Time (ASSET).** TimeLink International Corporation and the State are implementing a time and attendance solution known as Alaska Statewide System for Employee Time (ASSET), which is scheduled for deployment in the summer/fall of 2011. The comprehensive system will automate the highly manual process of collecting time and attendance for 16,500 employees in all three branches of government through a browser-based collection and approval application. The system will receive an interface from ALDER to acquire financial information for cost collecting of personal services. In addition, the system will be tightly coupled with AKPAY to acquire essential employee information so that time and attendance records can be generated and provided to the payroll system for processing. The State will NOT decommission this application as part of the Statewide Administrative Systems Replacement project, but ASSET must integrate with the solution.

- **Alaska Budget System (ABS).** The Alaska Budget System (ABS) is the State's central budgetary development system used to develop and track budgets and supporting documentation for State agency operating and capital budgets. It currently meets all major functional requirements and is adaptable to meet demands over the next ten years. The custom built system is based on current technology using a client/server architecture and has infrequent version updates to the application. The State will NOT decommission this application until ABS has exhausted its useful lifecycle. In the interim the solution must integrate with ABS.
- **Integrated Procurement System.** The State does not have a statewide procurement system. The most significant procurement system is implemented at the Department of Transportation with the BuySpeed product offered by Periscope Holdings, Inc. It has 3,600 vendors and 1,000 users to support the majority of department purchases, except for fleet vehicles and credit card requisitions for general office supplies. It is anticipated that 43,000 vendors and 6,000 users in all three branches of government will utilize an integrated enterprise solution for procurement. The State desires an integrated procurement system as part of the Statewide Administrative Systems Replacement project.

This functionality can usually be provided in the context of an Enterprise Resource Planning (ERP) system. Capgemini defines ERP as an automated system using commercial off-the-shelf (COTS) software consisting of multiple, integrated functional modules that perform a variety of business-related tasks.<sup>1</sup>

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<sup>1</sup> *General Accountability Office Publication GAO-07-860, July 2007, pg. 6*

## 1 Information Required to Prepare a Fixed Price Proposal

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**RFI Question #1—Knowing that the State is not an expert in ERP implementations please identify what information you will need in the RFP to prepare an accurate fixed price proposal. Please be as specific as possible so we can provide you with the appropriate information and data in the RFP.**

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In the context of detailed pricing information associated with ERP implementations, the following information will help offerors in developing a firm fixed-price (FFP) proposal:

- A defined payment methodology or milestone payment schedule;
- Hardware or software requirements and a template for providing this pricing, including maintenance and support; and,
- The level of offeror's pricing detail necessary for the State to assess price reasonableness.

In the context of implementation risks associated with ERP implementations, the following information is needed to complete an FFP proposal:

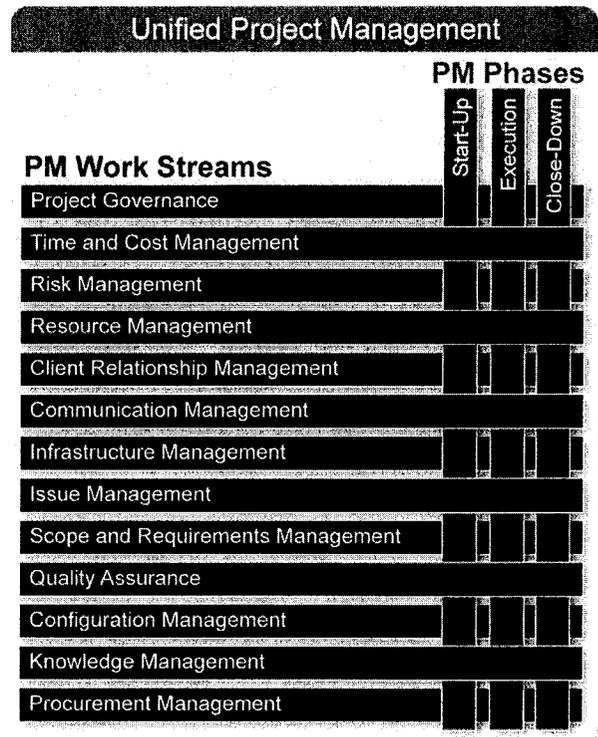
- Expectations on the part of each Alaska State Agency regarding benefits. This is required so that all appropriate tasks are included to assure the transformation in terms of business processes, IT applications, and performance metrics are put in place to measure the expected benefits. This would include the following:
  - Projected budget dollars saved in IT operations;
  - Significantly reduced contact response time from client/constituent/partner (suppliers);
  - Faster response time and effective deployment of resources in an emergency situation;
  - Faster cycle time processing on user/State business partner requests, filings, applications for services, payments, RFP, and Purchase Order responses; and
  - Savings in procurement through better volume discounts, more competitive bidding;
- Does a Business Case Analysis (BCA) exist? If the State has completed a BCA for any or all of the ERP projects, this would be useful in understanding the items listed below:
  - Problems/issues identified and documented?
  - Benefits cited?
  - Solution options defined?
  - Costs estimated and based upon reality?
  - Timeframe cited for implementation and realization of benefits?
- Confirmation of the number of functional areas within the State, legacy systems/ applications that they now use (largely covered in the RFI), and ERP application/ functionality requirements anticipated.
- Confirmation of the number of anticipated users by functional area, role and system access requirements.

- Business Processes are not always confined in a single functional area within a public sector organization. Business Processes with high volumes of transactions are today almost 100 percent supported by sophisticated IT applications, and may be used by multiple departments that do not have direct IT support organizations from an enterprise applications point-of-view. Specific questions include the following:
  - Does the State possess defined End-to-End (E2E) business processes?
  - If yes, what standards have been/are/will be used for benchmarking State operations to provide optimal performance?
  - Has the State engaged consultants within the last five years for process rationalization/ Business Process Re-engineering (BPR)? If yes, would the reports of this BPR activity be made available in either the RFP or at least to the winning contractor?
- Additional detail on the Enterprise Architecture would be helpful to include:
  - Application Architecture Standards, Processes, Documentation;
  - Infrastructure Architecture Standards, Processes, Documentation; and,
  - Data Architecture Standards, Processes, and Documentation.
- Proper IT and business governance is incredibly important for the success of an ERP implementation. Therefore, we would like information relating to the following:
  - Has the State defined a formal Steering Committee and Change Control Board for the ERP project?
  - Does the State have clearly defined owners for Business Processes?
  - Does the State have clearly defined owners for Master Data?

Early and clear definition of project management processes and deliverables get the entire team off to a solid start and guides them through related activities. Capgemini's Unified Project Management (UPM) method on the DELIVER platform integrates industry standards (including SEI's CMM and PMI's PMBOK) and Capgemini best practices in providing process guidance in 13 key areas

across all phases of the project's lifecycle. Templates and samples attached to the method help teams quickly develop related procedures, forms and reports to use on engagements. As a

**Figure 1. Unified Project Management**



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management method, UPM is used in conjunction with our DELIVER SAP implementation method. The graphic and table below outline the UPM method streams (or process areas) and the related activities and deliverables.

Stream	Related Activities and Deliverables
<b>Project Governance</b>	Monitoring, controlling and steering the project and communicating its status on a regular basis to the various stakeholders. This includes preparing and maintaining the project governance plan, which describes the project itself and all of the procedures by which it will be managed.
<b>Time and Cost Management</b>	Producing the project schedule and the budgeted costs. This includes regularly monitoring the relevant progress and financial KPIs (Key Performance Indicators) and updating the related control deliverables.
<b>Risk Management</b>	Defining and documenting how risks will be managed, identifying and assessing possible risks at key points within the project, launching the relevant actions to contain or mitigate them and tracking how those risks evolve over time. All these actions contribute to better management of the whole project by helping to prevent the occurrence of issues that could have a major impact on project delivery.
<b>Resource Management</b>	Forming the project team throughout the course of the project depending on the project constraints and needs. This is achieved by selecting, acquiring, training, coaching, motivating, reviewing and releasing project team members.
<b>Client Relationship Management</b>	Establishing and maintaining the relationship with the client, getting the client's commitment and project start-up approval. It also includes understanding, formalizing and monitoring client satisfaction.
<b>Communication Management</b>	Establishing and effecting communication on project-related information.
<b>Infrastructure Management</b>	Making available the necessary infrastructure for the project, in terms of office space and equipment, hardware equipment and software tools and any other appropriate components, including the project management office.
<b>Issue Management</b>	Preparing for, identifying and capturing project-related issues, launching the relevant actions to resolve them, and tracking and monitoring the issues. An issue is an incident that may adversely impact the project.
<b>Scope and Requirements Management</b>	Preparing for client acceptance and managing any requests to change either the scope or requirements of the project.
<b>Quality Advisory</b>	Monitoring and controlling the quality of the project approach and deliverables. The focus here is on the management aspects of verification and validation rather than on the quality advisory aspects of the delivery process (e.g., acceptance testing).
<b>Configuration Management</b>	Defining the standards by which the system configuration items (e.g., requirements, design documents, software components, etc.) will be described and tracked and managing these item descriptions as they evolve throughout the project.
<b>Knowledge Management</b>	Leveraging and contributing knowledge across projects to continually build and reuse best practices across Capgemini engagements.
<b>Procurement Management</b>	Hiring and managing external contributors to the project. External contributors can be vendors (products, hardware, software) or sub-contracted services, Capgemini or from the client.

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## 2 External Barriers/Risks

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### **RFI Question #2—What external barriers (or risks) to the vendor exist to implementing a statewide ERP solution for Alaska?**

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Capgemini Government Solutions has public sector and commercial experience and qualifications, proven tools and methods for accelerated innovation and collaboration, and the insight to translate experience and our functional and technical expertise into results. We have developed a Risk Management methodology for public sector ERP implementations. Risk items that may impact the vendor (system integration partner) include the following:

- **Union contract Terms and Conditions regarding state worker usage of an ERP system.** This would include constraints, restrictions, and training/re-training/job reassignment. ERP systems usually include significant process changes and organization change management (OCM) challenges. A union organized workforce can present challenges regarding the OCM challenges.
- **Contract Types, Terms and Conditions (e.g., unlimited liability).** Putting non-standard industry terms and conditions in the model contract may limit the ability of Capgemini Government Solutions to commit to the State of Alaska.
- **Mobile Disconnected Solution (MDS).** The need for a MDS for real-time access to applications (procurement, funds availability) may be constrained by the technology such as wireless internet availability in remote Alaskan locations.

## 3 Internal Pre-Work

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### **RFI Question #3—If there are specific items (internally) the State can begin working on how to facilitate a more efficient solution once the best-value vendor is selected, please describe what those would be.**

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We understand the State's desire to secure services from a single-point-of-contact in a subsequent implementation. Capgemini agrees that it is vital to the success of a program with such mission-critical outcomes at risk for the State to acknowledge one lead organization. We recognize that the State will look upon that lead organization to bring the resources, technology and approach necessary to deliver the services required for the COTS-based integrated finance and taxation system. Those services include, but are not limited to, software, installation, conversion, hardware, implementation labor, and training.

Capgemini focuses significant resources to develop and maintain subcontractor and vendor partnerships and alliances to help our clients achieve their project objectives. Our teaming agreements are very rigorous. If subcontractors are a part of our team, they will follow the same methodology and are held to the same high standards as Capgemini employees. Our integrated subcontractor philosophy is a component of our collaborative approach and includes the following key components:

- Subcontractors are part of the overall project team;
- Subcontractors adhere to Capgemini policies and procedures; and,

- Subcontractors serve in key roles that result in manageable risk and enable Capgemini quality management.

Work units assigned to subcontractors are documented in the work plan and tracked following the same project management guidelines as any other work unit. We function as one team, and the ultimate responsibility for all deliverables rests with the Capgemini management team, who verify quality at every stage of the implementation process. In Capgemini's experience, keeping all resources tied to the same standard—for example, the program work plan—keeps all resources focused in a common direction, regardless of their employing company. This also serves to reduce conflict as to what is expected on a day-to-day basis from each team member.

Capgemini, as the prime contractor, fully accepts the responsibility to deliver activities and manages the schedule, budget, and quality of all deliverables.

Through relationships with partners such as software supplier, Capgemini can help the State escalate issues more efficiently, gain insight on product direction, provide enhancements feedback, and influence bug fix schedules and future roadmap direction. We may be able to offer the ability to access software supplier's consulting and product organization's **Public Sector Industry Solution** through a partner arrangement with software supplier. The software supplier's Public Sector specialists promote leading practices within the State/Local government arena and reduce customization through pre-configured software templates and best implementation practices. This approach aids in reducing overall total cost of ownership of the solution and reduces risk leveraging proven configurations and techniques.

Furthermore, Capgemini recommends the participation of small businesses familiar with current Alaska applications on this project. We have a formal small business participation process that enables us to partner with small businesses of all types, including Small Disadvantaged Businesses (SDB); Women-Owned Small Business (WOSB); Services-Disabled Veteran-Owned Small Businesses (SDVOSB); and, Veteran-Owned Small Businesses (VOSB). Capgemini consistently identifies opportunities to support small business partners. Specific outreach activities include:

- Conducting continued survey of small business partners to evaluate suitability and past performance for potential inclusion as a teaming partner on appropriate projects;
- Providing small business open-house sessions during which small business partners are able to learn about Capgemini services, contract terms and conditions as well as potential opportunities based upon actual experience in the software supplier applications to be implemented;
- Seeking-out relationships with small business entities to help Capgemini identify the best available talent to support our customers and contracts;
- Soliciting input from our customer base as to desirable small business partners that have provided support in the past; and,
- Providing counseling and workshops to small business partners seeking to enhance their potential to align their capabilities with Capgemini contracts and customers.

The following resources are also used to identify potential sources:

- Prior procurement records/source lists;
- Existing company mailing lists;
- SBA Pro-Net;
- Try Us - National Minority Business Directory;
- National Directory of Women Owned Businesses;
- Synopsis of requirements; and,
- Outreach programs and trade fairs.

In order to help Capgemini to fulfill our obligation as a mentor, we continually monitor the work done by the small business partners that we engage to support projects led by Capgemini. This is our obligation to our small business partners and to our clients. Capgemini is committed to promoting the growth and development of the small business partners while ensuring that program service delivery meets or exceeds expectations.

The aforementioned issues relate to how Capgemini would conduct the implementation process. The items listed below are things that the State of Alaska must initiate now or immediately upon award of the systems integration contract:

- Establish a Steering Committee of Alaska Departmental Executives that will use the ERP System. Name a chairman. Identify historical barriers/issues such as inconsistent policies that will impact ERP system use, departmental/domain performance measurements that are in conflict with similar performance measurements within another functional organization that have impacted the effectiveness of cross-domain systems implementations in the past.
- Establish Governance over Business Processes. A key difference in implementing ERP systems is the emphasis on end-to-end horizontal business processes that often cross multiple business domains where legacy systems are currently used and supported. In most organizations, this produces friction if not organizational conflict. Process ownership issues may be resolved in the ERP Steering Committee if appropriate domain sponsors are members of the Steering Committee.
- Understand the Master Data required for effective use of the new ERP application suite. Master Data is to an ERP system as motor oil is to a car engine. If the Master Data isn't at least 98 percent "clean" or accurate, then the ability to effectively use the new ERP system will be compromised. It is the responsibility of the State of Alaska to determine all authoritative data sources that would be migrated to the new ERP system. Once the system is selected, then there will also be master data elements that do not exist currently in the legacy systems environment. This additional master data will have to be created. Many organizations allow the systems integrator to create this data. However, it is the ultimate responsibility of the State to approve this new master data.

## 4 Budget and Scope

### **RFI Question #4—Given the scope as outlined and the proposed budget of \$30 - \$35 million, how far can the State reasonably expect to get in implementing the different ERP modules?**

While the benefits of an on-time, within budget ERP implementation are many, they are by no means consistent. Effective implementations depend upon many factors, including the clarity of vision and business requirements as well as the competency and commitment of the integrator performing the implementation. Capgemini’s ERP system implementation approach incorporates consideration of the following:

- Limit the Scope of BPR efforts. Historically, this has been a source of time and cost overruns in ERP implementations.
- Successful implementation of the complete scope of the Alaska ERP will depend on the State’s willingness to accept standard public sector ERP functionality for procurement, time and attendance, budgeting, finance, payroll, and BI/data warehouse/analytics. The concept would be to use the best practices embedded within the ERP solution as a primary driver to re-engineering the State’s business processes.
- Geographic wave roll-outs (three to five) can achieve 100 percent deployment if the deployment to most remote locations is not constrained by technology considerations, training difficulties in remote locations, and budget resource availability.
- The budget as outlined by the State of Alaska implies a “turn-key” solution. Given the desire for a FFP contract, the selected integrator must agree with the State of Alaska on all constraints and assumptions. These must be fully documented and quantified so that any unanticipated delays will not result in unacceptably missed implementation deadlines and an unacceptable budget increase.

Another consideration is how the budget is projected to be allocated in terms of allocating the available funds to the various aspects of the required implementation services and post Go-Live support. Historically, ERP funds allocations would resemble **Figure 2** given the proposed State of Alaska budget.

From the table, the implementation cost would be approximately \$21 million of the \$35 million available. It would appear that the project is feasible, but must be managed pro-actively to complete the implementation within budget, and support the use of the solutions for 10 years within this budget structure.

**Figure 2. Sample ERP Funds Allocations**

Category	Percent	Dollars (\$M)
Software Licenses	20.0%	\$ 7.00
Implementation Startup	1.0%	\$ 0.35
Blueprint	25.0%	\$ 8.75
Realization	29.0%	\$ 10.15
Go-Live Preparation	5.0%	\$ 1.75
Post Go-Live Support	20.0%	\$ 7.00

## 5 Preliminary Implementation Timeline and Sequencing

### **What general implementation timeline and sequencing of ERP functionality might the state expect?**

The timelines below are our proposed implementation and roll-out schedule. We are confident that our implementation timeline is an aggressive but safe program. The rollout schedule is much more of an educated guess, given the limited information available.

It is advised that the blueprint encompass the full functionality and all of the State of Alaska agencies. This will ensure all requirements are gathered and identify the total integration points between the functionality and the organizations.

The rollout can be approached in one of two ways: organizationally or functionality. With the organizational approach, all functionality and modules are delivered with initial rollout. However, the functionality would not be delivered to all organizations. The organizations would be split after appropriate review of readiness. As this would involve maintenance of new ERP system as well as legacy systems, this is not advised.

Capgemini recommends a functional rollout approach. With the functional approach, the rollouts would be split according to SAP functional modules. One approach is to roll-out modules for finance, controlling, and HR first. The procurement functionality would follow in a second rollout. The subsections that follow detail each rollout (wave).

#### **Wave 1**

##### Financial

- General Accounting
- Accounts Payable and Receivable
- Budget Compliance
- Cost Accounting

##### HR/Payroll

- Onboarding
- Position Control
- Payroll
- Personnel Actions
- Employee Self Service
- Training

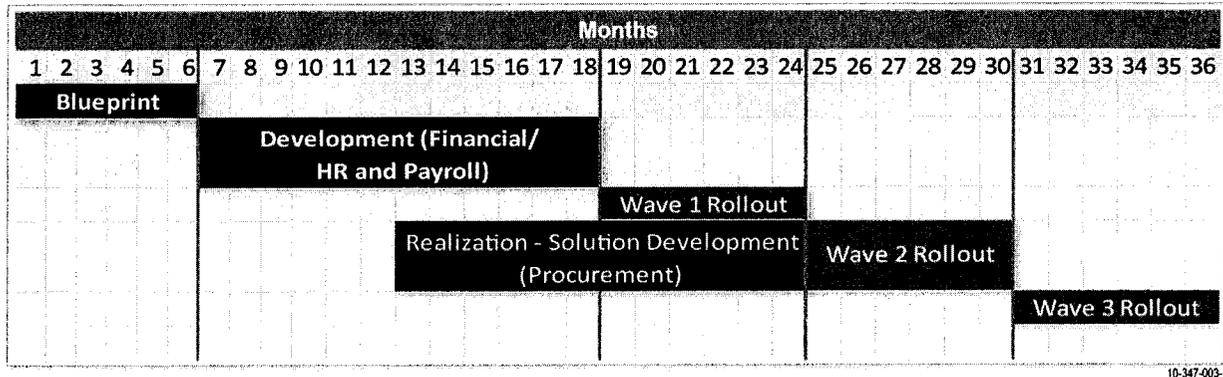
#### **Wave 2**

##### Procurement

- Purchasing
- Procurement/Contract Management
- Inventory
- Vendor Self-Service

A potential Wave 3 may involve the Alaska Budget System following a review of its current state. Capgemini understands the ABS system will not be decommissioned until it has reached the end of its useful life. This rollout would not be necessary if ABS is still functioning properly.

**Figure 3. Functional Rollout Approach**



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## 6 Estimated Proposal Response Time

### How much time will you need to prepare a response to an RFP?

Based on the level of detail that will be available within the RFP, as well as the information anticipated to be gathered from the Best-Value Education Sessions, Capgemini can prepare the response to the RFP in six weeks. This will provide sufficient time to understand the State’s objectives and provide a suitable solution and a thorough estimate to meet these objectives.

## 7 Additional Comments and Recommendations

### Please provide any other comments or recommendations.

Master Data Governance and Centralized Process Governance are critical in any ERP solution. There will be conflicts that need to be adjudicated by a governance/steering committee. With such a large user base, it will be very important to manage scope, risks, and issues.

#### Project Governance

As noted above, the project governance stream monitors, controls, and steers the project, communicating its status on a regular basis to the various stakeholders. One of the key deliverables of this stream is the Project Governance Plan (PGP)—the blueprint that describes how the project will be completed. This document is the foundation for the project kick-off with both client and team members, and serves as an excellent communication tool for onboarding new team members throughout the life of the project.

The Project Governance Plan is designed to help the Project Manager (PM):

- Document the agreement between the Project Sponsor and the PM;
- Provide a clear statement of the project’s purpose and commitments to deliver;
- Define the project roles and responsibilities;
- Make visible the project approach that will be used to manage the project;
- Establish the ground rules for executing and managing the project; and,
- Provide a baseline for scope and expectation management.

The process of creating a PGP develops a common understanding among project stakeholders, sponsors, and the engagement management team. It establishes accountability and facilitates buy in. Critical success factors include:

- Clear identification and active involvement of key project personnel: PMs, team leads, sponsors, and stakeholders;
- Completion very early in a project. In fact, completion of the PGP and all of the detailed planning contained therein can be seen as the umbrella activity into which all Start-Up activities feed.
- Clear definition and understanding of the processes for submitting, reviewing, approving, and accepting contractual deliverables

### **Risk Management**

Risk is the probability of an occurrence of an unplanned activity, situation or occasion, with a negative effect on the success of a plan. Risk Management begins in the sales cycle at the time of proposing a client solution and ends when Capgemini has successfully completed the implementation and received final sign-off.

During project start-up, risk management procedures are developed to describe the approach and planning of risk management activities for the project. These procedures should also include the description of how risk management will be measured during the life of the project.

Risk monitoring and control is an ongoing process during the project. Risks change as a project matures: new risks develop and identified risks change or disappear. Effective risk monitoring and control assists the PM in determining if:

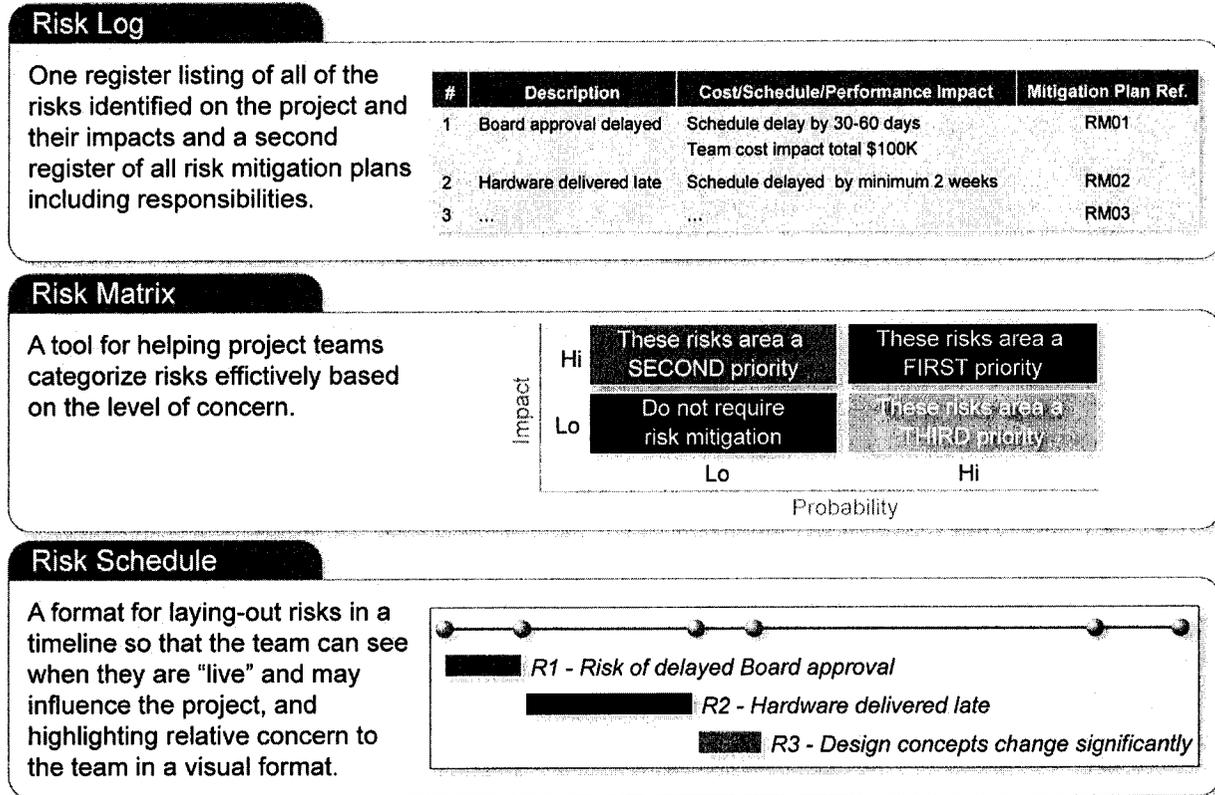
- Risk responses have been implemented.
- Risk responses are effective as planned.
- Risks have changed since identified.
- Risks are present that were not previously identified.

Ultimately, the Risk Assessment becomes a pre-emptive risk profile aimed at managing the most serious risks by eliminating them altogether or reducing them to an acceptable level. Risk is monitored throughout the life of an engagement. Documents that identify risk, such as a Risk Assessment, serve as the starting point for evaluating the impact that risk is having on the project. Continuous evaluation of other engagement control documents—i.e., status reports, work plans, and issue logs—also helps to evaluate the impact of risk on the progress of the engagement.

Risks are rated low, medium, or high. Low risks should be clearly documented because they become critical assumptions for the engagement. Also, a risk currently rated low can turn into a high risk later. Documentation of medium risks confirms that, by not being overlooked, they do not escalate into a higher risk category.

As reflected in **Figure 4**, several fundamental tools help to focus attention and prioritize action with regard to risk management. Risk reports should provide up-to-date information on the risk key performance indicators, identified for this project and described in the PGP and Risk Management procedures. Care should be taken to confirm that the information contained within the risk report is at a suitable level for the intended audience.

**Figure 4. Sample Risk Report**



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## Issue Management

When a risk becomes reality, it is re-classified as an issue. The issue management procedure will cover how to submit issues, how to log them in the issue log, how they are screened and investigated, where copies of issues are maintained, which automated tools (if any) are used, how to indicate approval, and where to file approved or closed issues. The procedures should also describe what escalation actions to take in which circumstances.

The PM should tailor the issue management procedures to the specific environment of the project or program and the culture of the enterprise. In some circumstances, it may be sufficient to monitor only the open and closed states of an issue. In other circumstances, it may be helpful to include a deferred or merged state. At a minimum, the issue management procedures and worksheets should allow tracking of the open and closed states of an issue.

The procedures should describe a standard issues classification scheme to be used consistently across the project and define states that are succinct and unambiguous and that relate to steps in the process so that the responsible person can be readily identified. Some suggested categories are listed below:

- **Identified.** The originator of the issue has performed the initial definition but is not ready to formally log it.
- **Logged.** A team member or authorized user has defined and logged an issue.
- **Awaiting clarification.** The PM has asked the person who submitted the issue to provide additional clarification.
- **Clarified.** Clarification has been provided.
- **Under investigation.** An investigator has been assigned to identify possible resolutions.
- **Recommendation made.** The investigator has recommended a specific resolution.
- **Resolved.** One of the following actions has been taken:
  - **Authorized.** The selected solution has been authorized for implementation.
  - **Deferred.** No decision has been made. The issue will be addressed again later.
  - **Merged.** The issue has been combined with another issue or submitted as a program issue.
  - **Rejected.** The issue has been rejected, because it will not impede the progress or success of the project or because it is not relevant.
  - **Change Request Generated.** The issue has been converted to a change request.
- **Closed.** The individual with approval authorization has signed off on issue resolution and the issue is now considered closed.

### **Scope and Requirements Management**

The purpose of scope management is to protect the viability of the project. It brings clarity to what will be delivered and helps promote proper delegation of requests outside of the project's scope.

When the project is initiated, an agreed to set of business domains, requirements, work packages, and deliverables are identified. If these change during the delivery of the project (through additional business needs or changes resulting from the development), the estimates for cost, effort and duration will need to be reviewed and likely modified.

When a project is intended to break new ground, explore new ideas or introduce innovations to the business, scope changes are a normal part of the discovery process. The payback gained by an innovative change may provide results that far outweigh the original cost of making the change. Problems occur when the size, amount, and/or direction of the change are not properly justified or managed. In addition, the inclusion or exclusion of the change should not jeopardize the viability or profitability of the project.

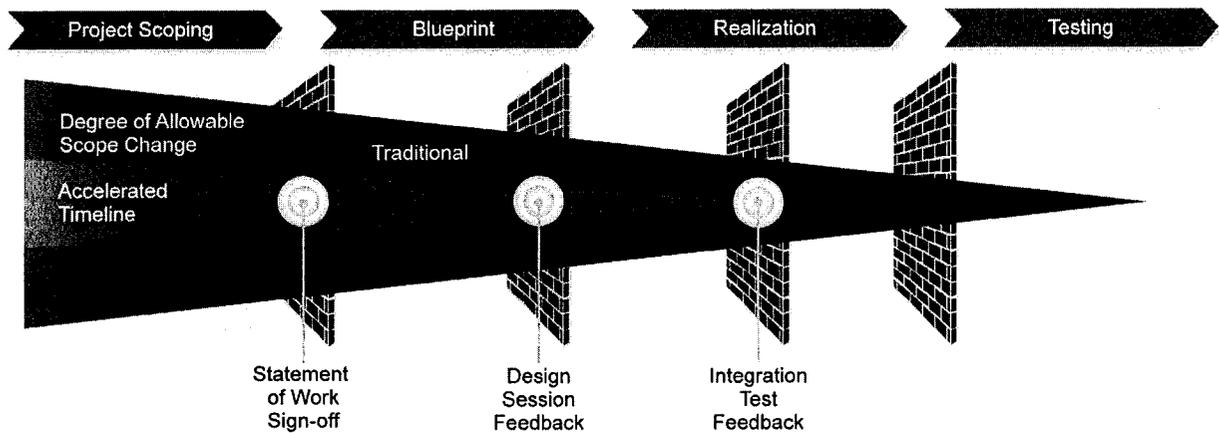
Scope and requirements management involves establishing and maintaining agreement between the client and the project team on both technical and non-technical requirements and scope changes. This agreement forms the basis for estimating, planning, performing, and tracking project activities throughout the project and for maintaining and enhancing the solution, and therefore includes the process of change management. Key activities of scope and requirements management include:

- Establishing the scope and requirements management procedures, normally through tailoring existing procedures;
- Controlling scope and requirements changes;
- Tracking progress;
- Holding scope and requirements reviews;
- Reviewing the scope and requirements management procedures; and,
- Promoting consensus across the client, Capgemini team, and management teams.

Change is acceptable as long as:

- The executive sponsor and steering committee agree that the new requirements are justified;
- Impact to the project is analyzed and understood; and,
- Resulting changes to the project (e.g., cost, timing, quality, and human resources) are approved by the client and properly implemented.

**Figure 5. Scope Change Management Process**



- All scope changes have the potential to impact timeline and cost. It is imperative for our specifications to go through proper scrutiny to ensure minimal scope changes later in the project timeline.
- Design session feedback would be the last time point to make functional changes without impact to project schedule and cost.
- Integration test feedback session should be limited to look and feel changes.
- After start of integration testing, there should be no scope changes either in the functional or look and feel area. The only scope change items that will be looked at in this phase will be limited to defects identified in testing.

10-347-002-1

The main tools the PM uses to manage scope are the contract, Statement(s) of Work (SOW), Project Governance Plan, and change requests. The Project Governance Plan specifies how the project will be conducted and references the contract and SOW. Change requests are created to document any subsequent change to this baseline scope. At any point in time, the current project scope is determined by the baseline scope defined in the Project Governance Plan and all approved change requests.

Throughout the project, proposed changes are documented and screened by the PM. The PM and client determine which suggested changes might be necessary. These potential changes are investigated to determine the impact of accepting or rejecting them.

A key component of the analysis is the estimation of the cost of the change. The cost component is based on the estimated time and materials to be completed as part of the desired change order. The estimate is built in conjunction with subject matter specialists from the implementation team to determine complete and thorough understanding and buy-in of the proposed change and associated cost. The cost estimation takes into account all activities within all phases of the implementation in order to meet the requirement.

The State's Steering Committee should be a standing organization that oversees a structured process determining the business validity of requests and evaluating the potential impact of change requests on cost, time, and resources for the project and other related projects. The State's Steering Committee is empowered to make final "go/no go" decisions, based upon the evaluations as part of a structured escalation process.

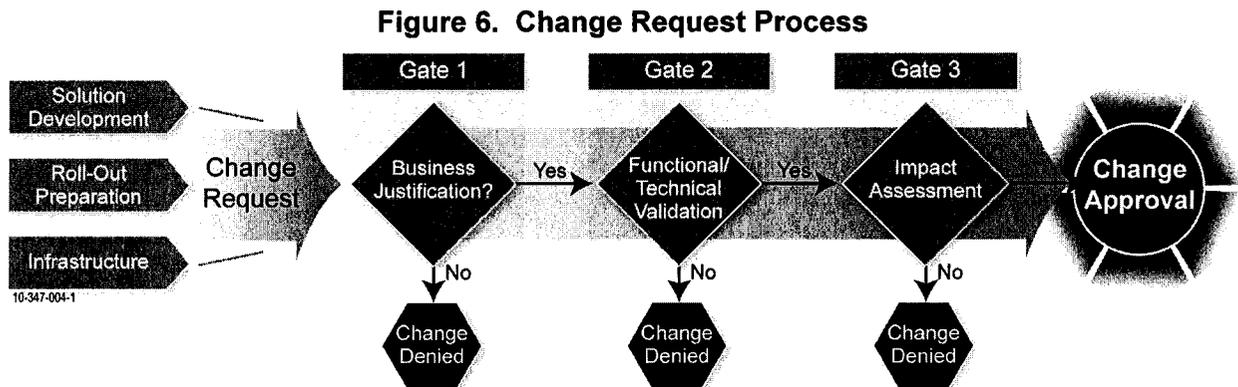
With the Steering Committee involved in the decision process at each gate, the approach is effective because it:

- Removes the decision to change scope from the hands of the teams configuring the solution, so decisions can be made rapidly and considering the impacts to all related projects.
- Provides a straightforward and rigorous process for assessing requests including:
  - **Business Justification:** A sound business case must be developed to establish the validity of the request.
  - **Functional/Technical Validation:** A Functional/Technical Analysis will be performed to determine the feasibility of implementing the requested change.
  - **Impact Assessment:** Based on the outcome of the Functional/Technical Analysis, an assessment will be performed to determine the potential impact to cost, schedule, and mission.

Specifically, the request proceeds through three approval gates:

- **Gate 1**—The PMO evaluates the change request to determine if there is sufficient business reason for Steering Committee consideration
- **Gate 2**—The Steering Committee sends the request to the appropriate project team for functional/technical validation
- **Gate 3**—The Steering Committee assesses the impact of the request based upon costs, project schedule, and resources.

The Steering Committee either approves or disapproves of the request once it has passed through the three approval gates.



When the approval process is complete and a change is approved, the appropriate contractual documentation is processed and the Project Governance Plan is adjusted to reflect the change. When the investigation is complete, the change is either approved and the project plan adjusted to reflect this decision, or the change is rejected. The client formally signs the change request authorizing the approval for the implementation team to begin work.

Prototyping can be a very effective tool to support the blueprint effort. A rapid design and visual approach to prototyping is centered on the concept of how to invest the minimal amount of effort in developing prototypes (level of fidelity of prototype), deliver in a manner rapid turnaround, and confirm to get the desired answers.

The use of application simulations during vision and design sessions supports discussions, explains concepts, assists with building consensus, and allows for the visualization and interaction definition of user-friendly critical business systems before development. Simulations become less ambiguous, interactive, and functionally-rich specifications for what to build. Rapid Design & Visualization (RDV) can accelerate activities across program stages and bridge current releases into future initiatives. This process delivers better applications with reductions in project rework and delays, not just better technology implementations.

This approach will provide a user-centered design combined with advanced SAP simulations to give business people the chance to "test drive" the application—before one line of code is written or any configuration is done. Two steps should be part of the rapid and visual approach.

- **Step 1**—Functional gaps driven by package capabilities and critical business objectives identify the high adoption risks areas and the high touch scenarios that need to be simulated.
- **Step 2**—Advanced prototyping tools and environments simulate exactly how the end application will function.

Data Migrations from the legacy systems will be non-trivial due to the heterogeneous nature of these systems, their inherent data conflicts as described in the RFI, and harmonization of the master data that will be required. This will be an important effort to include in the blueprint as well as realization effort. This cannot start too soon in the process.

Total users appear to be about 23,000, a manageable total. This number will necessitate a strong Organizational Change Management process to be established for the project. The vast scope and accompanying complexity and impact of re-engineering key business processes, realignment of the organization, and replacement of core business applications with an ERP solution cannot be overstated—there will need to be an aligned Case for Change among the leadership team and those impacted for it to be successful. Success in this business and technology change effort will require the balance of utilizing centralized business rules processing with de-centralized accountability, rigor, and discipline-enabling employees to conduct and perform their business needs in the most streamlined and efficient method.

As the State's ERP system will be driven by business needs both at the departmental and enterprise wide levels, success also depends heavily upon each member of the initiative to embrace and become an agent for change, as well as the team's collective capability to lead the organization through very significant change.

As business process changes are implemented, new operating models, new cross-functional relationships and interactions, and new roles will require your employees to think and perform differently. Your organization will change the way in which it works, employees will develop new skills and ultimately your organization will modify its culture in order to unlock the full benefits of the ERP at an enterprise level as well as departmental levels and or site-specific locations.

An effective OCM program increases the likelihood that the business process changes and technical solution will be adopted by the users after that implementation and that the project will meet its planned objectives. Over time, an effective OCM program positively influences the commitment of those employees impacted by change so that they will adopt the change as the new way of doing business. It is essential, therefore, that the organization fully understands the new working environment and adapts to it successfully.

Linking the Alaska Budget System (ABS) to SAP Netweaver will be a challenge. In addition to the Netweaver capabilities, transmittal of information from the ABS system to SAP via ALE and IDOC's is available.

Facilitated work sessions can bring the various organizations of State together to quickly identify the integration requirements, and local needs. Facilitated work sessions are used on projects where there is complex, multifaceted issues to be resolved that require the interaction of large groups of people. The project envisioned by the State of Alaska would be ideal for such facilitated work sessions at critical points in the timeline where informed consensus will be needed to move the program forward with a low risk profile. There are two areas where such sessions would be very beneficial: Blueprint Confirmation and Realization Confirmation.

### **Blueprint Confirmation**

This session is at the end of the Blueprint phase and is aimed at achieving two overall objectives:

- Review of the design, key design decisions, and change impacts to confirm acceptance of the design; and,
- Review of the several strategies developed during the Blueprinting phase to confirm alignment with the strategies and the integration across them. The strategies would include the OCM strategy, End User Training Strategy, SAP Support Center Strategy, Knowledge Transfer Plan, Integration Strategy, Data Migration Plan and Implementation Strategy.

This session would include key core team members from both business and technical areas, members of the steering teams and selected other key stakeholders from different functions and entities. The outcome of such a session to achieve a clear understanding of the Blueprint, key plans that will drive activity during Realization both within the team and across the stakeholder community impacted by the implementation. Achieving the understanding and buy-in that results from these work sessions is critical to position the project for an efficient Realization phase able to move forward on schedule and without being subject to changes in direction.

### **Realization Confirmation**

The second facilitated sessions will gather a similar team together about a month before the end of Realization to achieve two objectives:

- Gain a better understanding of the new solution, what changes will occur as a result of the new solution, and to resolve any open issues which might otherwise risk the schedule; and,
- Understand the many aspects of the implementation plan, and clarify roles and expectations for the many stakeholders to be involved with Final Preparation, Go-Live and Stabilization.

During realization confirmation, review of the cutover plan, training delivery plan, Site Readiness and Go/No-Go decision process, post Cutover Support model (both business and IT), and other topics germane for the organization and team leads will be performed. This will enable understanding of the integration of many events that must be orchestrated in the final months of the project.

It is understood, there is currently not a state-wide procurement system today. This will present challenges in development of appropriate master data from multiple legacy applications and manual processes.

# STATE OF ALASKA



## REQUEST FOR INFORMATION

**APRIL 21, 2010**

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April 21, 2010

Fenton Penna  
Account Manager  
CedarCrestone  
Phone: 877-733-4378  
[fenton.penna@cedarcrestone.com](mailto:fenton.penna@cedarcrestone.com)

Dear Ms. Augustus,

The CedarCrestone Team appreciates the opportunity to provide a response to State of Alaska's RFI regarding the Statewide Administrative Systems Replacement Project. While we have spent a significant amount of time discussing the questions, we have provided concise, direct answers in respect of the State's Value Based procurement process. It is clear the amount of time that State resources have already dedicated in preparing for and conducting a process that will lead to the best solution.

CedarCrestone and its Team have been providing ERP solutions for over 20 years. Our experience, strength of our consulting work force and genuine dedication to seeing our clients achieve success has resulted in a history of customer success. Should we be fortunate enough to earn your business, we are confident that the State will successfully achieve its objectives for this crucial initiative.

We look forward to continuing dialogue with the State to ensure that risk is lowered, higher returns are achieved, and that the State's final solution is one that will be scalable and flexible enough to meet its needs well into the future.

If there is any additional information that you would like, please feel free to call me at 877-733-4378.

Regards,

A handwritten signature in cursive script that reads "Fenton Penna".

Fenton Penna  
Account Manager  
CedarCrestone

## QUESTIONS AND RESPONSES

### QUESTION ONE

*1. Knowing that the State is not an expert on ERP implementations, please identify what information you will need in the RFP to prepare an accurate fixed price proposal. Please be as specific as possible so we can provide you with the appropriate information and data in the RFP.*

#### RESPONSE:

The detailed list below is representative of large scale Public Sector RFP's. While we recognize that some of these details may not be available from the State, they are drivers in scoping and preparing an accurate fixed price solution.

- Listing of all State agencies and their level of participation in the implementation. This should include a legend / matrix that identifies per agency:
  - Agency named legacy system;
    - The core functions within the legacy system to be replaced by the ERP solution;
    - Agency size in both user characteristics and transaction volume;
    - Agency named interfaces both inbound/outbound defined as either in-scope or out-of scope for the implementation;
    - Agency calendar and fiscal year-end schedule;
- Definition of the State's data warehouse, development / deployment status at RFP, objectives, goals and functions of the data warehouse for the informational consumers.
- Functional and Technical Business requirements.
- Number of years to retain historical information in the ERP solution.
- The State's FTE commitment to the project including the role in which these resources will operate; i.e., technical, DBA, project leads, SME (subject matter experts), etc.
- Summary State statistical information:
  - State Fiscal Year budget;
  - Approximate number of full-time state employees;
  - Number of employee bargaining units;
  - Number of large State agencies;
  - Number of small state agencies;
  - Number of existing applications (most agency-specific) performing HR, payroll and financial functions;
- The State's existing training program and training tools.
- State's detailed architectural and technical strategic plan.
- Blueprint of the architectural landscape.
- Sample of the State's standard Terms and Conditions.

## QUESTION TWO

*2. What external barriers (or risks) to the vendor exist to implementing a statewide ERP solution for Alaska?*

### RESPONSE:

External barriers (or risks) to the vendor in implementing a statewide ERP for Alaska may include: the geographical location of Alaska as it pertains to consultancy travel options to and from Juneau; a non-standards based technology solution that is not scalable to the ERP solution; State resource commitments; governance structure that does not enforce ERP standards and the vision of the State.

## QUESTION THREE

*3. If there are specific items (internally) the State can begin working on now to facilitate a more efficient solution once the best-value vendor is selected, please describe what those would be.*

### RESPONSE:

There are several activities that the State has and can begin to undertake that will facilitate a more efficient solution including:

#### LEGACY, INTERNAL AND EXTERNAL SYSTEMS

- Continued work on data cleansing and migration to the data warehouse.
- Inventorying of required reports, interfaces and legacy systems to be replaced.
- Identification of all business processes performed within each legacy system to be replaced.
- Identification of system owners (legacy system(s) to be replaced (functional owner(s) and data conversion owner(s), internal systems to be integrated with, external systems to be integrated with).

#### PROJECT TEAM AND LOGISTICS

- Formalize a governance structure that includes appropriate representation across the State.
- Identify State project team members, roles, commitment and develop a backfill strategy for their current positions.
- Identification of co-located project team facilities, meeting and training rooms.

## QUESTION FOUR

4. *Given the scope as outlined and the proposed budget of \$30 - \$35 million, how far can the State reasonably expect to get in implementing the different ERP modules?*

### RESPONSE:

Based on our experience with organizations of like size and complexity, we believe it is possible to replace the core functionality and business processes that the State has outlined. In addition, the project will create a stable foundation for extensions of functionality including but not limited to additional workflows, self service, business intelligence and advanced capabilities that may not currently be a part of the State's legacy systems.

## QUESTION FIVE

5. *What general implementation timeline and sequencing of ERP functionality might the State expect?*

### RESPONSE:

The State may consider several implementation/deployment options. The sequencing of an ERP solution is largely influenced by critical data / business needs and resourcing requirements. Optimal phasing strategies and deployment plans will manage the risk and balance costs and benefits for the State. Influencing criteria for sequencing will include but is not limited to; agency requirements and legacy decommissioning, technology environment, reports, interfaces and agency user characteristics.

Typically, ERP timelines are driven by one or more factors:

- Calendar, Fiscal and Federal Year End
- Open Enrollment (Benefits Administration processes)
- Budgeting period (Budget Development processes)
- End of life of legacy system or technical infrastructure

State ERP project timelines will depend on the implementation strategy and on average can range between a 2 1/2 to 4 year period to fully implement and deploy the solution across all agencies.

## QUESTION SIX

6. *How much time will you need to prepare a response to an RFP?*

### RESPONSE:

Based on information provided to date on the Best Value approach, we estimate needing between sixty and ninety days to complete the response and collect the past performance information.

## QUESTION SEVEN

**7. Please provide any other comments or recommendations.**

### RESPONSE:

- We recommend not limiting the number of Past Performance Information questionnaires submitted.
- It is unclear how software will be evaluated versus services as a part of the Best Value procurement. Please provide additional clarification.
- It is unclear how the proposed integration services will be presented for evaluation in the Best Value procurement.

## QUESTION EIGHT

**UPDATED INFORMATION FROM VENDOR EDUCATION SESSION MARCH 31, 2010:**

**8. Would additional Vendor Education Sessions be helpful? Would it be helpful to hold a session in Seattle?**

### RESPONSE:

We believe that an additional Vendor Education Session prior to RFP release would be helpful especially if the application of the Best Value procurement can be shown using a software and services scenario.

We are amenable to whichever location the State decides to hold any of the Vendor Educational Sessions.



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April 22, 2010

Staci Augustus  
Department of Administration  
PO Box 110208  
Juneau, AK 99811-0208

**RE: Statewide Administrative Systems Replacement Project - RFI**

Dear Ms. Augustus:

CGI has carefully reviewed and evaluated the Statewide Administrative Systems Replacement Project RFI issued by the Department of Administration and we are pleased to see additional steps being taken towards addressing the issues with its current administrative systems. We are respectfully submitting this response to assist Alaska in structuring its RFP for this critical initiative.

If after reviewing our response to the questions outlined in the RFI you have any questions or would like additional information do not hesitate to contact me. I can be reached at 925.818.5790.

Respectfully submitted,

A handwritten signature in black ink, appearing to read 'Jeff R. Snyder', written over a light blue horizontal line.

Jeff R. Snyder  
Director  
West Public Sector



\_experience the commitment™

Response to:

# State of Alaska Statewide Administrative Systems Replacement Project Request for Information

April 22, 2010

Prepared by:

**CGI Technologies and Solutions Inc.**  
**10655 NE 4th Street, Suite 900**  
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# 1 INTRODUCTION

CGI is pleased to provide this response for the Statewide Administrative Systems Replacement Project (SASRP) RFI. This RFI is an important milestone in creating an integrated Statewide Administration System and one to which CGI is very qualified to respond having successfully implemented over two hundred seventy (270) Federal, State and Local government ERP projects for our clients. As stated in our transmittal letter, we are happy to provide any additional information or clarification as you go through the process of finalizing the RFP for release. CGI's response to question seven (7) provides additional ideas which should help the vendor community prepare an accurate fixed price proposal for the State.

As both a government ERP software provider and an experienced government ERP systems integrator, CGI is uniquely positioned to help the State of Alaska address the major issues it has with its current administrative systems infrastructure. Over the past thirty (30) years we have built a track record of consistent success implementing our AMS Advantage® ERP (Advantage) product. To date, we are the only major ERP provider whose fully web-based solution was built from the ground up exclusively for the public sector.

## 2 QUESTION RESPONSES

### 2.1 QUESTION 1

---

***1. Knowing that the State is not an expert on ERP implementations, please identify what information you will need in the RFP to prepare an accurate fixed price proposal. Please be as specific as possible so we can provide you with the appropriate information and data in the RFP.***

**Response:**

CGI has over thirty (30) years experience helping State and Local Government clients implement ERP systems and has seen and responded to hundreds of RFP's. We have seen RFPs which are crafted with vision and detail, and we have seen those RFPs where ambiguity and inability to communicate requirements ultimately impact the project and partnership with vendor negatively. CGI appreciates being able to respond to this request as it supports communication and understanding of the project between the client and the vendor. Listed below are key items we would like to convey to the State of Alaska in order to help frame the RFP and position the overall initiative for success. The information in response to question 1 is structured as follows:

- ▶ As-Is Business Processes
- ▶ Current Transactional Volumes
- ▶ Current Transaction Types
- ▶ Legacy Systems
- ▶ Interfaces
- ▶ Clarity of Requirements
- ▶ Prioritization



## 2.1.1 As-Is BUSINESS PROCESSES

---

Understanding the as-is business processes is critical in helping CGI determine solution fit. Using our best practice approach, CGI will work with the State such that data gathering activities are focused and performed with minimal disruption.

Examples of key as-is data sources include:

- ▶ Business functions
  - Common levels of business process decomposition include Business Processes, Core and Support Processes, Sub-processes, Activities, Procedures and Tasks/Steps. CGI will focus on the following level of detail:
    - High level business functions, including how they link to execute the mission
    - Core and support functions – business functions will be categorized into groups of mission critical functions and non-mission critical functions
    - Sub processes – further decomposition of core and support functions which will be defined in terms of:
      - Inputs – data and materials used to produce the output of an activity
      - Outputs – data or materials produced by the process
      - Controls – impact the production of an output through regulation, policies and sequence
      - Mechanisms – resources consumed in the creating of an output (i.e. automated system)
- ▶ Organization operations
  - Events – services the organization must offer to support its business
  - Functions – how the organization provides those services and what activities it employs to carry out those function
  - Information – what data the organization requires to carry out its functions
- ▶ Organizational structure
  - Organization charts
  - Current civil service classifications and skill set
  - Project as well as department governance
  - Communication channels
  - Reporting relationships
  - Collective Bargaining Units
- ▶ Information technology - Key components include but are not limited to:
  - Current State IT Vision statement
  - Current and planned technology standards regarding preferred hardware platform, software infrastructure, staff knowledge base and associated practices
  - Identification of relevant data stores and entity relationships
  - Transformation of data



- Identification of internal and external interfaces
- Identification of the associated hardware
- Identification of planned or likely changes to external interfaces
- Network topology and capacity
- Peak processing volumes and time frames
- Seasonal impacts to processing volumes and time frames
- Average processing volumes and time frames
- Data retention periods
- Identification of existing reporting systems (other than ALDER)
- Current State and Department architectures (application, network, data, infrastructure and security)
- Application characteristics (Client server, Mainframe, Database platform, programming language, batch, web, real-time, etc.)
- ▶ Regulations and policies
  - Current regulations and policies
  - Access to known constraints, issues and challenges
  - Human resource policy manuals
- ▶ Financial and performance
  - Current metrics associated with current organizational performance
  - Costs of current service levels
  - Key quality of service metrics being achieved by each functional area
  - Budget information
  - Time accounting information
  - Existing Management Information Systems

## **2.1.2 CURRENT TRANSACTION VOLUMES**

The current transaction volumes are needed to support the “as-is” analysis and to serve as the basis for understanding how the legacy systems are used, where potential areas for gaining efficiencies may be and how the new solution should be structured and sized efficiently to deliver the State’s desired objectives.

Representative examples of key data sources include:

- ▶ Transaction type
- ▶ Daily volume of this transaction type processed by legacy system
- ▶ Monthly volume of this transaction type processed by legacy systems
- ▶ Annual volume of this transaction type processed by legacy system
- ▶ Number of years of history maintained for each transaction type.



Volume data should also include the number of posting lines generated on the legacy AKSAS by transaction type on a daily/monthly/annual basis. The number of posting lines may be significantly greater than the number of transactions.

The volume data needs to indicate the transaction volume entered directly into the legacy systems versus data volumes generated by feeder interface systems. Indicating if the feeder interface systems interact in batch versus real-time would also be helpful.

Some types of data that are required to support the State's financial management needs are used to support transactional processes. It is still important to understand the volumes of these types of data as well as volumes of transactions. A representative set of key data sources used to support transaction processes include:

- ▶ Number of active vendors
- ▶ Number of active customers or contributors
- ▶ Number of active funds
- ▶ Number of active balance sheet accounts
- ▶ Number of active bank accounts
- ▶ Number of active department codes
- ▶ Number of active unit and other organization codes.
- ▶ Number of active grants
- ▶ Number of active projects
- ▶ Number of other active reference codes (activity, reporting, function etc)
- ▶ Average number of financial documents processed per month
- ▶ Average number of accounting lines per financial document
- ▶ Average number of posting lines per accounting line
- ▶ Percentage of accounting documents containing attachments
- ▶ Number of disbursement checks per period
- ▶ Number of applicants processed per year
- ▶ Percentage of employees exception paid
- ▶ Percentage of employees paid monthly / semi-monthly / bi-weekly / weekly
- ▶ Percentage of HR documents containing attachments
- ▶ Number of payroll periods per month
- ▶ Number of timesheets per pay period
- ▶ Number of review phases in budgetary process
- ▶ Number of budget cycles annually
- ▶ Number of budget lines in current system
- ▶ Number of personnel positions
- ▶ Number of collective bargaining units
- ▶ % of growth annually for any transactions



Again, the above list is meant to be representative only and should be used as a guideline to capturing transaction volumes across all areas within the scope of the project.

### **2.1.3 CURRENT TRANSACTION TYPES**

---

A complete list of the current transaction types helps define the inventory of “as-is” detailed processes. Each transaction type must be included in the fit-gap analysis and helps define the inventory of “to-be” processes.

The transaction type should represent each discrete business event. Representative business events include receiving a cash payment, receiving a credit card payment, requesting a good or service, issuing a purchase order for a good or service, paying a vendor invoice, recording a monthly expense accrual, preparing a budget line modification, issuing a payroll check, retroactive pay adjustments, open enrollments, new employee orientations, etc..

Additionally, identifying and grouping transaction types by business area (General Ledger, Accounts Payable, Accounts Receivable, Treasury, Grants, Projects, Budget, Purchasing, Human Resources, Payroll, Budgeting, etc) is helpful to facilitate understanding and alignment to business processes and requirements. Within each business area, each specific transaction type representing a unique business event should be listed. Where appropriate, the following characteristics for each transaction type should be listed:

- ▶ Impact on budget
- ▶ Impact on cash
- ▶ Authority required to enter transaction
- ▶ Authority required to approve transaction

### **2.1.4 LEGACY SYSTEMS**

---

To assist in the understanding of the current business processes, it is helpful to understand the systems used to support these processes today. This will help in determining where system constraints or limitations may be impacting business processes. Access to legacy AKPAY, AKSAS, and ABS system manuals, reports, operations manuals, etc., can assist in the overall understanding of the “as-is” environment and the processes that support it. Information on ASSET and ALDER related to interfacing and data exchange or reporting is also helpful.

In addition to the items listed in section 2.1.1, examples of key data sources include:

- ▶ Names of all systems
  - Legacy systems include the “book of record” systems as well as all support systems (e.g. desk top applications)
- ▶ Brief description and overview of each system
- ▶ System documentation, including system manuals and reports
- ▶ Transaction volumes
- ▶ Interfaces
- ▶ Data exchange methods and formats
- ▶ List reports generated from each system.



- ▶ Assessment of issues or desired changes that are known for each system
- ▶ Expected disposition of the system (replaced, retained with interfaces etc).

## 2.1.5 INTERFACES

To assist in the understanding of the current business processes, it is helpful to understand the interfaces used to support these processes today. This will help in determining where interfaces constraints or limitations may affect business processes. State should prepare by developing an inventory of all interfaces that will be impacted by the ASRP implementation, if the State does not already have this information. CGI acknowledges many of these interfaces are a result of the legacy systems in use today and are envisioned to not be needed in the new environment. However, being able to analyze this data and relate how they are used to support existing business processes is helpful.

In addition to the items listed in section 2.1.1, ideally, the inventory of the “as-is” interfaces would include the following information:

- ▶ Names of all interfaces
- ▶ Description of the purpose for the interface, including any unique processing requirements and the legacy transaction types generated
- ▶ Source system
- ▶ Destination system
- ▶ Interface partner type – internal or external (e.g. Internal would be interdepartmental or intradepartmental and external would be an organization outside of the State, such as the IRS.
- ▶ Interface owner (State Agency or Department Name, IRS, external entity, etc.)
- ▶ Primary data flow – inbound vs. outbound
- ▶ Data communication method, e.g., file-based using file transfer (e.g., FTP or SFTP), EAI-based (e.g., real-time through RMI/IIOP application integration), SOA-based (e.g., Web Services using SOAP/HTTP), ETL-based (e.g., data extracts from a data warehouse to support outbound interface to data marts)
- ▶ Data exchange type/format – file-based CSV structured data file versus message based (e.g., XML document); if message based, what type of messaging integration such as request/response, request/callback, and publish/subscribe
- ▶ Operational timing – online versus batch
- ▶ Operational dependencies – e.g., a prerequisite process must be completed prior to the transmission and/or processing of an interface
- ▶ Capacity/performance impact information
  - Interface Record/Message Size – average and largest message size of an interface message or interface record (file-based); number of data elements in a interface record/message
  - Frequency – e.g., nightly
  - Peak and average processing volumes
  - Seasonal loads



## 2.1.6 CLARITY OF REQUIREMENTS

It is important for the State to provide adequate levels of clarity to the requirements. Poorly defined requirements can result in a poorly aligned solution, communication issues, and increased risk to the project. Poorly defined requirements can place a level of stress on the relationship between the State and the vendor. CGI offers the following guidance to assist the State in avoiding common pitfalls we see in these initiatives:

- ▶ **Organize the requirements in the RFP.** Group common requirements together to increase readability of the requirements and foster a holistic understanding of the requirements to support an area. Examples include General Ledger, Accounts Payable, Accounts Receivable, Treasury, Grants, Projects, Budget, Purchasing, Human Resources, Payroll, Budgeting, etc.
  
- ▶ **Avoid abstract references in requirement definition.** For example avoid the use of terms such as “user defined criteria”, “user defined parameters”, “State defined criteria”, or “Agency / Department defined criteria”. Examples of poorly written requirements include:
  - The system shall provide the ability to identify and notify users of duplicate pre-encumbrances/encumbrances, based upon user defined criteria
  - The State shall provide the ability to assign resources and task based upon user-defined criteria
  
- ▶ **Provide specifics on criteria expected.** If the State expects the system to have the capability to perform a function or report on data meeting a specific criteria it is helpful to define the specific criteria which is used to define the requirement. In the following example, additional clarification is needed for the “various and “other” references:
  - The system shall provide the ability to identify vendor relationships based upon *various* data including but not limited to:
    - *Other.*
  
- ▶ **Limit the way requirements can be interpreted.** Many requirements we respond to can be interpreted in more than one way and are a result of the vagaries in interpretation of the definition of a term. This difficulty can be minimized by including a definition of terms in the RFP. A few examples of confusing definitional terms are noted below:
  - “Service requests” and the State’s expectations for this requirement.
  - “Duplicate pre-encumbrance/ encumbrance” and the State’s definition of pre-encumbrance



- ▶ **Understandable.** Perform analysis on requirements to determine if vendors will need additional clarification before they can respond. Below is a representative list of requirements which are not yet understandable and baseline rationale for improvements.

Sample Requirement	Rational for Improvement
<p>The system shall provide the ability to store customer information (e.g., for Accounts Receivable (AR)) in the vendor file, or establish and maintain a statewide customer file. Reference to "vendor" in this Vendor Management section pertains to vendors and/or customers.</p>	<p>It is unclear whether this requirement is asking for a separate customer file, or to consolidate vendor/customer records into a single file. (We recommend the best practice of consolidating these files into a single "vendor" number for each entity that the State does business with. This enables automated payment intercepts for outstanding customer balances, as well as easier relationship management/ account maintenance.)</p>
<p>The system shall provide the ability to generate Auditor notices (e.g., electronic, e-mail, and paper) for payments issued to the Treasurer, in addition to the remittance advice statement that accompanies the payment, in accordance with Government Code XXXXX.</p>	<p>Please provide a sample Auditor notice that must be generated, as well as a sample remittance advice statement that must accompany the payment.</p>
<p>The system shall provide the ability to generate notifications to the requester and/or approver(s) when the amount of the payment voucher exceeds the matching Purchase Document, based on user-defined criteria and tolerances.</p> <p>The system shall provide the ability to generate notifications when the sum of the line item distribution amounts does not balance to the payment voucher total, based on user-defined criteria, tolerances, and authorizations.</p> <p>The system shall provide the ability to generate vendor dispute notifications, based on user-defined criteria and time frames.</p>	<p>Please define the "notifications" that are expected – format and content. Provide examples of existing if possible.</p>
<p>The system shall provide the ability to calculate sales tax and use tax, by jurisdiction (e.g., city, county, State, other), in compliance with our requirements.</p>	<p>Please provide the specific requirements that must be followed to calculate sales and use tax by jurisdiction or the link where this may be found</p>
<p>The system shall provide the ability to establish a correlation between UNSPSC codes and the Accounting Classification, according to user-defined criteria, and automatically populate one or more items based on the selected UNSPSC.</p>	<p>What specific segments of the Accounting Classification does the State expect to automatically populate based on the selected UNSPSC code(s)?</p>



Sample Requirement	Rational for Improvement
The system shall provide the ability to post/remove selected planning/research or other documents/notices to/from the State Contracts Register, based on user-defined criteria.	Will this project replace the State Contracts Register system? Responses to the State Contracts Register -related requirements will depend on whether the vendor is proposing their ERP's vendor self-service module or integrating to the existing one. Our recommended best practice would be to adopt the ERP vendor self-service module.
The system shall provide the ability to identify and notify users of duplicate pre-encumbrances/encumbrances, based on user-defined criteria.	Please define duplicate pre-encumbrance / encumbrance.
The system shall provide the ability to automatically encumber for shipping and freight charges, based on user-defined criteria (e.g., Traffic Management policies and procedures).	Are the shipping and freight charges to be automatically calculated by the system? If so, please provide the calculation method – is this based on contract terminology or a specific calculation?
The system shall provide the ability to cancel an entire or partial Purchase Document, automatically liquidate the encumbrance, and produce cancellation notice(s) upon request.	Is the cancellation notice an internal update, sent to the vendor(s), or both?
The system shall provide the ability to identify, for year-end reporting purposes, all or partial encumbrances which will be classified as commitments, (obligations related to unperformed contracts, e.g., grant or loan agreements, lease agreements, construction contracts, or other contracts for services), based on user-defined criteria.	Is this the complete list of encumbrance types that are classified as commitments? How are these identified as commitments today?

## 2.1.7 PRIORITIZATION

We suggest it is in the best interests of the State to review requirements that are currently in-scope and determine the importance or priority of these requirements. Indicating a priority for requirements helps determine how best to structure the project rollout and implementation. We have found our ability to stage functionality is very important to achieving early project success, providing early business value, building momentum, achieving stakeholder support and keeping the project moving without overwhelming the project team or end users. Our more than 30 years of experience tells us that lack of prioritization of requirements will definitely lead to greater project risk. Setting a baseline priority value for requirements can assist us in structuring an implementation aimed at delivering value. Additionally, if the State can share information on priorities for non-core requirements we may be able to include and articulate the value of moving forward with these areas in a staged approach.

Finally, we have often seen government clients implement all of the originally requested functionality and ultimately not use it all. Again, we advocate for a simple and steady approach to identifying critical



requirements for success and not attempting to implement functionality that ultimately may not be needed or utilized. This approach has proven to best meet the client's overall needs.

## 2.2 QUESTION 2

### *2. What external barriers (or risks) to the vendor exist to implementing a statewide ERP solution for Alaska?*

**Response:**

CGI is pleased to see Alaska looking beyond just a vendor's solution or services as potential impact on the project. Implementing a Statewide ERP system is not an easy task and there are multiple factors which can provide risk to the initiative. Even with our focus in implementing our Advantage solution in Governments, we have seen many differences between entities and have seen a number of factors impact the ability for success. Our definition for "external" in the context of responding to this question means: anything beyond the vendor's team or solution which may impact the project. Alaska may consider the following potential barriers:

- ▶ **Contract Structure.** The structure of the project and corresponding contract should be designed to incent success rather than be punitive. This important document sets the tone for the project and drives the vendor and project team's behavior.
- ▶ **Formal Project Office.** The Project Office setup should define roles, responsibilities, communication and authority over the project activities. It should be defined and documented in the Project Charter. Its role in the governance of the project should be clearly defined.
- ▶ **Project Governance Model.** The Governance Model of the project needs to be defined and communicated via the Project Charter. We have outlined additional details regarding this consideration in response to Question 7 below. Items to consider addressing to help minimize risk are:
  - Executive Sponsorship – Who is the sponsor(s)? How are they related to the Project Management Office, the Project Management, and the Executive Steering Committee? Do they make decisions? Are they accessible?
  - Defined and adopted process for making decisions- If a problem arises on the project, or a decision is needed in a gap analysis session, who makes the decision? How are decisions documented? Is there an escalation process for decisions meeting some criteria? What is the criterion?
  - Decision making authority at the right level of the project – In order to continue progress in project tasks, team members need to be empowered based upon their role in the project to made decisions.
- ▶ **State Staff Commitment.** The number and quality of State staff available as part of the project team should be carefully thought out and communicated. We have outlined this in response to Question 7 below also. It is critical to define roles and responsibilities to the project. Equally, it is critical to communicate and monitor State staff understanding of their role related to project activities.



- ▶ **Identification of Subject Matter Experts (SMEs).** It is critical to identify resources for each of the areas of the project who:
  - Are made available to the project for the duration of the identified phase
  - Are made available for the level of commitment needed to complete project activities
  - Have a level of expertise to be able to communicate and make decisions for their respective areas in a timely manner
  - Can get help from other State resources when they themselves do not have the information needed by the project team.
  
- ▶ **Multiple Years.** This is a multiple year initiative requiring executive sponsorship who can articulate project objectives, approach, status and value when political changes may threaten continuance. There will be times when State involvement in communicating to key stakeholders across the State helps insure minimal impact to project activities. Understanding this need when raised by the Project Office and ability to act with the right level of response will minimize risk.
  
- ▶ **Multiple Impact Points Needing Communication.** This initiative will touch many different departments, agencies, and others within the State. A defined communication strategy should be defined in the Project Charter and managed by the State in coordination with vendor project activities.
  
- ▶ **Team Approach.** The State Project Manager and the Vendor Project Manager should be given every opportunity and encouragement to work co-operatively, a confrontational approach which continually refers to the contractual fine print forces the vendor/client relationship into a narrow inefficient methodology that places more emphasis on the letter of the contract, than what ultimately makes sense for the success of the project.
  
- ▶ **Assessing the Culture for Change.** The State's culture for either embracing or resisting change can be a risk for the project. Recognizing the baseline culture and the culture needed to achieve SASRP objectives can help insure success. Setting the vision and direction for the project early through executive sponsorship impacts the project activities. Considerations such as: to what degree will the State adjust business processes or practices to meet vendor baseline capabilities, how the State will address Organizational Change Management (OCM) impacts and needs of the initiative, and how or if Business Process Reengineering (BPR) activities will be undertaken and by whom all impact the risk to the project.
  
- ▶ **Control Agency Involvement.** Are there central control agencies for information technology, procurement, audit that may have an impact of the project from a governance, policy or statutory perspective? How are they involved in the project? Has their role in the project been clearly defined to them and to the project team?



## 2.3 QUESTION 3

*3. If there are specific items (internally) the State can begin working on now to facilitate a more efficient solution once the best value vendor is selected, please describe what those would be.*

**Response:**

CGI has provided a number of items in response to question one (1) and question seven (7) which can be worked on now in preparation of the project. We are providing the list below to additionally assist the State in preparations. This list is not represented in a specific priority order.

- ▶ **Create a Project Charter.** This project artifact defines the strategic vision, objectives, critical success factors, governance model, communication plan, and risk mitigation approach for the SASRP and would be updated specific to each new phase of the project. The Charter is critical and is used to secure buy-in from all affected State agencies and departments. CGI realizes the State has a business case and also has defined objectives related to the initiative. We recommend pulling this information and other Project Charter specific information into a central project artifact which can be used to direct all future project activities internal to the State and with the selected vendor. This recommended area is related to the response to question seven (7) below.
- ▶ **Identify subject matter experts (SMEs)** for respective business areas. It is critical to the project the right expertise is available to the project at the right time to support project activities. The State should prepare a matrix showing how much time these resources are available, when they have conflicts (vacation, maternity leave, etc.), and what skills they have. Skills assessed should be those related to participating or supporting project activities. Examples for this might be: a resource's ability to make decisions, a resource's ability to define and execute test scripts, or ability to make decisions. An assessment and identification of gaps related to their business domain expertise should also be captured so both the State and vendors can align plans appropriately.
- ▶ **Assess Data Migration**
  - Identifying what subsets of data possibly need to be migrated. Identify what legacy system they reside within, the format of the existing data store, type of data store (e.g. MS Access DB, Mainframe VSAM file, DB2 DB, etc.), and timing / triggers for this data being modified.
  - Define your parameters and requirements for retention of data. These may help to define what subsets of historical legacy data need to be considered for data migration.
  - What data needs to be cleansed? Options for cleansing the data. This could include methods such as manual clean up outside a system, manual cleanup within the legacy system, programmatic conversion, or clean up during conversion transformation steps.
  - Evaluate and document alternative methods to cleansing the data. Can you live with the data in its current state?
  - Evaluate and document whether the data needs to be cleansed at all. Can you live with the data in its existing format and in a repository for some period of time without converting it to a new system?
  - Define interrelationships to transactions and other data elements and repositories.



- ▶ **Gather Diagrams and Descriptions.** Capture or create diagrams related to items outlined in Section 2.1. These help foster understanding and alignment of requirements, interdependencies, and alignment to business processes.
- ▶ **Identify Areas Of Potential Improvement.** As work continues to define the As-Is state, capture from the subject matter experts (SMEs) areas where they feel improvements can be made and notate in a standard fashion for vendor reference.
- ▶ **Capture of Baseline Performance Metrics.** If metrics do not exist today, notate as such.

## 2.4 QUESTION 4

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*4. Given the scope as outlined and the proposed budget of \$30 - \$35 million, how far can the State reasonably expect to get in implementing the different ERP modules?*

**Response:**

As you might expect, this question is difficult to answer without specific requirements aligned to each of the areas identified within scope in the RFI. Based upon our thirty years implementing Advantage for Government entities, the size of Alaska and the comparability to other State implementations, CGI anticipates Alaska could achieve approximately 75% to 100% completeness of SASRP. This estimate factors in the desired scope areas defined in the RFP under items one (1) and two (2) in the RFI section titled "Scope of Vendor Effort". Focus or limiting the scope to key/critical functional areas will help drive the completeness factor closer to the 100% mark with the proposed budget.

We recommend the State consider multiple implementation options including Benefit Funded and a phased implementation approach. These alternative implementation approaches can provide needed project success and value in order to justify the continued investment in the initiative beyond the budget amount Alaska already has set aside, if necessary. Additional details on the Benefit Funded consideration is included in section 2.7 Question 7. Additional details on a phased implementation approach are provided in section 2.5 Question 5.

## 2.5 QUESTION 5

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*5. What general implementation timeline and sequencing of ERP functionality might the State expect?*

**Response:**

There are a number of factors to be considered when formulating the appropriate sequence for implementing a Statewide ERP. There are factors related to normal processing cycles including: the State fiscal year calendar, the State budget development cycle, collective bargaining unit renewals, open enrollment cycles etc.. Additionally, there are interdependencies between the modules: HR/Payroll needs chart of accounts defined within the Financial module; Financial and HR/Payroll need Budgets. Finally the current state of the legacy systems may impact the sequence of ERP functionality For example, one or more legacy systems may be at a higher risk due to outdated technology that is no longer supported or State staff who support the legacy systems that have or will soon retire or pending legislation at the State or federal level that cannot be supported by the legacy systems.



Based on our years of experience in implementing Statewide ERP solutions across the country the following two approaches for implementation sequences for the Alaska Statewide ERP are presented. Pending the issuance of the RFP and detailed information, a different approach may be recommended.

The first approach would be to implement in the following phases:

▶ **Phase 1 Performance Budget System**

Implementing the Budget System first would lay the foundation for the Statewide budget and give the State a quick win to build confidence and maintain support for the long term activities required to implement the full ERP.

▶ **Phase 2 Financial Management System**

This would establish the foundation for the Human Resources (HRM) and Payroll solution by establishing the detailed chart of accounts and accounting structure to record payroll and benefit costs, while implementing a major component of the administrative suite that is used to manage the day to day financial processes in the State of Alaska. This phase can be implemented in sub-phases to reduce the impact on the State in the following sequence:

▪ **Phase 2a:**

- Capital and operating budgeting –monitoring and actual budgeting
- General ledger
- Accounts payable
- Project accounting
- Grant and contract management
- E-Procurement

▪ **Phase 2b:**

- Fixed assets
- Cost allocation

▪ **Phase 3 HRM and Payroll System**

- HRM and Payroll Suite
- Personnel Action
- Position Control
- Self-Service
- Payroll

A sample high level project plan represented in Gantt chart format aligned to this approach is provided below. Please keep in mind this is representative only and will be updated by CGI when we respond to the RFP once issued.



ID	Task Name	Start	Finish	Duration	2011		2012				2013				2014				2015	
					Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2
1	Performance Budget System	7/1/2011	6/29/2012	261d	[Gantt bar spanning Q3 2011 to Q2 2012]															
2	Project Management	7/1/2011	6/29/2012	261d	[Gantt bar spanning Q3 2011 to Q2 2012]															
3	Envision Phase	7/1/2011	12/29/2011	130d	[Gantt bar spanning Q3 2011 to Q4 2011]															
4	Create Phase	12/30/2011	5/1/2012	88d	[Gantt bar spanning Q4 2011 to Q1 2012]															
5	Achieve Phase	5/2/2012	6/29/2012	43d	[Gantt bar spanning Q2 2012 to Q2 2012]															
6	Financial Management System	7/2/2012	7/1/2014	522d	[Gantt bar spanning Q3 2012 to Q2 2014]															
7	Project Management	7/2/2012	7/1/2014	522d	[Gantt bar spanning Q3 2012 to Q2 2014]															
8	Envision Phase	7/2/2012	7/1/2013	261d	[Gantt bar spanning Q3 2012 to Q2 2013]															
9	Create Phase	7/2/2013	4/1/2014	196d	[Gantt bar spanning Q3 2013 to Q4 2013]															
10	Achieve Phase	4/2/2014	7/1/2014	85d	[Gantt bar spanning Q1 2014 to Q2 2014]															
11	Advantage HR/Payroll	1/1/2013	12/31/2014	522d	[Gantt bar spanning Q1 2013 to Q4 2014]															
12	Project Management	1/1/2013	12/31/2014	522d	[Gantt bar spanning Q1 2013 to Q4 2014]															
13	Envision Phase	1/1/2013	12/31/2013	261d	[Gantt bar spanning Q1 2013 to Q4 2013]															
14	Create Phase	1/1/2014	9/30/2014	195d	[Gantt bar spanning Q1 2014 to Q3 2014]															
15	Achieve Phase	10/1/2014	12/31/2014	66d	[Gantt bar spanning Q4 2014 to Q4 2014]															

An alternative second approach would be to structure implementation in the following phases:

▶ **Phase 1 Financial Management System:**

This would establish the foundation for the HRM and Payroll solution, while implementing a major component of the administrative suite that is used to manage the day to day financial processes in the State of Alaska. This can be implemented in phases to reduce the impact on the State in the following sequence:

▪ **Phase 1a:**

- Capital and operating budgeting –monitoring and actual budgeting
- General ledger
- Accounts payable
- Project accounting
- Grant and contract management
- E-Procurement

▪ **Phase 2b:**

- Fixed assets
- Cost allocation

▶ **Phase 2 Performance Budgeting System**

Depending on the timing of the implementation, this would be used to establish the second year budget once the Financial Suite is in place and operational.

▶ **Phase 3 HRM and Payroll System**

- HRM and Payroll Suite
- Personnel Action
- Position Control



- Self-Service
- Payroll

A sample high level project plan represented in Gantt chart format aligned to this second approach is provided below. Please keep in mind this is representative only and will be updated by CGI when we respond to the RFP once issued.

ID	Task Name	Start	Finish	Duration	2011		2012				2013				2014				2015	
					Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2
1	Financial Management System	7/1/2011	7/1/2013	522d	[Gantt bars for 2011-2013]															
2	Project Management	7/1/2011	7/1/2013	522d	[Gantt bars for 2011-2013]															
3	Envision Phase	7/1/2011	6/29/2012	261d	[Gantt bars for 2011-2012]															
4	Create Phase	7/2/2012	4/1/2013	196d	[Gantt bars for 2012-2013]															
5	Achieve Phase	4/2/2013	7/1/2013	65d	[Gantt bars for 2013]															
6	Performance Budget System	1/2/2012	12/31/2012	261d	[Gantt bars for 2012]															
7	Project Management	1/2/2012	12/31/2012	261d	[Gantt bars for 2012]															
8	Envision Phase	1/2/2012	6/29/2012	130d	[Gantt bars for 2012]															
9	Create Phase	7/2/2012	10/31/2012	68d	[Gantt bars for 2012]															
10	Achieve Phase	11/1/2012	12/31/2012	43d	[Gantt bars for 2012]															
11	Advantage HR/Payroll	1/1/2013	12/31/2014	522d	[Gantt bars for 2013-2014]															
12	Project Management	1/1/2013	12/31/2014	522d	[Gantt bars for 2013-2014]															
13	Envision Phase	1/1/2013	12/31/2013	261d	[Gantt bars for 2013]															
14	Create Phase	1/1/2014	9/30/2014	195d	[Gantt bars for 2014]															
15	Achieve Phase	10/1/2014	12/31/2014	66d	[Gantt bars for 2014]															

## 2.6 QUESTION 6

**6. How much time will you need to prepare a response to an RFP?**

**Response:**

CGI attended the Best Value Procurement Process Educational Session held March 31<sup>st</sup>. We are providing a response to help guide DOA in the process moving forward based upon our experience. CGI anticipates between eight (8) and twelve (12) weeks to complete and submit a response. As it relates directly to the Best Value procurement model, we would anticipate three (3) to four (4) weeks needed to prepare for and conduct full interviews and demonstrations during Filter 3 – Interview. This time could be part of the estimated sixty (60) to ninety (90) days estimated above depending upon how the overall process is structured. With respect to the Pre-Planning phase, given this is relatively new to a complex software and services type of initiative and given it will be become part of a Statement of Work and contract, we feel this phase may take up to four (4) weeks.



## 2.7 QUESTION 7

*7. Please provide any other comments or recommendations.*

**Response:**

CGI offers the following comments and recommendations for Alaska to consider as it finalizes work on the RFP and the Best Value procurement process. Details associated with some of the points below may have overlap with responses provided for previous questions.

Item ID	Comment / Recommendation
1.	<p><b>Public Sector ERP Project Experience Differs Significantly from Commercial Sector ERP Project Experience.</b> Public Sector business organizations, processes and practices differ significantly from those in the commercial sector. The capabilities and track record of vendors with the unique requirements of the public sector (e.g. Generally Accepted Accounting Principles (GAAP) basis budgeting, accounting, and reporting, Charts of Accounts, Procurement, etc.) and implementing specific solutions for public sector use should be paramount in the evaluation of suitable vendors for the State.</p> <p>We recommend that vendor references, for software, implementation serves and proposed staff be directly applicable to the SASRP project. Vendors should be required to provide references from governments that have actually implemented the proposed suite of products being proposed by the vendor.</p>
2.	<p><b>Define in the RFP the State Resources that are Available to Support the SASRP Project.</b> Given the State’s resource constraints, particularly on key subject matter experts (SMEs), CGI recommends the RFP define State resource type and quantity that will be available during the Fit-Gap Analysis Phase as well as for subsequent phases and stages of the project. Bidders should be instructed to use this information as an assumption in developing proposed service levels. Not only will this aid the State in conducting Best Value comparisons of proposals but helps to mitigate downstream implementation risk and potential change orders related to misunderstandings over project resourcing.</p>
3.	<p><b>Establish Project Governance that Includes All Key Organizations and Collaboration with Department of Administration (DOA).</b> Given the number of departments and control agencies involved in the Project along with DOA, we strongly suggest that a Memorandum of Agreement (MOA) be created, between all State participants, to clearly define roles, responsibilities, issue and dispute resolution and authorities related to ASRP Project governance and implementation. A clearly defined sponsor, executive steering committee, and project management office and its relationship to making decisions should be outlined. Additionally, reference or inclusion of the Project Charter helps strengthen establishment of governance.</p>



Item ID	Comment / Recommendation
4.	<p><b>Consider a Performance-Based Contracting Model that Distributes Risk Between the State and Bidder.</b> CGI strongly believes that the success of the Project will be based upon a collaborative working relationship between the State and the Selected Bidder. This relationship is key to a long, successful relationship and reduces the inherent risks of such a large business transformation and system implementation effort. To this end, it is important that the State evaluates and understands the culture and the track record of the Selected Bidder as well as the methodologies they propose to use in managing the Project.</p> <p>Over the last decade, CGI has been an innovator of “benefits sharing” procurement models to promote shared risk between the system integrator and the client. We believe these types of arrangements can be extremely successful to both parties.</p> <p>Some of the key characteristics in establishing performance-based contracting methods include:</p> <ul style="list-style-type: none"> <li>▶ Baseline current operations and identify savings opportunities – including “low hanging fruit” benefits and longer-term cost savings that can be attributed to the Project.</li> <li>▶ Develop and jointly agree on an approach to tracking and calculating the savings.</li> </ul> <p>Consider the pros &amp; cons of using a benefits-based performance contracting method vs. a phased, traditional task order-based approach to measure and manage the Project.</p>
5.	<p><b>Define a Requirement for Vendors to Outline a Managed ERP Solution.</b> If vendors have alternatives to the traditional ERP implementation where Alaska may realize additional Best Value benefits, provide a mechanism in the Best Value procurement process for this to be vetted. We urge the State to not be too prescriptive in how or where the ERP solution resides, is supported and maintained, and / or how the end solution is delivered. The RFP should ensure this is evident across product, implementation, and ongoing operations/support of the solution. There are market trends towards software as a service (SaaS), application service provider (ASP), and managed solutions which are impacting the ERP market landscape. Alaska should remain open to various options.</p>
6.	<p><b>Access the Impacts on the Organization and Plan Accordingly.</b> A project with a scope targeted at impacting a number of legacy systems, agencies, departments, business processes, and users has impact beyond the technology. We urge the State to assess potential vendors based upon their ability to drive Best Value organizational change management (OCM) capabilities for the project.</p>
7.	<p><b>Provide Adequate Focus and Work Effort for Training.</b> Another critical success factor in large ERP projects is the sponsoring agency’s commitment to training. We routinely find that the budget, resources and time provided for training is under allocated initially or sacrificed in the later phases of a project due to budget depletion or schedule slippage. We urge the State to take steps to avoid these events. Additionally, we request the State provide specificity about their training needs and desired approach.</p>
8.	<p><b>Data Conversion Clear Definition of Responsibilities.</b> As Data Conversion requirements are defined, consideration should be given to define who is expected to do what. Provide clear delineation on what roles the State will hold and what expectations vendors will be required to fulfill when migrating and converting data.</p>



Item ID	Comment / Recommendation
9.	<p><b>Legacy Desktop Data Conversion Scope.</b> In large public sector ERP projects, we commonly find that the true dimensions of data conversion needs are not fully understood and often underestimated. CGI recommends that the State refine their requirements and define all data conversion needs, including ad hoc production systems maintained on desktops. We urge the State to carefully analyze the scope and depth of its data needs and require the vendor to develop a formal Conversion Plan during one of the Best Value Filter stages.</p>
10.	<p><b>Degree of Fit – Configuration vs. Customization.</b> Commercial Off The Shelf (COTS) ERP solutions should meet standard public sector ERP requirements out-of-the-box to a <b>90%</b> fit or better. To achieve this level of fit, it will be important for the State to define “customization” as any modification or configuration not supported by a vendor’s baseline software maintenance program.</p> <p>It is easy to underestimate the effort required for configuration when determining out-of-the-box fit. Whether configuration or code modification, there may or may not be significant effort involved but it will be important for the State to fully understand the impacts of each for the short and long term cost of both implementing and maintaining the selected software.</p> <p>Accordingly, we recommend that the RFP requires all vendors to indicate how each functional requirement will be met via pre-defined set of codes (e.g., for out-of-the-box, configuration, customization, custom report etc.) and that this is scored based on the value to the State.</p>
11.	<p><b>Modular Design For Flexible Implementation And Maximized Uptime.</b> The State has identified disaster recovery and continuity of operations as an objective. Related to this, the State should expect ERP solutions to provide adequate flexibility to deploy components in a phased manner without impact to the benefits of integration. The State should also expect ERP solutions to support robust failover capabilities to minimize or avoid impacts due to system failures.</p>
12.	<p><b>Maintenance and Support.</b> Allow vendors to illustrate how they can offer a hosted and managed ERP solution to meet on-going maintenance and support needs. Additionally, understanding how government specific needs and enhancements are met in future releases will help the State meet future requirements. Allow vendors to identify when and how upgrades to the implemented version of the ERP work for the State.</p>
13.	<p><b>Understand The License Model.</b> Vendors have various models for licensing their solutions. It is critical when assessing the Best Value to understand what the initial costs, incremental (when new users are added) costs, audit and penalty policies, duration for the license agreement, and benefits to the State of the respective license model are.</p>
14.	<p><b>Filter 3 – Interview.</b> Allow vendors to decide what roles they feel are most critical to participate in the Filter 3 – Interview process. Vendors may have different approaches to the project and may want to highlight various roles to the State.</p>



Item ID	Comment / Recommendation
15.	<p><b>Inclusion Of Commonly Omitted Requirements.</b> There are several sets of requirements that CGI recommends the State consider for inclusion we often see omitted. We consider many these to be best practices and they include:</p> <ul style="list-style-type: none"> <li>▶ Workflow and security definitions that can be changed without coding required and maintained by system administrators rather than programmers.</li> <li>▶ Invoice scanning and OCR recognition/automated document entry for matching.</li> <li>▶ The capabilities of vendors to look on line to gain information about contracts and payments.</li> <li>▶ Purchase order flip “PO Flip” functionality allows vendors to view their purchase orders through a self-service feature and automatically copy that data forward into an invoice back to the State.</li> <li>▶ Budget fiscal year staging capabilities that allow the State to divide the fiscal year into various time periods and specify which transaction types can be processed in each one. For example, new encumbrances cannot be created for a fiscal year after June 10th.</li> <li>▶ Document codes that are used for processing accounting transactions such as deposits, encumbrances, and payments can be replicated by a functional system administrator and does not require software development. The document replication allows the unique business rules to be defined by State agency or like groups of system users and provides for quick identification of the unique accounting transaction activity.</li> </ul> <p>If areas such as these are included, as outlined in the response to question #1 above in section 2.1.7 Prioritization, we recommend the State clearly define priorities so they can be incorporated into a project plan delivering the highest value.</p>
16.	<p><b>Milestone Planning.</b> The State should consider if and to what degree the State’s fiscal year will / will not impact the project time line for cut-over purposes.</p>
17.	<p><b>Strategic Initiative Impact on SASRP.</b> Consideration should be given to other strategic initiatives (IT or business) which may impact or need to be considered as part of SASRP. An example might be Alaska’s involvement in the WSCA eProcurement initiative.</p>

## 2.8 QUESTION 8

*7. Would additional Vendor Education Sessions be helpful? Would it be helpful to hold a session in Seattle?*

**Response:**

CGI will attend Education Sessions either in Juneau, Seattle, or Anchorage. We do recommend the next educational session be scheduled either right before or immediately after issuance of the RFP. This will allow us to relate information on the various filters of the Best Value procurement process to the structure of the RFP.

# State of Alaska

## State of Alaska Request for Information Statewide Administrative Systems Replacement Project



Presented By

**CIBER, Inc.**  
Due: April 22, 2010

**ciber**<sup>®</sup>

**CIBER, Inc.**  
6363 S Fiddler's Green Circle, Suite 1400  
Greenwood Village, CO 80111 USA



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STATEWIDE ADMINISTRATIVE SYSTEMS REPLACEMENT PROJECT

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## LETTER OF TRANSMITTAL

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April 22, 2010

Staci Augustus  
[Staci.Augustus@Alaska.gov](mailto:Staci.Augustus@Alaska.gov)  
Department of Administration PO Box 110208  
Juneau, AK 99811-0208

RE: REQUEST FOR PROPOSAL RFP # 2009173

Dear Ms. Augustus:

CIBER is pleased to respond to the Statewide Administrative Systems Replacement Project, Request for Information. CIBER has thoroughly read the State's RFI. We understand the anticipated scope of services required and what is expected by the State. We have endeavored to respond to all questions within the RFI based upon information available.

CIBER, Inc. (NYSE: CBR) is a pure-play international IT outsourcing and software implementation and integration consultancy with superior value-priced services and reliable delivery for both private and government sector clients. CIBER's services are offered globally on a project- or strategic-staffing basis, in both custom and enterprise resource planning (ERP) package environments, and across all technology platforms, operating systems and infrastructures.

Founded in 1974 and headquartered in Greenwood Village, Colo., CIBER now serves client businesses from over 40 U.S. offices, 25 European offices and seven offices in Asia/Pacific. Operating in 18 countries, with more than 8,000 employees and annual revenue in excess of \$1 billion, CIBER and its IT specialists continuously build and upgrade clients' systems to "competitive advantage status." CIBER is included in the Russell 2000 Index and the S&P Small Cap 600 Index. CIBER, the Reliable Global IT Services Partner.

CIBER has relationships with all of the top-tier ERP software vendors. Many are a fit for public sector entities. We expect to respond to the RFP with multiple software solutions. Specifically, CIBER would provide proposals for SAP, Lawson and Oracle. The State will benefit from the quality services of CIBER as a systems integrator regardless of which solution is selected.

CIBER is your best choice for a strategic partner:

- Our company is a financially sound and growing full service global IT consulting firm with over 8,000 consultants worldwide
- CIBER scopes projects accurately with the right number of hours reasonable rates to assure success
- We understand State Government challenges. With over 400 successful ERP implementations in Public Sector, CIBER has the experience and size necessary to deliver the State of Alaska's System Replacement
- Our leadership and team has managed successful ERP implementations in State, Local and Federal Governments

**ciber**



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- We have dedicated Change Management and Training organizations that use a comprehensive approach to managing change and developing the State's internal skills
- Our full service hosting program was ranked number one of ERP Outsourcing Solutions By The Black Book of Outsourcing

When the RFP is released, the State should anticipate three separate proposals from CIBER, one for each software solution. As we progress in the selection process, CIBER must compartmentalize our responses to the RFP, and therefore, we want to communicate which CIBER contact is associated with each solution. If you have questions concerning this RFI response or any particular product, feel free to contact the following individuals:

**Representing CIBER SAP:**

Doug Owen  
Senior Account Executive  
SAP and Business Objects Public Services  
Phone: 720-255-4451 Email: [dowen@ciber.com](mailto:dowen@ciber.com)

**Representing CIBER Lawson:**

Daniel L. Puett  
Delivery Executive  
Lawson Public Services  
Phone: 816-801-7972 Email: [dpuett@ciber.com](mailto:dpuett@ciber.com)

**Representing CIBER Oracle:**

Brett Miller  
Senior Account Executive  
Oracle Public Services  
Phone: 714-514-7598 Email: [brmiller@ciber.com](mailto:brmiller@ciber.com)

In summary, our goal is to partner with the State to enable the ERP transformation. CIBER is your best choice for a strategic partner. We look forward to a collaborative working relationship and the prospect of embarking on this exciting initiative.

Best regards,

Ed Burns  
President, State and Local Government  
CIBER Inc.  
Phone: 630-424-1400, Ext. 8815 Email: [eburns@ciber.com](mailto:eburns@ciber.com)



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## RFI RESPONSE CONTENT

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*Note: This is **not** a request for bid or a proposal. No contract or purchase order will be issued as a result of submitting a response to this RFI. This is a request for information that will be used to assist the State in preparing a future RFP. Your response to the questions below will help us run a procurement that is responsive to the needs of both the State and the vendor community.*

### 1. Information Needed to Prepare an Accurate Fixed Price Proposal

---

*Knowing that the State is not an expert on ERP implementations, please identify what information you will need in the RFP to prepare an accurate fixed price proposal. Please be as specific as possible so we can provide you with the appropriate information and data in the RFP.*

#### CIBER RESPONSE

The information that CIBER recommends that the State provides in the form of organizational background information is provided below in logical groups. When we analyze a project's implementation scope, complexities and risk, we like to understand, at a minimum, the following information. This information helps us estimate the implementation effort, overall challenges and required resources.

##### Project Goals

- Give a background of the current system including what is not working today
- Why is the State looking for a new system?
- List any business drivers for the project
- List any stated goals

##### General Organizational Demographic Information

- List of State Departments to be considered in scope for the implementation
- Number of employees by department and location
- Anticipated number of users by functional area

##### Project Management

- Identify Project Sponsor
- Identify Project Director/Manager
- Describe Preferred Governance Model (what has worked well in the past)

##### Staffing

- Any systems integrator will need to know what amount of staff and what percentage of dedication the State will be able to commit to the project.
- Please identify the roles you have designated and their anticipated percentage of participation. Some typical project roles include:
  - Steering committee- comprised of stakeholders within the organization that sets the objectives of the project and can help facilitate decision making
  - Project Management Office (PMO)- project manager, change manager (s), project admin.



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- Subject Matter Experts (SME)- lead functional person per area
- Business leads- to support the SME's for requirements clarifications, testing iterations and attend end user training on the system
- Technical developers- to assist with the data conversion, third party interface development and development of reports, workflows and customizations
- DBA- to ensure the system is available and that moves between instances is facilitated when needed
- Network resource- provides network support in conjunction with the implementation
- Trainers- to provide end user training

**Business Processes/Requirements**

- Provide any documentation on existing business process flows
- Provide a requirements matrix, including a list of functional requirements by area to be used by the vendors to perform a high level fit/gap
- Provide transaction volumes by function for all major areas, i.e. payroll, purchase orders, journal entries, etc.
- Identify specific functional areas in need of improvement

**Technical Scope**

- Interfaces
  - List known interfaces that will be in scope for the implementation of the new solution
  - List potential interfaces that might be in scope for the implementation of the new system
- Data Conversion
  - List all legacy systems with data that will need to be converted into the new system
  - Include a description of what type of data is stored in the legacy system (i.e. employee data) and include the amount of history that will need to be converted
- Reporting
  - Outline any preferred reporting strategy
  - List required reports by major functional area
  - List number of reporting users
  - Are there any major reporting needs that are not currently met

**Provide Current Infrastructure Description**

- Applications
- Existing performance testing tools
- Operating systems (both server and desktop)
- Servers (physical and virtual)
- Data Center (location, space, power, air conditioning needs)
- Networks
- Databases
- Storage Hardware (SAN)
- Current Landscape Map
- Number of named users by each application and major functional area
- Peak number of logged on users for each application and major functional area



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**Project Risks**

- Describe any competing projects, timelines and priorities.
- Describe any geographical location challenges
- Identify other known project challenges and risks

**Infrastructure**

- Identify if the intent is to host the applications and supporting infrastructure internally or externally
- Identify preferred hardware, operating system, and database platform; if any
- Identify if the State requires a High-Availability solution for the new ERP solution
- Identify if the State requires a Disaster Recovery solution for the new ERP solution
- Define preference on the use of virtual server technology such as VMWare

**Change Management/Training**

- Does the State have a formal change management process currently? If so, describe.
- Is there a preference for an approach to end user training, i.e. train the trainer?

**2. External Barriers (or Risks) to Vendor Implementing Statewide ERP Solution**

---

*What external barriers (or risks) to the vendor exist to implementing a statewide ERP solution for Alaska?*

**CIBER RESPONSE**

At a high level the following external barriers/risks can have an impact to the vendor implementing a statewide solution for Alaska:

- Geographic Location
- Availability of project resources to support the project internally
- Continuity of resources given multi-year deployment
- Organization's readiness to accept and adopt change
- Project risks unique to the State of Alaska organization not readily apparent
- Including scope beyond the core functionality needed to meet business requirements
- Decision making framework for enterprise-wide decisions
- Competing projects

**3. Items to Work on to Facilitate an Efficient Solution**

---

*If there are specific items (internally) the State can begin working on now to facilitate a more efficient solution once the best - value vendor is selected, please describe what those would be.*

**CIBER RESPONSE**

The following items need to be defined to provide the organization background information to support the RFP:

Identify Finance, HCM, Procurement process owners



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**Project Management**

- Identify Project Sponsor
- Indentify Project Director/Manager
- Indentify the project team composition and planned at the time of the RFP release as well as the percent of time assigned to the project
- Establish preferred Governance Model (what has worked well in the past)
- Identify potential project team work area

**Change Management**

- Identify Internal Change Management and Training Resources available to support the project
- Indentify Change Leaders and Agents

**Finance**

- Map current business processes
- Document specific areas needing improvements
- Capture requirements by function

**Logistics**

- Map current business processes
- Document specific areas needing improvements
- Capture requirements by function

**HCM**

- Map current business processes
- Document specific areas needing improvements
- Capture requirements by function

**Interfaces**

- Document current interfaces by major functional area

**Conversion**

- Confirm data sources by major functional area that will need to be converted to the new system
- Review the historical data requirements
- Data cleansing/cleanup of any data known to have data issues

**Reporting**

- Discuss preferred reporting strategy
- List required reports by major functional area
- Document any major reporting needs that are not currently met

**Infrastructure**

- Identify preferred platform (server, SAN, operating system, database)
- Evaluate current network and identify any known issues
- Evaluate current storage and backup infrastructure
- Prepare diagrams of the existing infrastructure



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- Document Service Level requirements for the new ERP solution (availability, performance, backup retention policies, recovery time objectives, maintenance windows)

**Project Risks**

- Conduct a Project Risk assessment to uncover know risks and develop recommended mitigations steps

**Infrastructure**

- Review the hosting options and required staffing for each options in preparation for the decision to host internally or externally.

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**4. Will Budget be Sufficient to Implement Defined ERP Modules**

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*Given the scope as outlined and the proposed budget of \$30 to \$35 million, how far can the State reasonably expect to get in implementing the different ERP modules?*

**CIBER RESPONSE**

Based on the RFI, the State estimates that \$30 - \$35 million will be available under a fixed price contract for product licensing, maintenance, and system integrator services to implement a solution. Based on the size and complexity of the state and the level of detail we understand at this time, the \$30 - \$35 million budget seems reasonable.

There are several factors that can impact the timeline and the State's ability to implement within this budget.

- Management's commitment to ensure that this project is one of the highest priorities for the State
- The organization's commitment and ability to embrace the changes required to move to new business applications
- The ability for the organization to reach consensus and make decisions effectively
- Dedication of the right internal resources to ensure project success

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**5. Recommended Implementations Timeline and Sequencing of ERP Functionality**

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*What general implementation timeline and sequencing of ERP functionality might the State expect?*

**CIBER RESPONSE**

Given the State's public disclosure rules for procurement, CIBER prefers not to answer with a specific approach or timeline. Sample options could include sequencing by business functions:

- The State could implement Financials first and HR/Payroll second or vice versa



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- The State could implement a core group of functionality and add additional functionality in a subsequent phase. A good example is core functions in Phase 1 and self service functions in Phase 2.

The State could deploy the solution by department. If this approach is selected, it would be very important to involve the latter deployed departments in the initial fit/gap process of the modules so that their requirements are represented in the final statewide solution.

## 6. Time Required to Prepare a RFP Response

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*How much time will you need to prepare a response to an RFP?*

### CIBER RESPONSE

Eight to ten weeks provides ample time to prepare a high quality response. This assumes the RFP provides the right level of background information to properly scope the project.

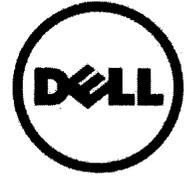
## 7. Other Comments or Recommendations

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*Please provide any other comments or recommendations.*

### CIBER RESPONSE

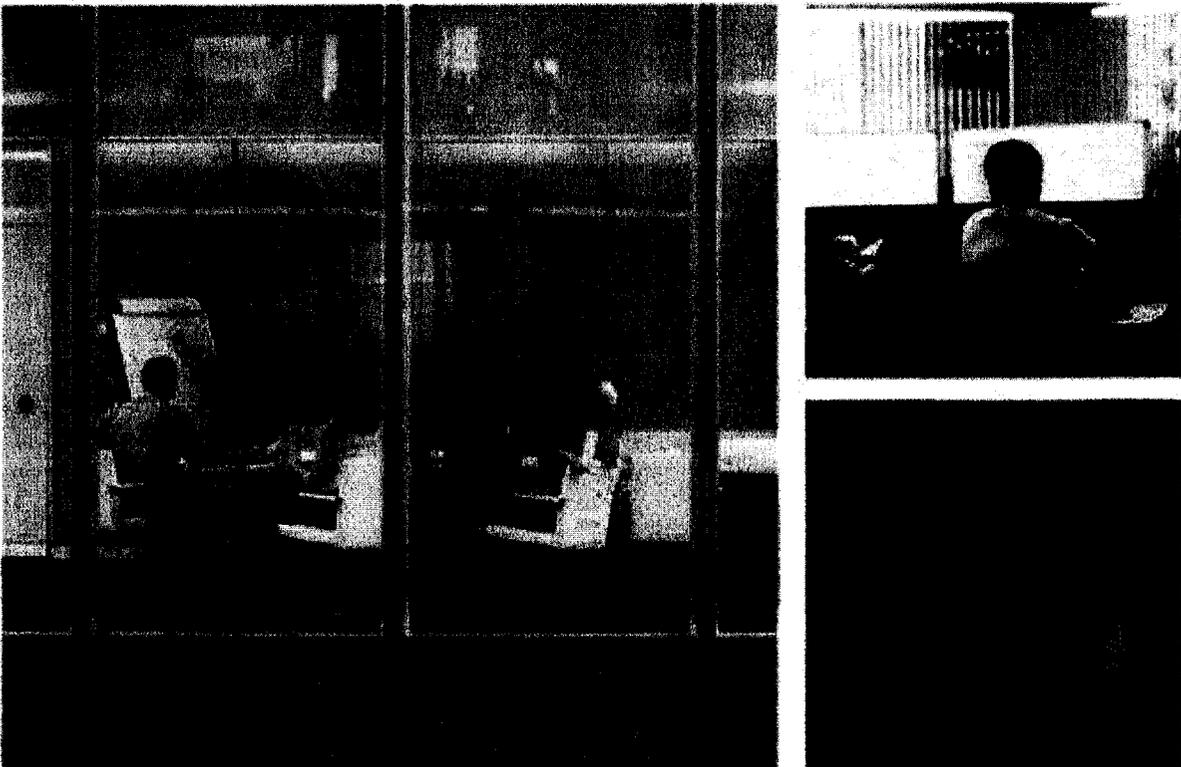
CIBER does not have any additional recommendations at this time.



# Dell's Response to the State of Alaska

Statewide Administrative Systems Replacement (SASR) Request for Information

April 22, 2010



April 22, 2010

Staci Augustus  
Staci.Augustus@Alaska.gov  
Department of Administration  
PO Box 110208  
Juneau, AK 99811-0208

Dear Staci Augustus:

Thank you for the opportunity to respond to the State of Alaska RFI for Statewide Administrative Systems Replacement (SASR) Services. We are eager to earn the right to become your partner in this IT transformation endeavor.

It is important for the State of Alaska to know that we are committed to providing a unique and flexible partnership that will ensure immediate success, as well as long-term growth. Our goal is to work with you toward a mutually beneficial result through the development of creative and innovative solutions. Examples of the opportunities that can bring significant value are:

- A 100 percent commitment to meet or exceed current service levels
- A solution based on a commitment to the current global resources
- Continuous innovation through a flexible and cooperative partnership
- Maximum financial gain through predictable and quantifiable savings
- Proven and defined processes that support “best practice” methodologies and ensure consistent results

This RFI response was developed in direct response to the questions asked by the State of Alaska for the Administrative Systems Replacement Project. The answers to the RFI questions will be reviewed and potentially modified, based on information gathered during due diligence, vendor information sessions, and the subsequent RFP process. Dell remains committed to the State of Alaska and is uniquely positioned to provide the consulting services and hardware solutions to support this project. We welcome the opportunity to further illustrate our commitment during the RFP response process.

I look forward to speaking with you again in the upcoming weeks. In the interim, should you have any questions regarding our response, please do not hesitate to contact me directly at (720)244-1240.

Sincerely,

Rod Gallagher  
[Rod\\_Gallagher@Dell.com](mailto:Rod_Gallagher@Dell.com)  
Engagement Manager  
Dell

Gillian Dezzutto  
[Gillian\\_Dezzutto@Dell.com](mailto:Gillian_Dezzutto@Dell.com)  
Account Executive  
Dell



# Legal Notes

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## **Our Relationship**

This document is not a contract. When we conduct business, our relationship will be governed by Dell's standard terms and conditions unless we negotiate a separate written agreement.

Dell takes care to review and verify the information provided in this document. However, we cannot be responsible for errors or omissions that may occur in the production of this document or as a result of the passage of time. In addition, Dell may improve or change this presentation or improve or change its products and service offerings from time to time, without updating this document. Please contact your sales representative for updates or validation of the information in this document.

Subject to our ability to reach a mutually acceptable agreement on this issue, Dell does take responsibility for the actions of its employees and agents that are performed in the scope of their employment.

## **Confidentiality**

All information supplied to the State of Alaska for the purpose of this proposal is to be considered Dell confidential.



## Dell's Response to RFI Questions

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1. *Knowing that the State is not an expert on ERP implementations, please identify what information you will need in the RFP to prepare an accurate fixed price proposal. Please be as specific as possible so we can provide you with the appropriate information and data in the RFP.*

### **Dell's Response:**

These are typical items contained in State Government RFP responses, which provide data for an accurate RFP response:

- a. Intent of the RFP (which you have covered in the RFI)
- b. Background
  - i. State of Alaska Statewide Administrative Systems Replacement (SASR) Project Overview
  - ii. Current Applications Environment and Interfaces
  - iii. Current Technical Architecture
    1. WAN/LAN
    2. Internet and Intranet
    3. Server and Desktop
  - iv. Preparatory Activities for the ERP Project
    1. Previous Studies
    2. Business Case
  - v. Strategy
    1. Goals of the ERP Solution
    2. Budget Constraints per Category
      - a. Software and Maintenance
      - b. Implementation Services for Software
      - c. State of Alaska Staff on Team
      - d. Infrastructure Upgrades
      - e. Hardware
      - f. Contingency
    3. The SASR Steering Committee. List Key Decisionmakers.
    4. The State of Alaska SASR Project Team. List Key Project Personnel (Full-Time/Part-Time)
    5. Project Timeline and Key Dates for the Proposal
      - a. RFP Release
      - b. Proposal Due Date
      - c. Final Vendor Selection
      - d. Contract Award and Signature
      - e. Implementation of New System
    6. Software Functional Modules Anticipated for the Proposal
      - a. Essential Functional Modules
      - b. Desired Functional Modules
      - c. General Description of the Functional Requirements
    7. Hardware and Hosting Requirements for the Proposal
      - a. Server Requirements
      - b. Database Requirements
      - c. Network Requirements
      - d. Application/System Response Time Requirements
      - e. Hosting Requirements for the Proposal



8. Requirements for the Proposal Responses
  - a. Issues with Existing Systems (Pain Points)
  - b. Functional Requirements
  - c. Project Management Requirements
  - d. Change Management Requirements
  - e. Implementation Management Requirements
  - f. Training Requirements
  - g. Documentation Requirements
  - h. Technical Requirements
    - i. Data Conversion
    - ii. Testing
    - iii. Security
    - iv. Service Desk and Other Support
9. Contract Terms and Conditions
  - a. General Contractual Requirements
  - b. Charges - Fixed Price Bid
  - c. Performance
  - d. Warranty
  - e. Acceptance Test
  - f. Confidentiality
  - g. Staff Clearance
  - h. Performance and Payment Bond
  - i. Liquidated Damages
  - j. Documentation
  - k. Taxes
  - l. System Ownership
  - m. Prohibition of Gratuities
  - n. Indemnification
  - o. Attorney Fees
  - p. Venue
  - q. Governing Law
  - r. Amendments and Modifications
  - s. Termination
  - t. Specific Terms and Conditions
  - u. Equal Employment Opportunity
  - v. Drug Free Workplace
  - w. Acceptable Use Policies
  - x. Professional Liability Insurance
  - y. Payment
  - z. Contacts for information
  - aa. Any other terms that are unique or relevant to doing business with the State of Alaska, its departments, other branches of State Government, and other Local Government entities
- vi. Instructions to Proposers
  1. Best Value Process
    - a. Rules Governing RFP
    - b. Statement of Requirements
    - c. RFP Document
    - d. Mandatory Best-Value Education Session
    - e. Mandatory Pre-Proposal Conference
    - f. Preferred Vendor Notification
    - g. Notice of Intent to Award



2. Proposal Response Format
  3. Evaluation Criteria
  4. APPENDIX A: ASSET - Time and Attendance
  5. APPENDIX B: AKPAY - Payroll
  6. APPENDIX C: ABS - Alaska Budgeting System
  7. APPENDIX D: Workplace Alaska - Recruitment
  8. APPENDIX E: ALDER - Data Warehouse
  9. APPENDIX F: AKSAS - Financial
  10. APPENDIX G: Interfaces
  11. APPENDIX H: Enterprise Reporting Requirements
- vii. Proposer's Response Section (RFP) Details Should Contain:
1. Cost Response
  2. Software Licensing
  3. Implementation Services
  4. Hardware Costs

2. *What external barriers (or risks) to the vendor exist to implementing a statewide ERP solution for Alaska?*

**Dell's Response:**

- It would be preferable that the software be selected in advance of issuance of an RFP to systems integrators to provide implementation services. While some vendors may offer the ability to implement multiple ERP solutions, it will be a more efficient process for the State of Alaska to evaluate responses based on a single ERP platform and will also enable the respondents to provide a higher quality of response.
- A successful training program is critical to the success of the new system. A variety of methods exist for creation and delivery of training, all of which must be evaluated as part of a comprehensive training strategy and plan.
- Data migration of legacy data is a key factor/risk for the successful implementation of a new system. Therefore, careful attention must be paid to data cleansing. Activities to eliminate and consolidate obsolete and/or delete data relative to key entities, such as vendors, should be an important part of the project plan.
- To mitigate knowledge transfer risk, the State of Alaska should dedicate full-time employees to the Project Management Office (PMO) and from each impacted department who can work side-by-side with the vendor to define requirements and system configuration, and to conduct testing and validation activities. We achieve knowledge transfer by "pairing" key consultants with customer counterparts, such as process team leads, development leads, etc.
- In order to gain sponsorship and participation from stakeholders, it would be required to hold a weekly review meeting of the Weekly Risk Report (WRR) and the Risk Management Plan (RMP)/Directors Report, starting Week 1 after contract award. This will ensure successful project outcomes through project reporting and governance.
- To minimize resistance to change among stakeholders, a Communications Plan will be created to ensure that stakeholders are involved, expectations are accurately set and managed, and key stakeholders receive adequate communications through the project life cycle.



3. *If there are specific items (internally) the State can begin working on how to facilitate a more efficient solution once the best-value vendor is selected, please describe what those would be.*

**Dell's Response:**

- **Perform a full requirements analysis for each of the functional areas**—This analysis should focus first on defining the “As-Is” processes, sub-processes, and activities for each of the in-scope business functions. Subsequently, the State of Alaska should identify the desired “To-Be” state for each of these functional areas and the key drivers of additional business value.
  - **Perform a fit/gap analysis for each of the functional areas, based on the selected ERP product**—A systems integrator and/or the ERP vendor themselves, such as SAP or Oracle, can assist in this process. It is important to be specific in defining complex requirements; otherwise, all ERP vendors will claim that they can meet all requirements.
  - **Set up a PMO and organizational structure to manage the program**—The PMO should use a proven structured methodology for managing the overall project from the perspectives of people, processes, technology, financials, schedule, and scope. A qualified systems integrator should have such a methodology as part of its standard services and should also be able to incorporate the selected ERP vendor’s product specific methodology—often referred to as a Road Map, such as SAP’s Accelerated Systems Application and Products (ASAP) Methodology—into its own overall project management methodology.
  - **Establish a WRR to track active risks that the vendor does not control and the interface between the vendor and all other participants**—It will also contain a RMP list of risks that have not occurred and are prioritized, along with risk minimizations steps.
  - **Establish a Director’s Report or Executive Dashboard**—This will be used to track all of the active projects, which gives the director an updated weekly report on the status of all projects, and creates a transparent environment that motivates every component in the delivery cycle to improve performance.
  - **Establish a change management and communications team**—This team will provide communications for the project moving forward.
  - **Establish a steering committee**—The focus of this committee is the assigned project.
  - **Provide user counts for all solution areas**—This includes time and attendance, payroll, Alaska budgeting system, recruitment, data warehouse, financial, and reporting.
  - **Work on facilities for a multi-year project**—This comprises connectivity, team rooms, white boards, projectors, etc.
4. *Given the scope as outlined and the proposed budget of \$30 - \$35 million, how far can the State reasonably expect to get in implementing the different ERP modules?*

**Dell's Response:**

- Based on the information made available, we are expecting that the ERP project can be fully implemented within the described budget. However, additional information will surface during a period of due diligence, and after the RFP is issued, such as the selected software and hardware specifications. In addition, throughout the Planning and Blueprint phases of the project, detailed checkpoints will be planned, where scope, schedule, and budget are further refined.
- Bidders should understand the budget and time constraints and propose solutions that will work within those boundaries.



- It is important to stress that adherence to the standard functionality that is offered by the ERP product will enable adherence to the defined budget. Some degree of custom development is expected for reports, conversions, interfaces, forms, and user extensions, and should be planned accordingly. However, any time a significant deviation from the standard functionality inherent in the ERP product is proposed, key process owners must question why and only authorize such deviations on an exception basis, following a well-defined change management process.
- The systems integrators bidding should look at the solution requirements and assure a project plan that achieves the stated goals in an achievable timeframe and fits within the budget. Use of a fixed fee structure for the arrangement with the systems integrator may be of benefit. However, a fixed fee arrangement comes with increased accountability by the State of Alaska to meet its responsibilities. For example, it will be essential that the State of Alaska work within the boundaries of the defined scope, review and approve deliverables on time and meet its commitments to dedicate full- and part-time resources as defined in the agreement. Otherwise, the result will be change orders made to the fixed fee agreement.

5. *What general implementation timeline and sequencing of ERP functionality might the State expect?*

**Dell's Response:**

- This depends on the implementation strategy selected. There are several options—you can implement the solution by functional area, by big bang, by geography, or a combination of these. Discussions regarding the implementation and rollout strategy, typically, begin early (for example, prior to creation of the RFP) and may continue throughout the project's Initiation phase, Planning phase, and even the Blueprint phase (where the to-be business process design is established).
- From a sequential perspective, if a big bang approach is not chosen, in general, Financials go first, with "budgeting" and financial components as primary drivers. You can also implement Human Resources solutions, such as time and attendance, payroll, and recruitment, in one release as they are stand-alone components. Generally, Business Warehouse and Enterprise Reporting would be a subsequent phase with the exception of the necessary reporting required to support either a Financial (Budgeting) first phase or an Human Resources first phase.
- An implementation timeline for each identified phase of the project would, typically, take anywhere from 12-18 months, generally speaking, as it is critical to achieve ROI as soon as possible, and within a 5-year period, to start receiving payback on State of Alaska's investment. Dell has completed numerous successful ERP implementations in far less time. Implementation timelines are driven by a variety of factors, which include, but are not limited to, the degree of deviation from the "out-of-the-box" functionality, the willingness of the organization to change existing processes, training, and logistics, and the degree of participation of the business in defining and validating the solution.

6. *How much time will you need to prepare a response to an RFP?*

**Dell's Response:**

The timeline outlined with a due date of October 1, 2010 is sufficient, per the schedule on the Alaska - Division of Finance Website. Generally speaking, a qualified systems integrator should be allowed 4 to 6 weeks from the date an RFP is issued until it is due back. One caveat is that this assumes that the response is for a single ERP product.



7. *Please provide any other comments or recommendations.*

**Dell's Response:**

- We suggest you make the software selection decision prior to the Integration RFP being released. Then, the chosen vendor will have detailed all of the requirements, fit/gaps, and potential solutions. Having made the software solution prior to the Integration RFP release, the systems integrator can more easily develop a properly scoped bid and provide a more accurate timeline, and you will have more consistent proposal responses.
- Does the State of Alaska want to own and maintain the hardware and infrastructure? Hosting is an option that provides third-party management of the infrastructure and environments. Dell can offer hosting services on a long-term basis or can also provide a "Jump Start" hosted environment. The Jump Start environment allows the State of Alaska to take long lead-time activities related to hardware procurement and installation of the project critical path. Dell recommends that the State of Alaska consider hosting services as part of the RFP response.
- Application Management Outsourcing (AMO)—Has post-go-live support been considered? What Service Desk (Help Desk) Service Level Agreements (SLAs) does the State of Alaska want to achieve regarding post-go-live support of the new system (24x7)? Would the State of Alaska like to include a separate service desk and AMO support proposal as part of the response? If the State of Alaska is considering such an option, it would be of value to request the systems integrators to outline their qualifications in this area in their response.
- Logistics—Please provide all of the locations where the solution will be required to be implemented and the user counts for each location.
- As part of the Best Value process, the State of Alaska should ask the vendors to provide a resume of the proposed project manager. Also, as part of the Best Value process, the State of Alaska should request the vendors to describe their approach to the project; specifically, their implementation methodology, and their processes for time management, cost management, integration management, quality management, communications management, procurement management, human resources management, risk management, and scope management. All of these should be reflected in the methodology.
- Many systems integrators offer implementation services that can be delivered by employees who are based at a combination of onsite, offshore (Asia-Pacific, Eastern and Western Europe), and nearshore (Mexico, Canada) locations. The State of Alaska should clarify in the information sessions to what extent they want vendors to consider utilizing a global delivery model of this nature.

8. *Would additional Vendor Education Sessions be helpful? Would it be helpful to hold a session in Seattle?*

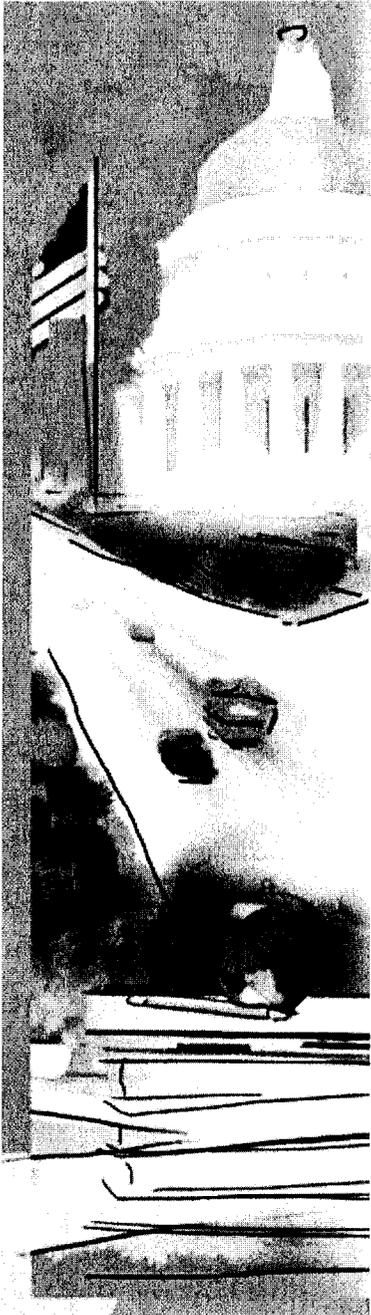
**Dell's Response:**

The additional session identified in July is sufficient; however, if the State of Alaska wants to add more sessions, Dell would welcome them to further ensure a high-quality and accurate RFP response. We will support the Vendor Education Session in Juneau, Alaska, as it is appropriate to meet with the State of Alaska and its team at their location. However, if the State of Alaska decides to host a session in Seattle, we will support that location as well.





Thank you for considering Dell!



Response to Request for Information  
**State of Alaska**

**Statewide Administrative Systems  
Replacement Project**

April 22, 2010

Prepared by:  
Jeremy DeBrine  
Senior Account Executive

**Lawson Software**  
380 St. Peter Street  
St. Paul, MN 55102  
503-706-4993  
Jeremy.DeBrine@Lawson.com  
[www.lawson.com/publicsector](http://www.lawson.com/publicsector)



April 22, 2010

Staci Augustus  
PO Box 110208  
Juneau, AK 99811-0208

Dear Ms Augustus:

Thank you for inviting Lawson to respond to the State of Alaska's Request for Information. We understand the effort that goes into a selection process. We appreciate the opportunity to introduce Lawson Software and our solutions for Public Sector.

We realize you want to partner with a company that focuses specifically on the Public Sector and understands the unique challenges you face. Lawson understands that as a Governmental entity you face strict financial oversight, a prevalence of outdated systems, and often an aging workforce. Our software solutions and services offerings are designed to address these and other challenges specific to your business. Our dedicated team is committed to serving you the same way you strive to serve the public: in a personal, responsive and cost-effective fashion.

Our solutions will help you achieve operational improvements so you can focus and invest your time and resources in constituent, customer and student care.

Key reasons why other Public Sector organizations have chosen Lawson include:

- **Our commitment to the public sector market** – industry-differentiating applications such as budgeting and planning, grants management, online bids and sourcing, talent management and others, align with critical business operations unique to public entities.
- **Return on investment** – Lawson Value Assessments offer best practice research, metrics and benchmarking that allow Public Sector organizations to measure their performance against their peers and quantify the potential return on investment of a new ERP system.
- **Our proven track record** – public sector organizations that have chosen Lawson include *the State of Michigan, the State of New Hampshire and the State of Arizona.*
- **Professional Services** – Our team of consultants and strong partner ecosystem deliver Public Sector-specific expertise and knowledge to help deliver successful implementations resulting in a faster time to value.

Thank you again for the opportunity to respond. We look forward to sharing with you our record of delivering outcomes that matter to our current Public Sector customers. I am here to serve you throughout your procurement process and look forward to working with you.

Sincerely,

*Jeremy DeBrine*

Jeremy DeBrine  
Senior Account Executive  
Lawson Software

## RFI RESPONSE CONTENT

*Note: This is not a request for bid or a proposal. No contract or purchase order will be issued as a result of submitting a response to this RFI. This is a request for information that will be used to assist the State in preparing a future RFP.*

- 1. Knowing that the State is not an expert on ERP implementations, please identify what information you will need in the RFP to prepare an accurate fixed price proposal. Please be as specific as possible so we can provide you with the appropriate information and data in the RFP.*

### **Lawson Response**

One of the key pieces of information needed to prepare an accurate price proposal will be as much detail as possible on the State's level of staffing assigned to the project implementation. Specifically the level of resources the state will be providing for the implementation (e.g. 75% vendor 25% state). Will the State be dedicating full time resources? Will the State backfill for project team resources?

- 2. What external barriers (or risks) to the vendor exist to implementing a statewide ERP solution for Alaska?*

### **Lawson Response**

Inconsistent agency policies; policy changes required as a result of business process redesign can require legislative actions leading to significant bottlenecks and potential delays. Strong State executive leadership is a key success factor, that if lacking can increase risk. Timely decision-making is another key factor required in order to keep the project on schedule. Other competing projects can create resource contention.

- 3. If there are specific items (internally) the State can begin working on now to facilitate a more efficient solution once the best-value vendor is selected, please describe what those would be.*

### **Lawson Response**

Identify project team members with greatest institutional knowledge and prepare a staffing plan in advance. Gather documentation of existing State business processes.

- 4. Given the scope as outlined and the proposed budget of \$30 - \$35 million, how far can the State reasonably expect to get in implementing the different ERP modules?*

### **Lawson Response**

Based on other state wide implementations and Alaska's desired functionality described in the RFI the proposed budget seems reasonable to cover the core ERP modules the state describes and anticipates procuring.

5. *What general implementation timeline and sequencing of ERP functionality might the State expect?*

**Lawson Response**

Given that the State is currently implementing a time and attendance solution; it could be advantageous to implement financials and procurement first eliminating the need for dual conversions to HR/Payroll.

6. *How much time will you need to prepare a response to an RFP?*

**Lawson Response**

With the Best Value Procurement model being a new process for both the State and most vendors the more time that can be provided will be helpful. Based on the information provided at the educational training session and past experiences 60 days should be sufficient to prepare a response.

7. *Please provide any other comments or recommendations.*

**Lawson Response**

The more exposure provided to the organizational structure and the executive leadership goals for the project will be valuable in making sure the solution meets and exceeds the desired increase in business process efficiency.

8. *Would additional Vendor Education Sessions be helpful? Would it be helpful to hold a session in Seattle?*

**Lawson Response**

Yes future Best Value Education Sessions after the RFP has been released would certainly be helpful in bringing other team members involved in the response up to speed on the Best Value process. Seattle offers more travel flexibility for future sessions however Juneau is not a barrier to participation.



April 19, 2010

Staci Augustus  
Staci.Augustus@Alaska.gov  
Department of Administration  
PO Box 110208  
Juneau, AK 99811-0208

Dear Evaluation Committee:

MAXIMUS is pleased to present our response to the State of Alaska for a Request for Information for a Statewide Administrative Systems Replacement Project.

MAXIMUS is a leader in the PeopleSoft Education and Government segment of the industry. MAXIMUS has completed over 200 public sector system integrations and we have the resources needed to support a project of this magnitude. We are confident that our team's technical and functional diversity gives us the expertise we need for Alaska's statewide project. MAXIMUS works closely with our customers and is truly committed to the success of their project, during implementation and beyond.

MAXIMUS is able to leverage our project work products, deliverables, configurations, customizations, and the often intangible lessons learned from our PeopleSoft Enterprise statewide government implementations, including: the States of New Mexico, North Dakota, Tennessee, Oklahoma, Delaware, and Minnesota.

#### Contact Information

Roch Hoedebecke, Senior Vice President  
MAXIMUS Consulting Services, Inc.  
3130 Kilgore Road, Suite 400  
Rancho Cordova, CA 95670  
p (916) 669-3720  
c (303) 807-6819  
f (916) 669-3514  
rochhoedebecke@maximus.com

MAXIMUS is ready to continue on with the State of Alaska in your pursuit for a Statewide Administrative System. MAXIMUS is committed to be involved in the next steps of the process and we are anxious to work with the State of Alaska on this important endeavor.

Sincerely,

Roch Hoedebecke  
Senior Vice President  
MAXIMUS Consulting Services, Inc.



## MAXIMUS Response to RFI

1. Knowing that the State is not an expert on ERP implementations, please identify what information you will need in the RFP to prepare an accurate fixed price proposal. Please be as specific as possible so we can provide you with the appropriate information and data in the RFP.

- **Technical Development Scope:** Please provide the interfaces that will need to be produced with the ERP system. For example, interfaces to/from agency programmatic systems (Purchase Orders, Invoices, Journals, Benefit files to providers, etc.).
- **Technical Development Scope:** Per State statues, laws, and/or business processes, what type and amount of historical data is needed to be converted outside of the data conversion to enable the To-Be Business Processes?
- **Technical Development Scope:** How many reports will be required to be produced as part of this project? Commonly, other States have set a cap of 30-50 reports.
- **Technical Development Scope:** How many workflows will be required to be produced as part of the project? Commonly, other States have set a cap of 20-30 workflows.
- **Training Development:** What training roles will you expect of the vendor during the project? Below are the three major roles that could be expected of the vendor. 1) Training Material Development. 2) Train-the-Trainer Sessions. 3) End User Training Delivery. States have always asked for 1 and 2. Other States have been 50/50 with 3 as some do the training and ask agencies to pull together trainers for the end users.
- **Training Delivery Scope:** How many end users will be using the new ERP system? Please provide a table that shows the number of users by System Module area (General Ledger, Accounts Payable, Benefits, etc).
- **Go-Live Date Mandates:** Do you expect and need the system to Go-Live on certain dates? For example, Financials and Procurement systems on the first day of a new Fiscal Year. Human Resources (HR)/Payroll on January 1 or another key date.
- **Project Facility:** Will the State provide the project facility for all project team members?
- **Training Facility:** Will the State provide all training facilities for the project end user training?
- **State Project Team:** Can you provide the number of State resources that will be provided for the project? Please provide the number by module area along with change management, training, and technical counts.
- **Vendor Project Team:** Which vendor positions does the State consider key staff?
- **Project Work Location:** Will the State entertain the ability to do remote work outside of Juneau?
- **Consultant Work Schedule:** Is the State open to consultants working a flexible schedule. Examples: 4 days/40 hours per week; 2 weeks onsite/1 week offsite?
- **Training Scheduling and Coordination:** Will the State provide a training scheduling system for setting up all classes and class times and then the ability for agencies to schedule end users into the classes?



- **Requirements:** Please provide the Functional and Technical Requirements for the ERP system.
- **Testing:** What role does the State want to play in testing? An example is that the vendor guides and assists with testing, but the State actually executes the test scripts.
- **Post Production Support.** How many days of support after go-live will the State expect? Typically, it is 90 days after each go-live milestone.

2. What external barriers (or risks) to the vendor exist to implementing a statewide ERP solution for Alaska?

- **Client Turnover:** Turnover of client resources during the project presents a risk to redesign and knowledge transfer.
- **Knowledgeable Client Resources:** Procuring knowledgeable client resources (the best of the best) is always a challenge but an integral component to the success of the project.
- **Client Allocation:** If the client staff is not fully dedicated to the project, then client resources will encounter burnout and incrementally make decisions that determine as-is business processes. This will keep the State from recognizing the best business practices of the new application.
- **Material Rules/Statue Changes:** If there are material rules/statue changes that impact State personnel or accounting procedures then the result could be significant redesign that also initiates rework in test and test training preparation and execution.
- **Ability to Accept Change:** The State employees and most importantly the project team must embrace and accept change as beneficial to achieve the long-term State goals and vision.

3. If there are specific items (internally) the State can begin working on now to facilitate a more efficient solution once the best value vendor is selected, please describe what those would be.

- **Legacy Data Cleanliness and Quantity.** Where possible and known, clean up any bad data or missing data that exists with data areas that will need to be converted. Look at ways to purge data areas that have inactive data. For example, Vendors (no payment in the past 12-24 months), Customers (no activity in 12 - 24 months), any employee records that won't be converted, and old contracts.
- **Project Governance.** Determine how the State will form and govern committees for review and oversight of the project. Common Committees are Steering Committee and Sponsors Committee. Steering Committees usually meet for 1 hour each week and Sponsors for 1 hour per month.
- **Law and Policy Changes.** The State will need to have the steps and mechanisms in place to manage and institute any necessary law changes or policy changes.
- **State Project Team Identification.** Where possible, identify resources that are super users of the current legacy systems and have the personality to lead groups of State users through meetings and decisions. Make sure the resources are full-time to the project, with no legacy system responsibilities additionally placed upon them.



- **Project Site.** Determine where the project team will be located. Try to co-mingle entire team in a close proximity so knowledge transfer and communication is at a maximum.
- **Requirement Understanding:** Ensure the project team understands the functional requirements. Too many times the requirements are boilerplate and not understood or internalized by the client team that will implement the requirements.

4. Given the scope as outlined and the proposed budget of \$30 - \$35 million, how far can the State reasonably expect to get in implementing the different ERP modules?

- This answer is wholly dependent upon further clarification in the RFP of required tasks and functional requirements.

5. What general implementation timeline and sequencing of ERP functionality might the State expect?

- These details will be outlined in the RFP response.

6. How much time will you need to prepare a response to an RFP?

- The outlined schedule seems appropriate.

7. Please provide any other comments or recommendations.

Below are recommended Qualification Checklist Items.

- **Mandatory Vendor Qualification:** Vendor must have implemented the bid software and services for a minimum of 2 other State clients as a prime vendor.
- **Mandatory Vendor Qualification:** For each individual State project, all bid software must have been part of the comprehensive statewide project.
- **Mandatory Vendor Qualification:** Each Implementation Project must have been considered a statewide all-agency implementation project (not just one agency, not just a software upgrade project).
- **Mandatory Software Qualification:** The software must be live with at a minimum of 5 other States.
- **Mandatory Change Management Qualification:** The proposed change management methodology and company must have been utilized on a previous Statewide ERP Project for the bid software.
- **Mandatory Key Resource Qualification:** The Key Resources that are proposed for the vendor team must have a minimum of 2 State project experiences.
- **Mandatory Implementation History – Statewide Concurrent HCM and Financials:** prime implementation vendor must have completed at least two statewide, all agency implementations where the HCM and Financials/Procurement suites were implemented concurrently.

Oracle America, Inc. Response to

State of Alaska

for a

Statewide Administrative Systems  
Replacement Project

April 20, 2010

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April 20, 2010

Staci Augustus  
Department of Administration  
P.O. Box 110208  
Juneau, AK 99811-0208

Staci.Augustus@Alaska.gov

Dear Staci:

On behalf of the Oracle Corporation (“Oracle”) team, thank you for the opportunity to respond to the Request for Information for the Statewide Administration Systems Replacement Project for the State of Alaska (“the State”). This Response provides you with the information you requested during your initial phase of the process.

Oracle offers a high level of integration between business applications and enabling technologies. This combination of functionality and technology enables State of Alaska to integrate with other systems and exploit information across your enterprise.

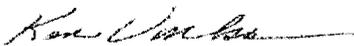
Oracle can assist the State in your continuous improvement of areas critical to your success with:

- Streamlined Business Operations: Improve and automate current and future business processes.
- Sophisticated Business Analysis: Provide better information to all levels of management and employees at the State to enable better decision-making.
- Adaptable Business Approaches: Allow the State to quickly tailor this approach to changing business conditions.

Oracle’s business philosophy is based on a close working relationship with our customers. The success of this philosophy and the quality of our products and services are proven by the high satisfaction rates of our users who continue to make Oracle the world’s largest enterprise Software Company.

Oracle values the relationship that our organizations have begun to establish and looks forward to enhancing our relationship through the implementation of this project. Please feel free to contact me, your dedicated Applications Sales Manager, anytime if you have any questions or desire further information. I can be reached at 425-922-2288, or via E-mail at [ken.vonessen@oracle.com](mailto:ken.vonessen@oracle.com)

Sincerely,



Ken Von Essen  
Applications Sales Manager

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# Response to RFI

*Oracle is the recipient of hundreds of RFI/P's for ERP solutions each year. This RFI is largely related to implementation issues and is best addressed by implementation firms interested in providing those services to the State. However, we believe that there are serious considerations that Oracle can address from the software application perspective. The following is a short perspective on what we see as important considerations for you as you move forward in this process.*

**1. Knowing that the State is not an expert on ERP implementations, please identify what information you will need in the RFP to prepare an accurate fixed price proposal. Please be as specific as possible so we can provide you with the appropriate information and data in the RFP.**

**Oracle Response:**

- User Counts. The number of anticipated users by category (total, self service/casual, concurrent).
- Technology standards to be followed in the new ERP such as database platforms, server operating systems, LDAP standards, etc.
- Business processes and/or business requirements that will be implemented in each phase. Putting this in terms of the business process will enable vendors to propose the applicable software.

**2. What external barriers (or risks) to the vendor exist to implementing a statewide ERP solution for Alaska?**

**Oracle Response:**

There are a number of Integrators that have the depth of talent and experience with large and complex Governmental organizations to do an outstanding job for the State of Alaska. However, the geographic concerns of Alaska are legitimate. This will require additional cost and require the State to select a firm, or a group of firms, whose top priority is Alaska and who bring creative approaches.

An additional barrier to a successful project can be the software the firm intends to implement. The most talented and experienced firm will be able to lower costs and work well with the Alaska team. However, the most talented and capable firm will not be able to bridge the difference between a software application that is hugely complex and cumbersome to implement, or an application that lacks scalability and widely accepted State related functionality. The degree of complexity, cost and the lack of flexibility will manifest itself not only in your initial implementation, but will have a ripple effect throughout the productive life of the application. Initial costs associated with software and software maintenance will be dwarfed by the ongoing cost of ownership over time.

The selection of standards based middleware will also have a significant impact. An integration strategy based on point to point integration, or selecting a middleware suite only capable of facilitating integration to the new ERP system will have the same effect of adding significantly to TCO. This should be of particular interest to the State as you look to integrate ASSET, ALDER and ABS in the near term.

**3. If there are specific items (internally) the State can begin working on now to facilitate a more efficient solution once the best value vendor is selected, please describe what those would be.**

**Oracle Response:**

The most successful implementations of software are obviously led by talented and experienced firms using the appropriate software. However, without a highly motivated and dedicated State team, the degree of success can be affected. The State of Alaska can do a number of things to be better prepared.

- Ensure dedicated and active Executive sponsorship and governance.
- Prepare and involve all stakeholders for their respective roles and responsibilities.
- Preparation for change management.
- Continued consultation with your peer States.
- Compile a detailed list of user counts including total users, super users, self service users and concurrent users.
- Formulate a short and long term set of training goals.

**4. Given the scope as outlined and the proposed budget of \$30 - \$35 million, how far can the State reasonably expect to get in implementing the different ERP modules?**

**Oracle Response:**

When it comes to Statewide ERP, not all software is equal! What a state can accomplish within a budgeted range is dramatically affected by the software in question. The State of Alaska will evaluate some quality software applications, but the State should ask some critical questions.

- Are the software applications specifically designed for Public Sector use?
- Are any of those solutions widely used in State Government?
- Are Public Sector and State best practices native to those applications?
- Does the underlying architecture and complexity of the perspective application lend itself to lower cost and more predictable implementation?
- Is there a clear record of implementers successfully executing projects in a cost effective and timely manner?
- Is the software offered by a stable, market leading company?

Failure to properly evaluate the software and answer these critical questions could cost the State countless millions of dollars.

**5. What general implementation timeline and sequencing of ERP functionality might the State expect?****Oracle Response:**

States have approached timing and sequencing in a variety of ways. Approaches include:

- “Big Bang” – All of the functions are deployed all at once to the entire state.
- Agency by Agency – The entire suite of software is deployed to individual agencies or groups of agencies over time.
- Function by Function – The software is rolled out to all agencies in functional stages.

Again, the selection of software will have a great impact on your ability to appropriately sequence the ERP functionality. We recommend the selection of software that affords the maximum amount of flexibility to meet the immediate needs of the State of Alaska and not be hamstrung by an inflexible set of applications. There is an obvious logic or sequence to an implementation within a Financial Suite, Procurement Applications and Human Resources and Payroll Application. Integrators’ responses to this RFI should yield some quality recommendations.

The State should consider a number of factors when deciding a sequence including, but not limited to:

- The risk associated with the ongoing use of outdated applications.
- The number of systems that can be retired and relieve the State of costs and personnel associated with those systems.
- The deployment of new functionality or automation that does not exist in your current environment.
- Deploying functions that have a faster return on investment such as purchasing or self service functions.

Another key consideration for the State is time. The State should employ a very thorough and deliberative timeline, but the longer the timeline associated with a project, the greater the chances of negative factors inhibiting success. Factors to consider include:

- Alaska state employee turnover.
- Continuity of external consulting resources.
- Changing budget considerations.
- Management of internal expectations of project success.
- Overall staff fatigue and sustaining momentum and excitement regarding the project.
- The time between system training and actual system use.

**6. How much time will you need to prepare a response to an RFP?****Oracle Response:**

The current suggested timeline is more than adequate for a quality response.

**7. Please provide any other comments or recommendations.****Oracle Response:**

As we have indicated in this document, we can not emphasize strongly enough how important the software is in this process. We would recommend the following:

- Past Performance Indicator Surveys should give importance weighting on state customers
- Evaluate proposed software company's financial stability
- Include software underlying technology and integration methods as part of the evaluation. Integration will be key as ASSET, ALDER, and ABS are going to remain in the short term.

**8. Would additional Vendor Education Sessions be helpful? Would it be helpful to hold a session in Seattle?****Oracle Response:**

Yes, an additional Vendor Education Session preferably the week before the RFP is released would be helpful. It would be helpful, but not required, to hold the session in Seattle.



April 22, 2010

Ms. Staci Augustus  
Department of Administration  
PO Box 110208  
Juneau, AK 99811-0208

Re: RFI for Statewide Administrative Systems Replacement

Dear Ms. Augustus,

As a partner with the Alaska Department of Transportation (DOT), we are excited about Alaska's commitment to updating and modernizing its technology infrastructure.

Since implementing our complete BuySpeed suite of web-based procurement solutions across their disparate entities in 2007, we've streamlined DOT processes, consolidated databases, improved transparency and reduced costs for Alaskan taxpayers. With BuySpeed, the DOT drives significant savings (from 5% to 20%) in personnel, commodity and service costs annually.

In Arizona, the BuySpeed solution drives significant savings through greater on-contract spend and more efficient processes. Arizona is also benefiting from revenue generated by an administrative fee captured through their BuySpeed solution. These fees not only fund their current e-procurement project, but will be used to fund other initiatives in the future. These initiatives may include new systems for financials and human resources, e.g. an ERP system. In addition, the partnership with Periscope assists Arizona with cash flow management through a payment schedule that gives the State financial flexibility.

Because BuySpeed is not a traditional ERP solution, we feel unable to respond to the above RFI. However, based on our experience with other States and our existing relationship with Alaska, we feel it would be irresponsible if we did not at least present Alaska with the Periscope value proposition:

- By implementing our statewide e-procurement solution FIRST (as Arizona did), Alaska could deliver cost savings to the State in the first 100 days of the project.
- These cost savings, in turn, could ultimately be used to fund the new Statewide Administrative System leveraging traditional ERP software on the implementation project.
- As our experience in Alaska and elsewhere proves, we can provide seamless integration to your current financial systems in the short term, as well as integrate to the chosen ERP solution in the future.
- The investment required to implement BuySpeed is SIGNIFICANTLY LESS than a full ERP implementation. Most importantly, the value from ERP would not be seen by the state for years as compared to 100 days.

In summary, implementing the BuySpeed e-procurement solution first saves time and money on Alaska's journey toward modern, integrated technology. We are happy to discuss this value proposition with you in more detail at your convenience.

Sincerely,

Ken McFarland  
Vice President, Sales and Marketing  
(512) 826-5536

SAP's PROPOSAL FOR



STATEWIDE ADMINISTRATIVE SYSTEMS  
REPLACEMENT PROJECT

APRIL 16, 2010

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## Section 1: SAP Response to Questions

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- 1. Knowing that the State is not an expert on ERP implementations, please identify what information you will need in the RFP to prepare an accurate fixed price proposal. Please be as specific as possible so we can provide you with the appropriate information and data in the RFP.**

### **SAP Response:**

The RFI does a good job of defining high-level scope and number of users of each of the legacy systems. Additional information that is helpful includes:

- **Detailed functional requirements for each functional area.** This allows system integrators to define design sessions, estimate configuration and customization requirements, and estimate testing requirements. These estimates drive staffing requirements and are a significant factor in developing a fixed price proposal.
- **State staffing.** Overall staffing requirements are evaluated against the available State staff and gaps are addressed by the system integrator. Gaps are either knowledge/skill based (State has not yet developed the requisite skills to carry out a specific task) or effort based (State does not have enough manpower to carry out a specific task). The level of State staffing is a significant factor in developing a fixed price proposal.
- **Business case.** This allows system integrators to “prioritize” implementation of modules by relative value to the State.
- **Preferred implementation approach: big bang, phased by department, phased by function, phased by department/function.** The number of preferred waves and overall preferred timeline is helpful. Implementation approaches vary greatly in terms of risk and cost and are a significant factor in developing a fixed price proposal.
- **Vendor meetings.** Of particular importance to a successful RFP process is to allow vendors (software and implementation participants) an opportunity to meet with you in advance of the RFP release to understand goals and objectives and gain your perspective through a conversation. Responding to an RFP is a very expensive and time-consuming undertaking for vendors. Many firms now require that the RFP response team have an opportunity to meet with the customer shortly before release of the RFP in order to internally justify the time and expense of responding to an RFP.

Furthermore, there are some sources of RFP information that may be of interest:

- **California State Controller’s Office (SCO)** SCO recently released an RFP that is quite comprehensive in nature. Upon inquiry, they may be willing to share this RFP since it is in the public domain. We can provide contact information if you are interested in pursuing this.

- 2. What external barriers (or risks) to the vendor exist to implementing a statewide ERP solution for Alaska?**



**SAP Response:**

Based on the information contained in the RFI, there are a few barriers that exist:

- **Age of legacy systems/business processes.** There are several systems such as the Alaska Statewide Accounting System and the Alaska Statewide Payroll System that have been in use for a number of years. This means that business processes related to these systems are very mature. The more mature the business processes, the more challenging it is to enable change.
  - **Lack of existing Procurement system/centralized processes.** Without a current centralized system, processes tend to be much more decentralized. When centralized systems are implemented, business rules need to be set up and enforced centrally. It will be a challenge to obtain consensus on these centralized business rules.
  - **Impact of travel.** Even in the current economic environment, specific skills required for ERP implementations are scarce. This means that consultants will need to relocate or travel to the project site over great distance. Work/life balance for the consulting staff will be more challenging than a project conducted within the continental United States. We believe for this particular implementation location it would be beneficial if the State will consider very flexible hours for the project in terms of arrival and departure dates and times, and also consider allowing some amount of project work to be done remote/offsite.
3. **If there are specific items (internally) the State can begin working on now to facilitate a more efficient solution once the best-value vendor is selected, please describe what those would be.**

**SAP Response:**

There are several important activities that the State can begin working on to streamline project startup and process design tasks:

- **Develop project management processes.** Although the system integrator will bring their own flavor of project management to the table, the State should vision how to manage risks and issues, how to manage project scope and schedule, where project documents and deliverables will be stored, how often status reports will be produced and their format, and how project governance will function (definition of the various groups including a steering committee, status reporting, and the escalation process for risks and issues).
- **State resources.** The State should begin fielding their project team. The stronger the team, the better the chance for project success. Once the software is known, the team should begin software-specific project team training. Some training, such as project management and supervisory skills, can begin prior to selecting software.
- **Documenting existing processes and master data.** The most important task that the State can do internally is to locate and/or develop documenting on existing processes and master data. During the initial phases of the project, we will be walking through each of the existing processes, comparing to best practice, and determining product fit. The more documentation and awareness that exists on the State team, the smoother these sessions will proceed.



- **Visioning new processes.** Wherever possible, the State should vision specific goals for revised processes. Although the software will require specific nuances in terms of processes, major process changes are more driven by best practice than software.
  - **Confirm project vision and mission and project objectives.** It is common for an ERP project to begin with the development of a project charter. Much of the work required to develop the content for this charter can be done in advance of the project. This can also include identifying key stakeholders within the State, members of the Steering Committee, and discussion of the vision, mission and project objectives with these individuals.
  - **Visioning new processes.** Wherever possible, the State should vision specific goals for revised processes. Although the software will require specific nuances in terms of processes, major process changes are more driven by best practice than software.
  - **Visioning new processes.** Wherever possible, the State should vision specific goals for revised processes. Although the software will require specific nuances in terms of processes, major process changes are more driven by best practice than software.
  - **Project team backfill.** ERP projects generally require almost full time commitment from project team members. By identifying likely team members early on, the State can develop a strategy for backfilling those individuals in their departments and how their current work will be transitioned.
4. **Given the scope as outlined and the proposed budget of \$30 - \$35 million, how far can the State reasonably expect to get in implementing the different ERP modules?**

**SAP Response:**

We believe that this amount is reasonable for the implementation, subject to confirmation of the project scope, schedule and assumptions. We would anticipate having those conversations with the State to confirm mutual agreement.

5. **What general implementation timeline and sequencing of ERP functionality might the State expect?**

**SAP Response:**

A good rule of thumb for an ERP implementation is 15 – 18 months per phase. Payroll is at the high end of the estimate to allow for comparison testing of payroll results between legacy and ERP.

There are many ways to sequence the implementation of ERP functionality. All other things being equal, our recommended approach is as follows:

- Financials/Procurement
- Human Resources / Payroll

**Financials**

Financials is the core to ERP because it defines the chart of accounts that is leveraged across the other components of the implementation. This means that if Financials is not implemented



first, Procurement and HR Payroll will need to be implemented based on the legacy chart of accounts and modified once Financials is implemented.

Financials is best implemented at the beginning of a fiscal year. This limits the required data conversion to:

- Open items such as payables and receivables
- Items with multi-year budgets or different budget years such as grants and projects

Financials can be implemented in waves by agency but this adds the following complexity:

- **Mid-year conversions.** Summary transactions from closed months and detailed transactions from open months must be reposted to the new ERP.
- **Temporary interfaces.** If some agencies are on legacy and some are on the new ERP, special processes must be defined to allow inter-agency transactions that cross physical systems.

#### Procurement

Procurement, especially when no centralized legacy system is in place, typically drives a huge component of the business case. For this reason, it is desirable to implement earlier in the project lifecycle.

In some cases, Procurement is implemented before Financials, but this requires a high degree of temporary integration in the public sector. (Requisitions require pre-encumbrance and purchases require encumbrances.)

If there is a strong push to implement Procurement earlier than Wave 2, it can be included with Financials in Wave 1 as long as State project resources can support the volume of work required.

Procurement can be implemented in waves by agency. Since there is no legacy system in place, it does not add complexity due to temporary interfaces. There is only the issue of delayed business value.

#### Human Resources / Payroll

Human Resources and Payroll can be implemented in parallel with Financials and/or Procurement as long as State project resources can support the volume of work required.

HR/Payroll is best implemented at the beginning of a quarter.

HR/Payroll can be implemented in waves by agency but this adds the following complications:

- **Mid-year conversions.** Summary pay and leave information must be converted for prior quarters and detailed pay and leave information must be converted for the current quarter to support 941 and W-2 processing.
- **Temporary interfaces.** If some agencies are on legacy and some are on the new ERP, special processes must be defined to allow inter-agency transfers that cross physical systems.



Employee and Manager Self-service (excluding time entry which will remain in Alaska Statewide System for Employee Time) can be implemented separately from Human Resources and Payroll. This allows the following efforts to be separated out from the base implementation:

- Training requirement for ESS/MSS users
- Performance impact of the additional users on the system

ESS/MSS may also be implemented in waves by agency or employee group.

**6. How much time will you need to prepare a response to an RFP?**

**SAP Response:**

To prepare a response that best meets the State's needs, we believe it would be beneficial to allow the vendors six to eight weeks of time between the release of your Request for Proposal, and the due date of the vendor proposals.

**7. Please provide any other comments or recommendations.**

**SAP Response:**

- 1) Many experts consider the integration of the various functional modules (general ledger, accounts payable, payroll, etc.), and the ability for data to flow between them as needed, to be among the greatest benefits of an Enterprise Resource Planning solution. This minimizes the high cost of developing and maintaining interfaces, and reduces the overall complexity of software solutions. We believe it is in the State's best interest to consider integration to be an important consideration and would recommend emphasizing it in the Request for Proposals.
- 2) We believe a critical consideration for the success of your project is a focus on the governance model you develop for the project. Governance relates to who makes the decisions, and how the organization is then held accountable for ensuring those decisions are enacted. Having the right governance model has been critical to the success of many of our customers (states of California, Kentucky, Arkansas and Washington, for example).
- 3) We would also encourage State of Alaska to carefully consider the end-state outcomes it desires operationally - at the conclusion of the implementation the State will be asked (and will ask) "what difference did we make?" Having a focus on this question during the implementation will make it much easier to answer that question when the implementation is complete. For example, you may want to be able to identify the number of funds that were eliminated (reduces complexity), the quantifiable improvement in procurement speed and accuracy, etc.

## Section 2 Required Response Content

*1. Knowing that the State is not an expert on ERP implementations, please identify what information you will need in the RFP to prepare an accurate fixed price proposal. Please be as specific as possible so we can provide you with the appropriate information and data in the RFP.*

### **Tyler Response:**

After a review of the State of Alaska's RFI with Tyler's Implementation Team, we have developed a list of questions that Tyler would typically ask a prospect / customer. Answering the following questions should allow any vendor to put together a proposal response that should meet the needs of the State.

- Is there a compelling reason why the State is looking for a new ERP system?
- Is there a specific timeline that the State has in mind? Does the State need to be live at a particular date on a particular module?
- Would you like to have the selected vendor provide a best business practice review and recommendations, which may increase the timeline?
- What processes, agencies or departments are you including in this project?
- What processes, agencies or departments are specifically excluded from the scope of this project?
- Would you be willing to go-live in phases?
- What are your priorities for the project? For example, is the paying of employees the critical concern?
- Is time the driving factor or price? Both?
- Are there any systems that you plan to sunset with the implementation of a new ERP system?
- For the systems being retired, what are the support cycles for those systems? I.e. is it an annual support payment due in Jan or can you pay month by month (this having no impact on the live date of the new Implementation)?
- What systems need to interface with the ERP solution?
- What types of data will be included in the interface?
- How many purchase orders do you issue each year?
- How many AP checks do you print each year?
- How many W2's do you print each year?
- How many payroll cycles do you currently pay? I.e. Is everyone bi-weekly, or X monthly, Y bi-weekly, Z weekly? Would you like to change that if there were cost savings?
- Do you currently e-mail pay advices?
- Describe the staff you plan to have dedicated to the project (number, experience).
- What processes that are part of this project are currently decentralized, i.e. requisition entry, invoice entry, payroll time and attendance, open enrollment?
- What processes would you like to decentralize as part of this project?
- Will you use a train-the-trainer approach? This will reduce the cost of decentralized training.
- Please provide information on number of employees to train by function and if the vendor will need to repeat training at different locations.
- If the vendor will train all users, please provide number of decentralized users to be trained, by function and by location.

**State of Alaska**  
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- What data conversion services do you expect the vendor to provide?
- What data would you like to convert?
- How many years of history would you like to convert?
- What hardware services do you expect the vendor to provide?
- What operating system services do you expect the vendor to provide?
- What database services do you expect the vendor to provide?
- What forms services do you expect the vendor to provide?
- Does the state have any certified Change Management Professionals?
- Are you including Change Management Services in the scope of this project?
- Will you require PMP certified Project Managers?
- What expectations do you have for on-site versus off-site Implementation services?
- What level of post-live, onsite support would you like incorporated into the proposal?
- Will you allow the Vendor to outsource implementation services to a third party?
- Will there be a formal process for any modifications requested by the users?
- What flexibility do the departments have to change processes if the State can save time and money?
- When submitting an investment summary for a project, many vendors only include the costs for licenses, implementation services and maintenance. They fail to include the inevitable costs charged by vendors for new releases or the costs to implement these new releases. The State should absolutely have the proposing vendors assign a cost estimate for these new releases.

*2. What external barriers (or risks) to the vendor exist to implementing a statewide ERP solution for Alaska?*

**Tyler Response:**

At Tyler Technologies, we see the biggest risk of this project right now being travel, either to or within the state. For example, immediately after 9-11, we were unable to travel to our customer sites. We hope the State will work with us to develop an alternate training plan (GoToMeeting, Videos, etc...) as part of the risk management planning to mitigate this risk.

Although we believe we have a deep, strong and talented staff of Implementation resources, there is also a risk with the unknown travel requirements for this project.

The biggest risk we encounter in virtually all of our implementations is buy-in of the executive team. It is critical that all leaders are on board and understand the goals and objectives of the project. The State's leadership and decision makers are critical to the success of the project. They will provide motivation and enforcement to the end users of the system.

Closely related to the support of the leadership is the participation of the staff. Everyone is resistant to change and it is important that we communicate constantly and remove any barriers to success. Change Management is highly recommended in a project of this size. Tyler can provide the Change Management services.

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**Statewide Administrative Systems Replacement Project**

*3. If there are specific items (internally) the State can begin working on now to facilitate a more efficient solution once the best-value vendor is selected, please describe what those would be.*

**Tyler Response:**

If the State does not have good, current, written documentation of existing policies and procedures, it would be a benefit to the upcoming project if the State's team could address that and update or document policies and procedures prior to the project kick-off. Often times, if this is not done prior to the project commencing, it can cause delays in the project's timeline. The State needs to know where it is going to go and how it is going to get there prior to effective training taking place. For example, the State needs to decide how the purchase to pay process is going to work. Can everybody over spend the budget? Only certain people? Do certain commodities need to be approved by certain departments? Etc.

It is never too early to start working on conversions! Staff can accumulate file definitions for the information they plan to convert. They can decide how much information is useful and how far back they would like to convert. They can work on "cleaning up" duplicate vendors and getting missing tax Ids or social security numbers.

We would also encourage the State to identify state employees and resources (training facilities, labs, etc...) that will be dedicated to this project. We would suggest developing plans for backfilling and reassigning work as needed.

*4. Given the scope as outlined and the proposed budget of \$30 - \$35 million, how far can the State reasonably expect to get in implementing the different ERP modules?*

**Tyler Response:**

Tyler has developed a very preliminary investment scenario for this project. We anticipate the total cost of the project (licenses, implementation services) to be in the \$20 to \$25 million dollar range. More importantly, Tyler would be willing to negotiate a "not to exceed" contract with the State.

*5. What general implementation timeline and sequencing of ERP functionality might the State expect?*

**Tyler Response:**

For a project of the State's scope, Tyler's standard implementation has three phases -- Financials, Payroll and Human Resources, and Miscellaneous.

We recommend that the State implement financials first, as the general ledger is required to successfully implement payroll and human resources. So, resources from the Financial team have to complete the Chart of Accounts setup and conversion, at a minimum. If they build the chart, then take a break for 6-12 months, momentum and knowledge are lost. Although it can be done, it is not the most efficient use of resources. We also find that the PR/HR team relies on the Financial team when it comes to posting the payroll, encumbrance requirements and budgeting. If they haven't completed the Financial Implementation, they do not have a solid understanding of how all of the modules work together and have to learn these pieces independently.

The Miscellaneous phase usually includes non-core financial applications such as GASB34, fixed assets, treasury management, vendor self service, etc...

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The Financial Phase is typically 12-18 months. Payroll is also 12-18 months and can overlap the Financial phase as long as the State has separate resources, including staff, training facilities, and conversion support. The miscellaneous phase is typically 6-12 months.

Based on the information we have at this time, we would estimate a 30-36 month implementation for the State of Alaska's ERP project.

*6. How much time will you need to prepare a response to an RFP?*

**Tyler Response:** Based on the information obtained at the Vendor Education Session, we at Tyler Technologies believe it would take approximately 45-60 days to prepare an RFO response. However, a significantly large checklist (10K items) or essay questions could require additional time.

*7. Please provide any other comments or recommendations.*

**Tyler Response:** Based on what we learned at the Educational Meeting held on March 31<sup>st</sup>, Tyler is very excited to participate in the State's selection process. We are very intrigued at the State's intention of selecting the best vendor / product for the state regardless of the "name" of the vendor. This is a very sane approach and one that takes into account the characteristics of a vendor / product that truly matter and not just a vendor's name and/or reputation.

Also, during the demonstration phase, it is very helpful to have a common demonstration script that each vendor must follow. Many vendors will disregard a prospect's script and only show the features of their solution that they think will help them win the business. Additionally, the State should mandate that actual software be shown during this demonstration. Many vendors show mocked-up screens / powerpoints to look like the system but in actuality it is not.

*8. Would additional Vendor Education Sessions be helpful?*

**Tyler Response:** We believe that with the RFP being issued on 6-21 and the next Vendor Education Session being held 7-21 at the State, we should be able to define all of our questions regarding the RFP and the process on or before the 7-21 meeting.

*9. Would it be helpful to hold a session in Seattle?*

**Tyler Response:** Tyler appreciates the willingness of the State to hold a Pre-Bid / Vendor Education meeting in Seattle. However, the State is about to spend tens of millions of dollars on a new ERP solution. The least we can do as a vendor is attend the sessions where it is convenient for the State.