

CIBER
PROJECT WORK PLAN

1. Describe the Offeror's methodology for managing project scope, schedule, and implementation of the project.

Project Management Methodology – Our proven project management methodology provides a disciplined process for successfully delivering valued business solutions to our clients on time and on budget. Our company's Project Management Methodology (PMM) is comprised of three primary project management phases: Planning, Execution, and Closure. The approaches within these three phases represent industry best practices and are consistent with the Project Management Institute (PMI) practices. We also use our PMRx Project site – a project communication and repository tool – to track project progress, issues, risks, change control and other project information and artifacts.

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Our Project Manager monitors the project using our standard project plan to track tasks and monitor the critical path, making adjustments in the plan as needed. Our project plan and control processes are used by the Project Manager to manage project tasks, risks, issues and changes throughout the project and ensure that the project is on time and within budget. These processes are designed to control scope creep, enforce standards for quality assurance, and manage issues and risks. Project control processes include Issue Management, Risk Management, Change Management, Quality Assurance and Acceptance Management.

Project Schedule and Scope – Our recommended implementation approach is based on the philosophy of implementing core functionality first to ensure core business operations are supported. This approach reduces the overall project risks and allows the organization and users to adapt to the change they will experience as they transition from their current legacy systems to the best practice processes provided by the ERP Vendor's software.

Our implementation approach, phasing and timeline are built on our understanding of the State's functionality outlined in the RFP's Section Five, Scope of Work and the requirements provided in Attachment F along with our experience implementing the modules required to support those requirements. Our team will implement the ERP Vendor's system in two phases:

- Phase I – Finance, Purchasing, eProcurement – July 1, 2011 through July 1, 2012 ^{1yr}
- Phase II – HCM, Employee/Manager Self Service, Budget, Treasury and Vendor Self Service – July 1, 2012 through July 1, 2013 ^{1yr}

2 yrs?
aggressive
schedule
- highly
unlikely

The project phases focus on establishing the integrated Finance modules, Purchasing and eProcurement in Phase I followed immediately by full HCM functionality including Employee Self Service, Vendor Self Service, Budgeting and Treasury Management. We have selected the right team to ensure project success; our consultants assigned to the State's project have an average of more than 9 years of experience implementing the ERP Vendor's software and in-depth public sector experience.

2. Describe the Offeror's approach to system initialization, system installation, business process design/reengineering, system configuration, system tailoring, interface design and development, data conversion, testing, and post-implementation stabilization.

We use several methodologies in the implementation of the ERP Vendor's system. Some of these methodologies include the following:

Project Management Methodology (PMM) – PMM is our proven project management methodology based on Project Management Institute (PMI) standards. The key components of our PMM are planning, control and communications. We will adhere to this methodology in performing the work to monitor and control the project's progress. Our project team will also use our PMRx Project site project tool and repository to track project progress, information and artifacts. PMM provides a disciplined process to aid in delivering valued business solutions to our clients on time and on budget.

Accelerated Implementation Methodology – Our team employs the approved ERP Vendor's approach for managing the project phases and deliverables. We enhance these project management processes by utilizing tools and templates created from our experiences on other implementations. We leverage the work we do with other clients to help jump start our projects using the tools and templates available. Our

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implementation methodology breaks a project into five phases: Project Preparation, Blueprint, Realization, Final Preparation/Cutover and Go Live/Support. Each phase has a unique set of deliverables depending upon the requirements and scope of the implementation.

Business Process Redesign/Reengineering – The Business Process Redesign begins with the Blueprint phase of the project. Our team conducts business process workshops to capture the current business processes and contrast those processes with the standard ERP Vendor's business processes. The results of that effort are documented as "as is" processes and "to be" processes. We also identify the impacts of the changes to those processes, which are addressed in the Change Management Strategy and Planning efforts.

Blueprint and Configuration – The Blueprint phase also defines how the standard system functionality meets the State's requirements, configuration changes required and functionality that will require enhancements. The Blueprint documents all of the changes, including configurations, interfaces, reports and enhancements necessary to meet the State's business needs. Our team begins configuration changes once the Blueprint has been reviewed and approved by the State.

Change Management Methodology – Organizational readiness must be part of the overall implementation plan to minimize overall risk. Transition to new systems, processes and reporting can be overwhelming to an organization. Our change management approach identifies the major impacts to key stakeholders, develops an approach to address major changes and uses communication and readiness workshops to prepare the organization and staff for the new system. As a result, the organization is ready and able to support the system once live.

Conversion Methodology – Our methodology includes development of a conversion plan, data mapping steps, approach to building and testing conversion programs, conversion testing plans, and data validation required to convert the required data successfully.

Design Reviews/Code Reviews – Technical project team members conduct design and code reviews to ensure that reports, conversion, interfaces, etc., are developed to the standards of the ERP Vendor, our organization and the State.

Testing – During the project, several testing cycles will ensure that the project team is delivering a quality product: system, user, parallel payroll and integration testing.

3. Describe how the Offeror will transition from existing systems to the proposed systems.

Transitioning the State from its existing system to its new ERP Vendor's system requires extensive planning, careful preparation and integrated execution with the overall project. Our transition activities are focused in two areas: organizational and technical. We initiate the organizational transition activities at the outset of the project by conducting a Change Readiness Assessment. This is designed to assess the State stakeholder's capacity for change and to identify issues that may affect the stakeholder's ability to adopt successfully the State's new system and business processes. We will use the results of the Change Readiness Assessment to assist the State in developing and implementing a Change Adoption Strategy that will address the impacts of the business process and system changes.

During the Business Blueprint phases of the project, our Change Management Lead will work together with the functional consultants and the State's Subject Matter Experts (SMEs) to redesign and document the State's new business processes. As business processes are defined, the Change Management Team will use the information from the business process redesign sessions to determine the organizational areas, departments, and job positions that are affected by the change. We will conduct Change Impact review sessions with the State to validate the changes, confirm the degree or extent of the changes and document the change impacts. Working with the State's managers to prepare stakeholders for the changes will be the primary focus of the Change Adoption and Communications activities as the project moves closer to go-live.

In conjunction with the Training program for each go-live, we will develop and deploy targeted communications for each State stakeholder group which will provide employees with information regarding what they can expect as the system goes into production. We will also conduct Business Readiness workshops with managers, SMEs, and key staff members to assist them in understanding

their new roles and responsibilities, make the cultural shift required to support the new process, and to help communicate the changes to the organization. Finally, we will conduct an assessment of change adoption achieved and identify opportunities for continuous improvement

4. Describe how the Offeror will educate and train State employees on the proposed systems.

The focus of our training approach is to help the State meet its business goals and project objectives by enabling employees to effectively use the ERP Vendor's system. To accomplish this, we will use a role-based training approach in which users receive training in the business processes and system tasks that are directly related to their job functions and system authorization. The role-based training program will be delivered via blended learning, which combines eLearning and distance learning with hands-on instructor-led training on system tasks. This approach reduces the amount of time users are away from their jobs for classroom training, maximizes the amount of time that users spend doing hands-on system tasks in class and reduces the total cost of ownership by providing repeatable eLearning courses that can be used to train new employees.

We will conduct a training needs assessment to identify the training needs for the State's project team, end users, and technical and operations personnel. We will assess the stakeholder audiences as well as the training infrastructure needed to deliver training. The needs assessment outcomes and analysis will be key inputs to the development of the overall Training Strategy, which will detail the training goals and objectives for all stakeholders who are impacted by the project as well as the specific approaches for each training stakeholder group.

We will provide a detailed training plan for the design, implementation and evaluation of the training program for each implementation phase. The training plan for each phase will identify the employee audiences, training content for each of the audiences, training delivery methods, training delivery schedule and training delivery locations. The plan will also include resources needed such as the number of classrooms and number of trainers required to conduct the training for that phase.

Working collaboratively with the State's SMEs, our instructional designers will develop the course curriculum based on the State's new business processes and create customized courseware. In addition, we will customize and deliver a Train-the-Trainer program to prepare the State's instructors in the course content, delivery and use of the materials, and basic adult learning principles. Finally, we will use our Capability Transfer methodology to prepare the State's operational and technical staff to become self-sufficient in supporting and managing the State's system.

5. Describe how the Offeror will monitor performance throughout the contract term.

Project Controls – We monitor performance in many different ways. During the beginning of a project (Project Prep), the Project Manager will work with the team to refine the baseline project plan. This plan defines at a high level the tasks, dependencies, resources and project timeline required to implement the scope of the project. The Project Manager uses the project control activities to evaluate and manage issues, risks and changes throughout each month.

Project Communication and Meetings – Weekly and monthly project reports communicate critical project information to the State's project team, stakeholders, steering committee and State leadership. Those reports include the status of project tasks in relation to the project plan, project costs compared to project budget, and earned value (project tasks accomplished compared to tasks planned). In addition to status reporting, weekly project team meetings will be held to assess progress on project issues and changes requested. These meetings provide everyone with the opportunity to talk about the successes accomplished and activities planned for the next week. Monthly Steering Committee meetings are extremely beneficial because they provide an opportunity to keep the sponsors informed regarding the successes achieved and elicit their input and guidance for upcoming tasks and challenges.

Project Performance and Quality – An important component of our methodologies is the quality assessment audits that are scheduled and conducted at critical checkpoints in the project. These checkpoints not only allow us to measure the progress of the project and its adherence to our standards and methodologies, but also to detect any potential issue and allow us to adjust and make improvements along the way.

RISK ASSESSMENT

Risk 1: The State's multiple projects will affect Alaska SME's availability. (Examples: ALDER reporting project, ASSET time reporting project, Fiscal YE Close activities, and annual Benefits Open Enrollment.)

Solution 1: Establish a Program Management Office that coordinates the execution of the ASSET, ALDER, and ERP projects. This Program Office will review the various project schedules in order to minimize the impact of each project to the others; assessing major staffing/timing impacts.

Solution 2: Incorporate into the project budget a reserve for hiring temporary personnel that can be used to backfill SME's. This would ensure multiple projects have the right staff available. These backfill resources can be hired either directly by the State or through the Systems Integrator (SI). The latter transfers the administrative burden away from the State to the SI.

Risk 2: State offices and work locations are geographically dispersed throughout the State, from Barrow to Ketchikan. Many of these rural communities have sub-standard bandwidth capabilities. These challenges pose risks from both an implementation, i.e. collaboration among team members in geographically dispersed sites, deployment, i.e. end-user training, and post go-live productive use of the system by State employees.

Solution 1: Our management methodology includes proactive planning of all project activities that require State resources from remote locations; accommodating their travel to/from the central project location. Our use of video conferencing and webinars as communication tools will minimize travel costs to and from remote locations.

Solution 2: Our project management methodology includes a training strategy, plan, and schedule that thoroughly address the deployment of the training program to the remote locations.

Solution 3: Addressing the connectivity issues will require collaboration among the stakeholders; we recommend the State address these issues as a separate project before the ERP project is deployed.

Solution 4: Select an ERP system with an architecture that inherently mitigates these risks. Our proposed ERP solution provides quick communication to the application for all types of users, i.e. internal, external, and remote users. We also plan to install additional application servers in Fairbanks and Anchorage, at a minimum, to provide optimal performance for users in locations other than Juneau.

Risk 3: Data quality in the legacy systems. The State is planning to replace myriad loosely connected systems. Some, if not all of these systems, use common and overlapping data elements. The quality of the data cleansing effort as well as the conversion will be critical to the successful deployment of the ERP solution. Incomplete data cleansing and/or data conversion poses the risk of a serious loss in performance post go-live. Data cleansing will also put an additional strain on State resources

Solution 1: Our project management methodology includes a conversion and data cleansing strategy, plan, and schedule that thoroughly addresses all aspects of data acquisition, cleansing, and conversion.

Solution 2: Our test strategy and plan for the State includes multiple test cycles that are executed with converted data, which thoroughly tests the quality of the data.

Solution 3: See Solution 2 to Risk 1 identified above

Risk 4: As the State migrates from its current legacy infrastructure to an ERP platform, its business processes will become more integrated and will depend more on the underlying IT infrastructure. Not having those systems available for any length of time therefore poses a business continuity risk.

Solution: The technology risk mitigation plan that we propose provides, among other elements, for a High-Availability system, and the planning for various disaster recovery scenarios. The fact that the State operates out of multiple locations provides for an optimal landscape to install both a high-availability infrastructure, as well as for disaster recovery locations. Our proposed ERP solution architecture can also make the most of the latest Disaster Recovery and High Availability technology, such as VMware or Microsoft Clustering Services, to provide a 'best' fit solution for the State of Alaska

Risk 5: Not achieving buy-in and collaboration among the various affected State agencies and

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of
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Risks

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departments that will be affected by the new ERP system poses a serious risk to the successful deployment of an ERP solution.

Solution: Our implementation methodology and plan incorporates a comprehensive Organizational Change Management Plan that includes various organizational alignment assessments to measure buy-in, and activities to foster collaboration and achieve buy-in.

Risk 6: By not assigning the very best State resources to the ERP project, the State runs the risks that its processes are not modeled correctly and/or that not enough consideration is given to requirements.

Solution: We recommend that the State establish a project budget to backfill some if not all of the resources assigned to the project. That way the very best resources can be freed up to work on the project and gain the required knowledge and build their capability to manage the new system processes.

Risk 7: Insufficient planning for long-term post go-live maintenance and support causes many ERP implementations to stumble upon completion. The State is particularly vulnerable to reliance on consultants (from the lower 48 states) to provide post go-live support. Dependency and finding firms capable of providing support, travel costs to/from Alaska, and locating skilled resources is a challenge.

Solution 1: Our implementation methodology and plan includes a detailed and extensive capability assessment and knowledge transfer program that ensures that the State resources are prepared to support the system post Go-Live.

Solution 2: By selecting the one ERP solution where the software vendor has formalized a University Alliance Program with the University of Alaska, Anchorage, the State can establish in the community a pool of trained resources that can be used to supplement/support the State's resources long term. The alliance program will establish a curriculum over the next 2 years that will utilize the software in a variety of classes. Each of these classes will give students real world experience with the software as it relates to common business practices as well as software implementation. Long term, the University has expressed a willingness to align this initiative with the State's need, especially in the areas of accounting, supply chain and technology, and expand the number of courses using the software. Furthermore, the University program can be made available to State employees to provide additional training on the solution and technology platform. The vision behind creating this alliance is to support local jobs and provide a system that will allow for local, independent, long-term support of the ERP system.

Solution 3: Choose a systems integrator that is aligned with local and Alaska native corporations that are vested in the State and that can provide these support services

Risk 8: It is anticipated that there is currently a lack of (or simply unclear/conflicting) enterprise-wide policies in place. This may impact the State's ability to reach agreement on 'to-be' processes, potentially causing cost overruns, as well as delayed system adoption by the various user groups.

Solution 1: Our implementation methodology focuses on driving for broad participation of all affected departments in the design process so that common policies and processes can be established. In addition our proposed Organizational Change Management Plan includes various activities to identify and address impact of the new policies and processes with each department prior to the system go-live.

Solution 2: Our proposed staffing plan includes key former State employee(s) that have extensive background and experience with the scope being implemented. One of their tasks includes assisting with the to-be process design. We also recommend that the State assign its best/key personnel to the project.

Risk 9: Lack of in-depth knowledge by the Systems Integrator of the State's business processes could cause project delays and misunderstandings between the State and the SI.

Solution: Our proposed staffing plan includes dedicated time by key former State employees like [REDACTED] to assist with the quality assurance program and executive oversight of the project.

Risk 10: Projects of this magnitude and complexity run the risk of delays and increased costs if no formal governance structure is established that defines how decisions are made and issues are escalated.

Solution: Our proposed project governance plan and structure establishes an environment and processes that empowers the project team to make decisions at the lowest level possible and ensures that changes to scope and project issues are escalated quickly to leadership for their timely decision.

Risk 11: Lack of, or delay in adoption of the system causes the project to be perceived as a technical success but a political failure.

Solution: Prior to go-live our change management plan will focus on activities that foster buy-in by all constituents to the solution by addressing the impacts of the process changes on their specific environment as well as prepare them for the new system. This plan will also establish capabilities within the ERP support organization to support legislative changes, policy changes, and organizational changes resulting from the transition in elected officials. Our change management plan will also establish and extensive communication plan to address both internal and external constituents.

Risk 12: It is anticipated that departments and agencies might have difficulty concurring on process.
Solution: Our change management plan will focus on collaboration between the departments as well as address the specific needs of each agency. To that end, we will establish a change agent network that will assign a business champion (technical and functional) to each agency or department.

Risk 13: Various departments perceive the risk that ETS cannot fully support the implemented solution.
Solution 1: Our implementation methodology and plan includes a detailed and extensive knowledge transfer program that ensures that the State resources are prepared to support the system post Go-Live.
Solution 2: Our post go-live support plan includes establishing a Center of Excellence with State resources that are responsible for the long-term support of the system.
Solution 3: Our resource plan compensates for this deficiency and focuses on skill transfer
Solution 4: We have included various deliverables, e.g. Disaster Recovery plan.

Risk 14: The aging of State's employee population poses the risk that the State will lose significant current system and business process knowledge over the next several years.
Solution 1: Our proposed solution provides a platform to standardize the business processes, which makes it easier to transfer knowledge and resources between departments and agencies
Solution 2: Our proposed implementation methodology will focus on establishing long term support capabilities that formalize the business process knowledge so that it can more easily be transferred from individual to individual.
Solution 3: Establish local capabilities (Risk 8, Solution 2 and 3) for the State to tap into when needed.

Risk 15: Lack of, or delay in adoption of the system because end-users are not sufficiently prepared and trained on the new software.
Solution: Our implementation methodology includes a comprehensive training program that addresses all aspects of end user training. This includes establishing an end-user training strategy during project preparation, an end-user training curriculum as a result of audience surveys and a review of the process designs, development of training materials, establishing a training registration process, rollout of a train the trainer program, and support of the actual end-user training delivery.

Risk 16: Converting legacy data and especially payroll data will require detailed comparisons of the legacy and ERP data, which will put an additional burden on the State's SME's and auditors.
Solution 1: See Solution 2 to Risk 1 identified above.
Solution 2: We include automated comparison tools for use after each load of converted data or test payroll run. Alternatively, we will recommend several COTS systems to automate this comparison.
Solution 3: Our management methodology includes a detailed data conversion and data cleansing strategy, plan, and schedule (see Risk 4) and a test strategy, plan, and schedule that clearly spells out how to approach the testing and verification of the converted data, as well as roles and responsibilities.

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Complete this form to identify proposed project staff, including subcontractor(s) and joint venture staff that will be assigned to the Offeror's implementation team. Include additional lines as necessary. Indicate the time each staff member will be dedicated to the project and each member's years of implementing the proposed software. Also, identify key staff members, including – at a minimum – the proposed project manager, technical lead, functional leads, process reengineering lead, as well as other staff members with substantial hours on the project. For each key staff member, complete the table "Key Staff Background and Information" on the following page.

We understand it can be difficult to accurately predict project staffing at this stage. However, we expect Offerors to commit staff designated as "key staff" to the project.

PROPOSED IMPLEMENTATION TEAM -- Starting Point -- Need to add [REDACTED]

	VP ERP Public Sector	Executive Sponsor	108.9	108.9	12 Years	N
	Practice Manager	Engagement Manager	1023	1023	17 Years	N
	Director	Technical Architect	1056	1056	11 Years	N
	Project Manager	Project Manager	4312	4312	9 Years	Y
	Solution Manager	Solution Manager	572	572	6 Years	N
	Test/Cut-over	Test/Cut-over	1672	1672	2 Years	N
	Steering Committee Advisor	Steering Committee Advisor	1100	1100	0 Years	N
	Finance Lead	Finance Lead/Integration Manager	2024	2024	20 Years	Y
	General Ledger	General Ledger	1936	1936	18 Years	N
	Funds and Grants	Funds and Grants	3872	3872	10 Years	N
	Funds and Grants	Controlling / Grants Consultant	1936	1936	5 Years	N
	Project Accounting/	Project Accounting/ Asset Accounting	1936	1936	TBD	N

NA

	Asset Accounting Consultant	Consultant					/
	Accts Payable / Accts Receivable	Accts Payable / Accts Receivable	1936	1936	10 Years	N	/
	Treasury & Cash Management	Treasury & Cash Management	1936	1936	7 Years	N	/
	Budget Lead	Budget Lead	1364	1364	TBD	N	/
	Budget Integration Consultant	Budget Integration Consultant	1144	1144	TBD	N	/
	Business Intelligence Lead	Business Intelligence Lead	1364	1364	TBD	N	/
	Business Object Consultant	Business Objects Consultant	1144	1144	3 Years	N	/
	Visual Composer Developer	Visual Composer Developer	1144	1144	TBD	N	/
	SRM Lead	Procurement Lead	2156	2156	TBD	N	/
	Bid Management	Bid Management Consultant	1936	1936	9 Years	N	/
	Inventory Lead	Inventory Management Consultant	1408	1408	7 Years	N	/
	Procurement Technical Consultant	BRF -Technical Consultant	2332	2332	TBD	N	/
	HCM Lead	HCM Lead	1936	1936	11 Years	Y	/
	Organization Management	Organization Management Consultant	1936	1936	11Years	N	/
	Personnel	Personnel	1936	1936	TBD	N	/

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	Administration	Administration Consultant				
	Payroll	Payroll Consultant	1936	1936	8Years	N
	Time Management	Payroll / Time Management	1936	1936	13 Years	N
	Benefits	Benefits	1936	1936	11 Years	N
	ESS/MSS	ESS/MSS	1584	1584	TBD	N
	Tech Administrator	System Administration Lead	4092	4092	17 Years	N
	Tech Administrator	System Administration Lead	1584	1584	12 Years	N
	Security	Security Administrator	2728	2728	11 Years	N
	Dev Lead	Development Lead	2880	1440	13 Years	N
	Dev Lead	Tech Developer	2480	1240	10 Years	N
	Workflow	ABAP / Workflow Developer	2480	1240	14 Years	N
	Tech Developer	ABAP / Adobe Developer	1920	960	11 Years	N
	Portal	Portal	2480	1240	12 Years	N
	BI Lead	BI / Portal Developer	2760	1380	2 Years	N
	Change Management Lead	Change Management Lead	4136	4136	13 years	Y
	Change Management	Change Management Consultant	4092	4092	TBD	N
	Training Lead	Training Lead	3916	3916	6 Years	N
	Training Developer	Training Developer / Trainer - Procurement / SRM	1804	902	TBD	N
	Training Developer	Training Developer / Trainer - Financials	1342	671	TBD	N
	Training Developer	Training Developer / Trainer - Financials	1342	671	TBD	N

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	Training Developer	Training Developer / Trainer - HCM	1144	572	TBD	N
	Training Developer	Training Developer / Trainer - HCM	1144	572	TBD	N
	Training Developer	e-Learning Developer	1012	506	TBD	N
		Support Pool of Hours - Phase 1	2500	2500	TBD	N
		Support Pool of Hours - Phase 2	2500	2500	TBD	N

* Information contained in these columns will not be provided to the PEC during evaluation.

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RISK ASSESSMENT

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Solution 2: Incorporate into the project budget a reserve for hiring temporary personnel that can be used to backfill SME's. This would ensure multiple projects have the right staff available. These backfill resources can be hired either directly by the State or through the Systems Integrator (SI). The latter transfers the administrative burden away from the State to the SI.

Risk 2: State offices and work locations are geographically dispersed throughout the State, from Barrow to Ketchikan. Many of these rural communities have sub-standard bandwidth capabilities. These challenges pose risks from both an implementation, i.e. collaboration among team members in geographically dispersed sites, deployment, i.e. end-user training, and post go-live productive use of the system by State employees.

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Solution 3: Addressing the connectivity issues will require collaboration among the stakeholders; we recommend the State address these issues as a separate project before the ERP project is deployed.

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Solution 1: Our project management methodology includes a conversion and data cleansing strategy, plan, and schedule that thoroughly addresses all aspects of data acquisition, cleansing, and conversion.

Solution 2: Our test strategy and plan for the State includes multiple test cycles that are executed with converted data, which thoroughly tests the quality of the data.

Solution 3: See Solution 2 to Risk 1 identified above

Risk 4: As the State migrates from its current legacy infrastructure to an ERP platform, its business processes will become more integrated and will depend more on the underlying IT infrastructure. Not having those systems available for any length of time therefore poses a business continuity risk.

Solution: The technology risk mitigation plan that we propose provides, among other elements, for a High-Availability system, and the planning for various disaster recovery scenarios. The fact that the State operates out of multiple locations provides for an optimal landscape to install both a high-availability infrastructure, as well as for disaster recovery locations. Our proposed ERP solution architecture can also make the most of the latest Disaster Recovery and High Availability technology, such as VMware or Microsoft Clustering Services, to provide a 'best' fit solution for the State of Alaska

Risk 5: Not achieving buy-in and collaboration among the various affected State agencies and

departments that will be affected by the new ERP system poses a serious risk to the successful deployment of an ERP solution.

Solution: Our implementation methodology and plan incorporates a comprehensive Organizational Change Management Plan that includes various organizational alignment assessments to measure buy-in, and activities to foster collaboration and achieve buy-in.

Risk 6: By not assigning the very best State resources to the ERP project, the State runs the risks that its processes are not modeled correctly and/or that not enough consideration is given to requirements.

Solution: We recommend that the State establish a project budget to backfill some if not all of the resources assigned to the project. That way the very best resources can be freed up to work on the project and gain the required knowledge and build their capability to manage the new system processes.

Risk 7: Insufficient planning for long-term post go-live maintenance and support causes many ERP implementations to stumble upon completion. The State is particularly vulnerable to reliance on consultants (from the lower 48 states) to provide post go-live support. Dependency and finding firms capable of providing support, travel costs to/from Alaska, and locating skilled resources is a challenge.

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Solution 2: By selecting the one ERP solution where the software vendor has formalized a University Alliance Program with the University of Alaska, Anchorage, the State can establish in the community a pool of trained resources that can be used to supplement/support the State's resources long term. The alliance program will establish a curriculum over the next 2 years that will utilize the software in a variety of classes. Each of these classes will give students real world experience with the software as it relates to common business practices as well as software implementation. Long term, the University has expressed a willingness to align this initiative with the State's need, especially in the areas of accounting, supply chain and technology, and expand the number of courses using the software. Furthermore, the University program can be made available to State employees to provide additional training on the solution and technology platform. The vision behind creating this alliance is to support local jobs and provide a system that will allow for local, independent, long-term support of the ERP system.

Solution 3: Choose a systems integrator that is aligned with local and Alaska native corporations that are vested in the State and that can provide these support services

Risk 8: It is anticipated that there is currently a lack of (or simply unclear/conflicting) enterprise-wide policies in place. This may impact the State's ability to reach agreement on 'to-be' processes, potentially causing cost overruns, as well as delayed system adoption by the various user groups.

Solution 1: Our implementation methodology focuses on driving for broad participation of all affected departments in the design process so that common policies and processes can be established. In addition our proposed Organizational Change Management Plan includes various activities to identify and address impact of the new policies and processes with each department prior to the system go-live.

Solution 2: Our proposed staffing plan includes key former State employee(s) that have extensive background and experience with the scope being implemented. One of their tasks includes assisting with the to-be process design. We also recommend that the State assign its best/key personnel to the project.

Risk 9: Lack of in-depth knowledge by the Systems Integrator of the State's business processes could cause project delays and misunderstandings between the State and the SI.

Solution: Our proposed staffing plan includes dedicated time by key former State employees like [REDACTED] to assist with the quality assurance program and executive oversight of the project.

require less training because employees will not have to learn multiple reporting tools

Cost: \$0

Item 5: Project Management Support Tools

Our proposal includes a suite of tools to support the project execution and documentation and can be leveraged and enhanced for future State projects. The vendor provided Solution Management tool will be used as the single point of entry for project documentation, system monitoring, issue management tracking, and will serve as an implementation guide during the project. The vendor supplied documentation tool will be used to provide business process documentation, end user training materials, and context-sensitive help tailored to the State's business processes. Both tools provide a set of templates with standard document formats that can be leveraged across all project areas and can be used for future project documentation. These tools integrate to provide a single repository for project documentation that can be added to during future State project initiatives.

Cost: \$0

Item 6: Backfill Key State Resources' Current Roles

The State's key resources will be impacted by a variety of State projects including the ERP implementation. Adequately backfilling the key resources' current roles allows each resource to focus on only implementation tasks instead of worrying about the ongoing operations while working on project activities. This backfill approach will ensure the key resources have dedicated time to participate in the project and build a deep understanding of the new system.

Cost: \$250,000.00 would provide for about 5,000 hours of backfill

~~Item 7: Elimination of the traditional installation – upgrade software lifecycle with our proposed software solution~~

Traditional software packages force clients in a software lifecycle where the complete software package is upgraded every three to five years. This approach has several disadvantages. Chief among them is that new functionality can only be deployed or incorporated when the software is updated regardless of when the State really would want to take advantage of the new features. High costs are associated with performing a complete technical upgrade, and increased risk associated with having to upgrade the complete system including functional areas that do not require any changes. Our proposed software solution does not use this traditional model. Instead, it uses an enhancement package strategy that allows organizations to deploy only those new functionality features that they want to implement on the timetable that they choose and that fits their local circumstances. This concept fosters both innovation and stability at the same time since the innovation is introduced as part of the regular maintenance cycle and targeted to only those areas that require the changes. This approach results in significant cost savings because of the reduced effort to install the functional enhancements and easier testing with standard test case templates. Cost savings are expected in the range of four to six million-dollars over a 10-year period.

Cost: 0\$

Complete the table below by estimating both the State's and Offeror's labor effort for each required deliverable described in Section 5.04 of the RFP. This information will clarify the expected roles, responsibilities and time required for implementing the proposed solution and help the State more accurately evaluate the Offeror's proposal.

Deliverable	Estimated State labor effort (hours)	Proposed Offeror labor effort (hours)
1. Baseline detailed project work plan	1295	1619
2. Project status reports	22665	28332
3. Weekly risk reports	1295	1619
4. Satisfaction surveys	648	809
5. System configuration reports	1295	1619
6. Business process modification recommendations	3238	4047
7. Configured software ready for test	3885	4857
8. Accepted workflows	416	520
9. Hardware specification (applicable to licensed solution)	648	809
10. Application architecture documentation	1295	1619
11. Installation certification document	1295	1619
12. Data conversion plan	984	1230
13. Validated migrated data	984	1230
14. Reports	2400	3000
15. Interface specifications	1440	1800
16. Tested interfaces	1440	1800
17. Test plan	2590	3238
18. Volume/stress testing report	648	809
19. Training plan	1943	3238
20. Training materials	4371	7285
21. Training	7083	4047
22. Knowledge transfer plan and activity	3238	4047
23. Go-live and stabilization plan	4533	5666
24. Technical operations manual	648	809
25. Business user manual	2590	3238
26. Configured and licensed software in productive use	1295	1619
27. Stabilization services	4000	5000

78,162

95,525

45%

55%

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PROJECT WORK PLAN

1. Describe the Offeror's methodology for managing project scope, schedule, and implementation of the project.

Project Management Methodology – Our proven project management methodology provides a disciplined process for successfully delivering valued business solutions to our clients on time and on budget. Our company's Project Management Methodology (PMM) is comprised of three primary project management phases: Planning, Execution, and Closure. The approaches within these three phases represent industry best practices and are consistent with the Project Management Institute (PMI) practices. We also use our PMRx Project site – a project communication and repository tool – to track project progress, issues, risks, change control and other project information and artifacts.

Our Project Manager monitors the project using our standard project plan to track tasks and monitor the critical path, making adjustments in the plan as needed. Our project plan and control processes are used by the Project Manager to manage project tasks, risks, issues and changes throughout the project and ensure that the project is on time and within budget. These processes are designed to control scope creep, enforce standards for quality assurance, and manage issues and risks. Project control processes include Issue Management, Risk Management, Change Management, Quality Assurance and Acceptance Management.

Project Schedule and Scope – Our recommended implementation approach is based on the philosophy of implementing core functionality first to ensure core business operations are supported. This approach reduces the overall project risks and allows the organization and users to adapt to the change they will experience as they transition from their current legacy systems to the best practice processes provided by the ERP Vendor's software.

Our implementation approach, phasing and timeline are built on our understanding of the State's functionality outlined in the RFP's Section Five, Scope of Work and the requirements provided in Attachment F along with our experience implementing the modules required to support those requirements. Our team will implement the ERP Vendor's system in two phases:

- Phase I – Finance, Purchasing, eProcurement – July 1, 2011 through July 1, 2012
- Phase II – HCM, Employee/Manager Self Service, Budget, Treasury and Vendor Self Service – July 1, 2012 through July 1, 2013

The project phases focus on establishing the integrated Finance modules, Purchasing and eProcurement in Phase I followed immediately by full HCM functionality including Employee Self Service, Vendor Self Service, Budgeting and Treasury Management. We have selected the right team to ensure project success; our consultants assigned to the State's project have an average of more than 9 years of experience implementing the ERP Vendor's software and in-depth public sector experience.

2. Describe the Offeror's approach to system initialization, system installation, business process design/reengineering, system configuration, system tailoring, interface design and development, data conversion, testing, and post-implementation stabilization.

We use several methodologies in the implementation of the ERP Vendor's system. Some of these methodologies include the following:

Project Management Methodology (PMM) – PMM is our proven project management methodology based on Project Management Institute (PMI) standards. The key components of our PMM are planning, control and communications. We will adhere to this methodology in performing the work to monitor and control the project's progress. Our project team will also use our PMRx Project site project tool and repository to track project progress, information and artifacts. PMM provides a disciplined process to aid in delivering valued business solutions to our clients on time and on budget.

Accelerated Implementation Methodology – Our team employs the approved ERP Vendor's approach for managing the project phases and deliverables. We enhance these project management processes by utilizing tools and templates created from our experiences on other implementations. We leverage the work we do with other clients to help jump start our projects using the tools and templates available. Our

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RAVA PLAN

EXHIBIT C2: RISK ASSESSMENT

List and prioritize major risk items that are unique to this project, as well as your proposed mitigation strategies. This includes areas that may cause the service to not be completed within budget, schedule, or in accordance with the scope of work and conditions described in the RFP. The risks may include both internal and external factors. The risks should be non-technical, but should also contain enough information to describe to an evaluator why the risk is valid. Explain, also in non-technical terms, how best to mitigate or avoid the risks, highlighting your unique methods or approaches.

The risk assessment plan must include the risks and mitigation for both the Software Product and System Implementer Offerors in the same response form.

Please note that your Risk Assessment cannot exceed three pages (excluding these instructions).

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RISK ASSESSMENT

Risk 1: The State's multiple projects will affect Alaska SME's availability. (Examples: ALDER reporting project, ASSET time reporting project, Fiscal YE Close activities, and annual Benefits Open Enrollment.)

Solution 1: Establish a Program Management Office that coordinates the execution of the ASSET, ALDER, and ERP projects. This Program Office will review the various project schedules in order to minimize the impact of each project to the others; assessing major staffing/timing impacts.

Solution 2: Incorporate into the project budget a reserve for hiring temporary personnel that can be used to backfill SME's. This would ensure multiple projects have the right staff available. These backfill resources can be hired either directly by the State or through the Systems Integrator (SI). The latter transfers the administrative burden away from the State to the SI.

*AK
Connectivity
Same project
recovery
as another*

Risk 2: State offices and work locations are geographically dispersed throughout the State, from Barrow to Ketchikan. Many of these rural communities have sub-standard bandwidth capabilities. These challenges pose risks from both an implementation, i.e. collaboration among team members in geographically dispersed sites, deployment, i.e. end-user training, and post go-live productive use of the system by State employees.

Solution 1: Our management methodology includes proactive planning of all project activities that require State resources from remote locations; accommodating their travel to/from the central project location. Our use of video conferencing and webinars as communication tools will minimize travel costs to and from remote locations.

Solution 2: Our project management methodology includes a training strategy, plan, and schedule that thoroughly address the deployment of the training program to the remote locations.

Solution 3: Addressing the connectivity issues will require collaboration among the stakeholders; we recommend the State address these issues as a separate project before the ERP project is deployed.

Solution 4: Select an ERP system with an architecture that inherently mitigates these risks. Our proposed ERP solution provides quick communication to the application for all types of users, i.e. internal, external, and remote users. We also plan to install additional application servers in Fairbanks and Anchorage, at a minimum, to provide optimal performance for users in locations other than Juneau.

Risk 3: Data quality in the legacy systems. The State is planning to replace myriad loosely connected systems. Some, if not all of these systems, use common and overlapping data elements. The quality of the data cleansing effort as well as the conversion will be critical to the successful deployment of the ERP solution. Incomplete data cleansing and/or data conversion poses the risk of a serious loss in performance post go-live. Data cleansing will also put an additional strain on State resources

*Summary
overblown*

Solution 1: Our project management methodology includes a conversion and data cleansing strategy, plan, and schedule that thoroughly addresses all aspects of data acquisition, cleansing, and conversion.

Solution 2: Our test strategy and plan for the State includes multiple test cycles that are executed with converted data, which thoroughly tests the quality of the data.

Solution 3: See Solution 2 to Risk 1 identified above

Risk 4: As the State migrates from its current legacy infrastructure to an ERP platform, its business processes will become more integrated and will depend more on the underlying IT infrastructure. Not having those systems available for any length of time therefore poses a business continuity risk.

Solution: The technology risk mitigation plan that we propose provides, among other elements, for a High-Availability system, and the planning for various disaster recovery scenarios. The fact that the State operates out of multiple locations provides for an optimal landscape to install both a high-availability infrastructure, as well as for disaster recovery locations. Our proposed ERP solution architecture can also make the most of the latest Disaster Recovery and High Availability technology, such as VMware or Microsoft Clustering Services, to provide a 'best' fit solution for the State of Alaska

Risk 5: Not achieving buy-in and collaboration among the various affected State agencies and

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departments that will be affected by the new ERP system poses a serious risk to the successful deployment of an ERP solution.

Solution: Our implementation methodology and plan incorporates a comprehensive Organizational Change Management Plan that includes various organizational alignment assessments to measure buy-in, and activities to foster collaboration and achieve buy-in.

Risk 6: By not assigning the very best State resources to the ERP project, the State runs the risks that its processes are not modeled correctly and/or that not enough consideration is given to requirements.

Solution: We recommend that the State establish a project budget to backfill some if not all of the resources assigned to the project. That way the very best resources can be freed up to work on the project and gain the required knowledge and build their capability to manage the new system processes.

Risk 7: Insufficient planning for long-term post go-live maintenance and support causes many ERP implementations to stumble upon completion. The State is particularly vulnerable to reliance on consultants (from the lower 48 states) to provide post go-live support. Dependency and finding firms capable of providing support, travel costs to/from Alaska, and locating skilled resources is a challenge.

Solution 1: Our implementation methodology and plan includes a detailed and extensive capability assessment and knowledge transfer program that ensures that the State resources are prepared to support the system post Go-Live.

Solution 2: By selecting the one ERP solution where the software vendor has formalized a University Alliance Program with the University of Alaska, Anchorage, the State can establish in the community a pool of trained resources that can be used to supplement/support the State's resources long term. The alliance program will establish a curriculum over the next 2 years that will utilize the software in a variety of classes. Each of these classes will give students real world experience with the software as it relates to common business practices as well as software implementation. Long term, the University has expressed a willingness to align this initiative with the State's need, especially in the areas of accounting, supply chain and technology, and expand the number of courses using the software. Furthermore, the University program can be made available to State employees to provide additional training on the solution and technology platform. The vision behind creating this alliance is to support local jobs and provide a system that will allow for local, independent, long-term support of the ERP system.

Solution 3: Choose a systems integrator that is aligned with local and Alaska native corporations that are vested in the State and that can provide these support services

Risk 8: It is anticipated that there is currently a lack of (or simply unclear/conflicting) enterprise-wide policies in place. This may impact the State's ability to reach agreement on 'to-be' processes, potentially causing cost overruns, as well as delayed system adoption by the various user groups.

Solution 1: Our implementation methodology focuses on driving for broad participation of all affected departments in the design process so that common policies and processes can be established. In addition our proposed Organizational Change Management Plan includes various activities to identify and address impact of the new policies and processes with each department prior to the system go-live.

Solution 2: Our proposed staffing plan includes key former State employee(s) that have extensive background and experience with the scope being implemented. One of their tasks includes assisting with the to-be process design. We also recommend that the State assign its best/key personnel to the project.

Risk 9: Lack of in-depth knowledge by the Systems Integrator of the State's business processes could cause project delays and misunderstandings between the State and the SI.

Solution: Our proposed staffing plan includes dedicated time by key former State employees like [REDACTED] to assist with the quality assurance program and executive oversight of the project.

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Risk 10: Projects of this magnitude and complexity run the risk of delays and increased costs if no formal governance structure is established that defines how decisions are made and issues are escalated.

Solution: Our proposed project governance plan and structure establishes an environment and processes that empowers the project team to make decisions at the lowest level possible and ensures that changes to scope and project issues are escalated quickly to leadership for their timely decision.

Risk 11: Lack of, or delay in adoption of the system causes the project to be perceived as a technical success but a political failure.

Solution: Prior to go-live our change management plan will focus on activities that foster buy-in by all constituents to the solution by addressing the impacts of the process changes on their specific environment as well as prepare them for the new system. This plan will also establish capabilities within the ERP support organization to support legislative changes, policy changes, and organizational changes resulting from the transition in elected officials. Our change management plan will also establish and extensive communication plan to address both internal and external constituents.

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Risk 12: It is anticipated that departments and agencies might have difficulty concurring on process.
Solution: Our change management plan will focus on collaboration between the departments as well as address the specific needs of each agency. To that end, we will establish a change agent network that will assign a business champion (technical and functional) to each agency or department.

Risk 13: Various departments perceive the risk that ETS cannot fully support the implemented solution.
Solution 1: Our implementation methodology and plan includes a detailed and extensive knowledge transfer program that ensures that the State resources are prepared to support the system post Go-Live.
Solution 2: Our post go-live support plan includes establishing a Center of Excellence with State resources that are responsible for the long-term support of the system.
Solution 3: Our resource plan compensates for this deficiency and focuses on skill transfer
Solution 4: We have included various deliverables, e.g. Disaster Recovery plan.

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Risk 14: The aging of State's employee population poses the risk that the State will lose significant current system and business process knowledge over the next several years.
Solution 1: Our proposed solution provides a platform to standardize the business processes, which makes it easier to transfer knowledge and resources between departments and agencies
Solution 2: Our proposed implementation methodology will focus on establishing long term support capabilities that formalize the business process knowledge so that it can more easily be transferred from individual to individual
Solution 3: Establish local capabilities (Risk 8, Solution 2 and 3) for the State to tap into when needed.

Risk 15: Lack off, or delay in adoption of the system because end-users are not sufficiently prepared and trained on the new software.
Solution: Our implementation methodology includes a comprehensive training program that addresses all aspects of end user training. This includes establishing an end-user training strategy during project preparation, an end-user training curriculum as a result of audience surveys and a review of the process designs, development of training materials, establishing a training registration process, rollout of a train the trainer program, and support of the actual end-user training delivery.

Risk 16: Converting legacy data and especially payroll data will require detailed comparisons of the legacy and ERP data, which will put an additional burden on the State's SME's and auditors.
Solution 1: See Solution 2 to Risk 1 identified above.
Solution 2: We include automated comparison tools for use after each load of converted data or test payroll run. Alternatively, we will recommend several COTS systems to automate this comparison.
Solution 3: Our management methodology includes a detailed data conversion and data cleansing strategy, plan, and schedule (see Risk 4) and a test strategy, plan, and schedule that clearly spells out how to approach the testing and verification of the converted data, as well as roles and responsibilities.

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Value Added Options

Identify any associated value added options that may benefit the State of Alaska. Outline additional product features and/or implementation services you may provide. All value added options must include an associated cost. **DO NOT** include value added options in your cost proposal. Prior to award, the State of Alaska will determine if the value added items will be accepted or rejected. Add additional items as necessary.

The value added options must include those for both the Software Product and System Implementer Offerors in the same response form.

Please note that your value added options response cannot exceed two pages (excluding these instructions).

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VALUE ADDED

Item 1: Training and Retaining Local Resources through the ERP Vendor's University Alliance Program established in partnership between the University of Alaska, Anchorage (UAA) and our proposed ERP Vendor solution.

Most states like Alaska want to build an ecosystem of educated people who can participate in the State's workforce upon graduation from a college or university. Because technology is an integral part of the economy, having technology corridors or educational environments where technology skills are current, updated as needed and integrated into the public education system is key for states to keep up with changing business processes. Our proposed ERP solution is the only ERP solution where the software vendor has formalized a University Alliance Program with the University of Alaska, Anchorage. Through this alliance, the State can establish in the community a pool of trained resources that can be used to supplement/support the State's resources long term. The alliance program will establish a curriculum over the next two years that will utilize the software in a variety of classes. Each of these classes will give students real world experience with the software as it relates to common business practices as well as software implementation. Long term, the University has expressed a willingness to align this initiative with the State's need, especially in the areas of accounting, supply chain and technology, and expand the number of courses using the software. Furthermore, the University program can be made available to State employees to provide additional training on the solution and technology platform. The vision behind creating this alliance is to support local jobs and provide a system that will allow for local, independent, long-term support of the ERP system.

Cost: \$0

Item 2: Creating Local Jobs for Local Communities: Alaska Native Corporation Partnerships

We are pleased to partner with an Alaska Native Corporation established under the Alaska Native Claims Settlement Act of 1971. Working with them we intend to staff numerous roles with local resources and create new jobs in the IT industry. Alaska taxpayer money, allocated to the ERP project, will be kept within the State for in-state benefit. This partnership will provide a team of local technical resources available to sustain and support the State's ERP system post go-live.

Cost: \$0

Item 3: Alaska Based Hosting

By taking advantage of a premier locally based hosting organization, hardware and system administration costs are reduced, inventory and facilities costs are minimized, and system-monitoring tools are included. This provides the State with a long-term stable technology base including a Disaster Recovery solution, while allowing the State to focus on business process improvement. Hosting providers are able to reduce the cost of system administration by leveraging larger pools of technical resources while delivering high quality service 24x7. All resource costs for the system administrators, including training and management, are transferred to the hosting provider.

Cost: One-Time Cost = \$22,100, Yearly Maintenance = \$196,200

Item 4: The State of Alaska has knowledge of Business Objects.

The State of Alaska will be able to leverage the investment that the State has already made in Business Objects. Instead of developing an ERP specific reporting solution our plans are to expand and enhance the business objects solution into a single comprehensive reporting solution. As a result, the State will save money short term because the State will not be required to purchase additional software. In the long term, hardware, development, training, and support costs will also be lower. Since Business Objects is a flexible and easy to use reporting tool, State employees will find it easy to get information and generate reports from the new system. Employee acceptance of the new system will

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require less training because employees will not have to learn multiple reporting tools.

Cost: \$0

Item 5: Project Management Support Tools

Our proposal includes a suite of tools to support the project execution and documentation and can be leveraged and enhanced for future State projects. The vendor provided Solution Management tool will be used as the single point of entry for project documentation, system monitoring, issue management tracking, and will serve as an implementation guide during the project. The vendor supplied documentation tool will be used to provide business process documentation, end user training materials, and context-sensitive help tailored to the State's business processes. Both tools provide a set of templates with standard document formats that can be leveraged across all project areas and can be used for future project documentation. These tools integrate to provide a single repository for project documentation that can be added to during future State project initiatives.

Should be a given

Cost: \$0

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Item 7: Elimination of the traditional installation – upgrade software lifecycle with our proposed software solution

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not value-add

Cost: 0\$

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PROJECT WORK PLAN

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- ~~Phase I - Finance, Purchasing, eProcurement~~ – July 1, 2011 through July 1, 2012
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2. Describe the Offeror's approach to system initialization, system installation, business process design/reengineering, system configuration, system tailoring, interface design and development, data conversion, testing, and post-implementation stabilization.

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Accelerated Implementation Methodology – Our team employs the approved ERP Vendor's approach for managing the project phases and deliverables. We enhance these project management processes by utilizing tools and templates created from our experiences on other implementations. We leverage the work we do with other clients to help jump start our projects using the tools and templates available. Our

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implementation methodology breaks a project into five phases: Project Preparation, Blueprint, Realization, Final Preparation/Cutover and Go Live/Support. Each phase has a unique set of deliverables depending upon the requirements and scope of the implementation.

Business Process Redesign/Reengineering – The Business Process Redesign begins with the Blueprint phase of the project. Our team conducts business process workshops to capture the current business processes and contrast those processes with the standard ERP Vendor's business processes. The results of that effort are documented as "as is" processes and "to be" processes. We also identify the impacts of the changes to those processes, which are addressed in the Change Management Strategy and Planning efforts.

Blueprint and Configuration – The Blueprint phase also defines how the standard system functionality meets the State's requirements, configuration changes required and functionality that will require enhancements. The Blueprint documents all of the changes, including configurations, interfaces, reports and enhancements necessary to meet the State's business needs. Our team begins configuration changes once the Blueprint has been reviewed and approved by the State.

Change Management Methodology – Organizational readiness must be part of the overall implementation plan to minimize overall risk. Transition to new systems, processes and reporting can be overwhelming to an organization. Our change management approach identifies the major impacts to key stakeholders, develops an approach to address major changes and uses communication and readiness workshops to prepare the organization and staff for the new system. As a result, the organization is ready and able to support the system once live.

Conversion Methodology – Our methodology includes development of a conversion plan, data mapping steps, approach to building and testing conversion programs, conversion testing plans, and data validation required to convert the required data successfully.

Design Reviews/Code Reviews – Technical project team members conduct design and code reviews to ensure that reports, conversion, interfaces, etc., are developed to the standards of the ERP Vendor, our organization and the State.

Testing – During the project, several testing cycles will ensure that the project team is delivering a quality product: system, user, parallel payroll and integration testing.

3. Describe how the Offeror will transition from existing systems to the proposed systems.

Transitioning the State from its existing system to its new ERP Vendor's system requires extensive planning, careful preparation and integrated execution with the overall project. Our transition activities are focused in two areas: organizational and technical. We initiate the organizational transition activities at the outset of the project by conducting a Change Readiness Assessment. This is designed to assess the State stakeholder's capacity for change and to identify issues that may affect the stakeholder's ability to adopt successfully the State's new system and business processes. We will use the results of the Change Readiness Assessment to assist the State in developing and implementing a Change Adoption Strategy that will address the impacts of the business process and system changes.

During the Business Blueprint phases of the project, our Change Management Lead will work together with the functional consultants and the State's Subject Matter Experts (SMEs) to redesign and document the State's new business processes. As business processes are defined, the Change Management Team will use the information from the business process redesign sessions to determine the organizational areas, departments, and job positions that are affected by the change. We will conduct Change Impact review sessions with the State to validate the changes, confirm the degree or extent of the changes and document the change impacts. Working with the State's managers to prepare stakeholders for the changes will be the primary focus of the Change Adoption and Communications activities as the project moves closer to go-live.

In conjunction with the Training program for each go-live, we will develop and deploy targeted communications for each State stakeholder group which will provide employees with information regarding what they can expect as the system goes into production. We will also conduct ~~Business Readiness workshops with managers, SMEs, and key staff members to assist them in understanding~~

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~~their new roles and responsibilities~~, make the cultural shift required to support the new process, and to help communicate the changes to the organization. Finally, we will conduct an assessment of change adoption achieved and identify opportunities for continuous improvement

4. Describe how the Offeror will educate and train State employees on the proposed systems.

The focus of our training approach is to help the State meet its business goals and project objectives by enabling employees to effectively use the ERP Vendor's system. To accomplish this, we will use a role-based training approach in which users receive training in the business processes and system tasks that are directly related to their job functions and system authorization. ~~The role-based training program~~ will be delivered via blended learning, which combines eLearning and distance learning with hands-on instructor-led training on system tasks. This approach reduces the amount of time users are away from their jobs for classroom training, maximizes the amount of time that users spend doing hands-on system tasks in class and reduces the total cost of ownership by providing repeatable eLearning courses that can be used to train new employees.

We will conduct a ~~training needs assessment~~ to identify the training needs for the State's project team, end users, and technical and operations personnel. We will assess the stakeholder audiences as well as the training infrastructure needed to deliver training. The needs assessment outcomes and analysis will be key inputs to the development of the overall Training Strategy, which will detail the training goals and objectives for all stakeholders who are impacted by the project as well as the specific approaches for each training stakeholder group.

We will provide a detailed training plan for the design, implementation and evaluation of the training program for each implementation phase. The training plan for each phase will identify the employee audiences, training content for each of the audiences, training delivery methods, training delivery schedule and training delivery locations. The plan will also include resources needed such as the number of classrooms and number of trainers required to conduct the training for that phase.

Working collaboratively with the State's SMEs, our instructional designers will develop the course curriculum based on the State's new business processes and create customized courseware. In addition, we will customize and deliver a Train-the-Trainer program to prepare the State's instructors in the course content, delivery and use of the materials, and basic adult learning principles. Finally, we will use our Capability Transfer methodology to prepare the State's operational and technical staff to become self-sufficient in supporting and managing the State's system.

5. Describe how the Offeror will monitor performance throughout the contract term.

Project Controls – We monitor performance in many different ways. During the beginning of a project (Project Prep), the Project Manager will work with the team to refine the baseline project plan. This plan defines at a high level the tasks, dependencies, resources and project timeline required to implement the scope of the project. The Project Manager uses the project control activities to evaluate and manage issues, risks and changes throughout each month.

Project Communication and Meetings – Weekly and monthly project reports communicate critical project information to the State's project team, stakeholders, steering committee and State leadership. Those reports include the status of project tasks in relation to the project plan, project costs compared to project budget, and earned value (project tasks accomplished compared to tasks planned). In addition to status reporting, weekly project team meetings will be held to assess progress on project issues and changes requested. These meetings provide everyone with the opportunity to talk about the successes accomplished and activities planned for the next week. Monthly Steering Committee meetings are extremely beneficial because they provide an opportunity to keep the sponsors informed regarding the successes achieved and elicit their input and guidance for upcoming tasks and challenges.

Project Performance and Quality – An important component of our methodologies is the quality assessment audits that are scheduled and conducted at critical checkpoints in the project. These checkpoints not only allow us to measure the progress of the project and its adherence to our standards and methodologies, but also to detect any potential issue and allow us to adjust and make improvements along the way.

RISK ASSESSMENT

Risk 1: The State's multiple projects will affect Alaska SME's availability. (Examples: ALDER reporting project, ASSET time reporting project, Fiscal YE Close activities, and annual Benefits Open Enrollment.)

Solution 1: Establish a Program Management Office that coordinates the execution of the ASSET, ALDER, and ERP projects. This Program Office will review the various project schedules in order to minimize the impact of each project to the others; assessing major staffing/timing impacts.

Solution 2: Incorporate into the project budget a reserve for hiring temporary personnel that can be used to backfill SME's. This would ensure multiple projects have the right staff available. These backfill resources can be hired either directly by the State or through the Systems Integrator (SI). The latter transfers the administrative burden away from the State to the SI.

Risk 2: State offices and work locations are geographically dispersed throughout the State, from Barrow to Ketchikan. Many of these rural communities have ~~sub-standard bandwidth capabilities~~. These challenges pose risks from both an implementation, i.e. collaboration among team members in geographically dispersed sites, deployment, i.e. end-user training, and post go-live productive use of the system by State employees.

Solution 1: Our management methodology includes proactive planning of all project activities that require State resources from remote locations; accommodating their travel to/from the central project location. Our use of video conferencing and webinars as communication tools will minimize travel costs to and from remote locations.

Solution 2: Our project management methodology includes a training strategy, plan, and schedule that thoroughly address the deployment of the training program to the remote locations.

Solution 3: Addressing the connectivity issues will require collaboration among the stakeholders; ~~we recommend the State address these issues as a separate project before the ERP project is deployed.~~

Solution 4: ~~Select an ERP system with an architecture that inherently mitigates these risks. Our proposed ERP solution provides quick communication to the application for all types of users, i.e. internal, external, and remote users. We also plan to install additional application servers in Fairbanks and Anchorage, at a minimum, to provide optimal performance for users in locations other than Juneau.~~

Risk 3: Data quality in the legacy systems. The State is planning to replace myriad loosely connected systems. Some, if not all of these systems, use common and overlapping data elements. The quality of the data cleansing effort as well as the conversion will be critical to the successful deployment of the ERP solution. Incomplete data cleansing and/or data conversion poses the risk of a serious loss in performance post go-live. Data cleansing will also put an additional strain on State resources

Solution 1: Our project management methodology includes a conversion and data cleansing strategy, plan, and schedule that thoroughly addresses all aspects of data acquisition, cleansing, and conversion.

Solution 2: Our test strategy and plan for the State includes multiple test cycles that are executed with converted data, which thoroughly tests the quality of the data.

Solution 3: See Solution 2 to Risk 1 identified above

Risk 4: As the State migrates from its current legacy infrastructure to an ERP platform, its business processes will become more integrated and will depend more on the underlying IT infrastructure. Not having those systems available for any length of time therefore poses a business continuity risk.

Solution: The technology risk mitigation plan that we propose provides, among other elements, for a High-Availability system, and the planning for various disaster recovery scenarios. ~~The fact that the State operates out of multiple locations provides for an optimal landscape to install both a high-availability infrastructure, as well as for disaster recovery locations.~~ Our proposed ERP solution architecture can also make the most of the latest Disaster Recovery and High Availability technology, such as VMware or Microsoft Clustering Services, to provide a 'best' fit solution for the State of Alaska

Risk 5: Not achieving buy-in and collaboration among the various affected State agencies and

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departments that will be affected by the new ERP system poses a serious risk to the successful deployment of an ERP solution.

Solution: Our implementation methodology and plan incorporates a ~~comprehensive Organizational Change Management Plan~~ that includes various organizational alignment assessments to measure buy-in, and activities to foster collaboration and achieve buy-in.

Risk 6: By not assigning the very best State resources to the ERP project, the State runs the risks that its processes are not modeled correctly and/or that not enough consideration is given to requirements.

Solution: We recommend that the State establish a ~~Project budget to bookfill some~~ if not all of the resources assigned to the project. That way the very best resources can be freed up to work on the project and gain the required knowledge and build their capability to manage the new system processes.

Risk 7: Insufficient planning for long-term post go-live maintenance and support causes many ERP implementations to stumble upon completion. The State is particularly vulnerable to reliance on consultants (from the lower 48 states) to provide post go-live support. Dependency and finding firms capable of providing support, travel costs to/from Alaska, and locating skilled resources is a challenge.

Solution 1: Our implementation methodology and plan includes a detailed and extensive capability assessment and knowledge transfer program that ensures that the State resources are prepared to support the system post Go-Live.

Solution 2: ~~By selecting the one ERP solution where the software vendor has formalized a University Alliance Program with the University of Alaska, Anchorage, the State can establish in the community a pool of trained resources that can be used to supplement/support the State's resources long term.~~ The alliance program will establish a ~~curriculum over the next 2 years that will utilize the software in a variety of classes.~~ Each of these classes will give students real world experience with the software as it relates to common business practices as well as software implementation. Long term, the University has expressed a willingness to align this initiative with the State's need, especially in the areas of accounting, supply chain and technology, and expand the number of courses using the software. Furthermore, the University program can be made available to State employees to provide additional training on the solution and technology platform. ~~The vision behind creating this alliance is to support local jobs and provide a system that will allow for local, independent, long-term support of the ERP system.~~

Solution 3: Choose a systems integrator that is aligned with local and Alaska native corporations that are vested in the State and that can provide these support services

Risk 8: It is anticipated that there is currently a lack of (or simply unclear/conflicting) enterprise-wide policies in place. This may impact the State's ability to reach agreement on 'to-be' processes, potentially causing cost overruns, as well as delayed system adoption by the various user groups.

Solution 1: Our implementation methodology focuses on driving for broad participation of all affected departments in the design process so that common policies and processes can be established. In addition our proposed Organizational Change Management Plan includes various activities to identify and address impact of the new policies and processes with each department prior to the system go-live.

Solution 2: ~~Our proposed staffing plan includes key former State employees that have extensive background and experience with the scope being implemented.~~ One of their tasks includes assisting with the to-be process design. We also recommend that the State assign its best/key personnel to the project.

Risk 9: Lack of in-depth knowledge by the Systems Integrator of the State's business processes could cause project delays and misunderstandings between the State and the SI.

Solution: Our proposed staffing plan ~~includes dedicated time by key former State employees like~~ ~~to~~ to assist with the quality assurance program and executive oversight of the project.

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Risk 10: Projects of this magnitude and complexity run the risk of delays and increased costs if no formal governance structure is established that defines how decisions are made and issues are escalated.

Solution: Our proposed ~~project governance plan~~ and structure establishes an environment and processes that empowers the project team to make decisions at the lowest level possible and ensures that changes to scope and project issues are escalated quickly to leadership for their timely decision.

Risk 11: Lack of, or delay in adoption of the system causes the project to be perceived as a technical success but a political failure.

Solution: Prior to go-live our change management plan will focus on activities that foster buy-in by all constituents to the solution by addressing the impacts of the process changes on their specific environment as well as prepare them for the new system. This plan will also ~~establish capabilities within the ERP support organization to support legislative changes, policy changes, and organizational changes resulting from the transition in elected officials.~~ Our change management plan will also establish and extensive communication plan to address both internal and external constituents.

Risk 12: It is anticipated that departments and agencies might have difficulty concurring on process.

Solution: Our change management plan will focus on collaboration between the departments as well as address the specific needs of each agency. ~~To that end, we will establish a change agent network that will assign a business champion (technical and functional) to each agency or department.~~

Risk 13: Various departments perceive the risk that ETS cannot fully support the implemented solution.

Solution 1: Our implementation methodology and plan includes a detailed and extensive knowledge transfer program that ensures that the State resources are prepared to support the system post Go-Live.

Solution 2: Our post go-live support plan includes establishing a ~~Center of Excellence~~ with State resources that are responsible for the long-term support of the system.

Solution 3: Our resource plan compensates for this deficiency and focuses on skill transfer

Solution 4: We have included various deliverables, e.g. Disaster Recovery plan.

Risk 14: The ~~aging of State's employee population~~ poses the risk that the State will lose significant current system and business process knowledge over the next several years.

Solution 1: Our proposed solution provides a platform to ~~standardize the business processes~~, which makes it easier to transfer knowledge and resources between departments and agencies

Solution 2: Our proposed implementation methodology will focus on establishing ~~long term support capabilities~~ that formalize the business process knowledge so that it can more easily be transferred from individual to individual.

Solution 3: Establish local capabilities (Risk 8, Solution 2 and 3) for the State to tap into when needed.

Risk 15: Lack off, or delay in adoption of the system because end-users are not sufficiently prepared and trained on the new software.

Solution: Our implementation methodology includes a comprehensive training program that addresses all aspects of end user training. This includes establishing an end-user training strategy during project preparation, an end-user training curriculum as a result of audience surveys and a review of the process designs, development of training materials, establishing a training registration process, rollout of a train the trainer program, and support of the actual end-user training delivery.

Risk 16: Converting legacy data and especially payroll data will require detailed comparisons of the legacy and ERP data, which will put an additional burden on the State's SME's and auditors.

Solution 1: See Solution 2 to Risk 1 identified above.

Solution 2: We include automated comparison tools for use after each load of converted data or test payroll run. Alternatively, we will recommend several COTS systems to automate this comparison.

Solution 3: Our management methodology includes a detailed data conversion and data cleansing strategy, plan, and schedule (see Risk 4) and a test strategy, plan, and schedule that clearly spells out how to approach the testing and verification of the converted data, as well as roles and responsibilities.

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VALUE ADDED

Item 1: Training and Retaining Local Resources through the ERP Vendor's University Alliance Program established in partnership between the University of Alaska, Anchorage (UAA) and our proposed ERP Vendor solution.

Most states like Alaska want to build an ecosystem of educated people who can participate in the State's workforce upon graduation from a college or university. Because technology is an integral part of the economy, having technology corridors or educational environments where technology skills are current, updated as needed and integrated into the public education system is key for states to keep up with changing business processes. ~~Our proposed ERP solution is the only ERP solution where the software vendor has formalized a University Alliance Program with the University of Alaska, Anchorage.~~ Through this alliance, the State can establish in the community a pool of trained resources that can be used to supplement/support the State's resources long term. The alliance program will establish a curriculum over the next two years that will utilize the software in a variety of classes. Each of these classes will give students real world experience with the software as it relates to common business practices as well as software implementation. Long term, the University has expressed a willingness to align this initiative with the State's need, especially in the areas of accounting, supply chain and technology, and expand the number of courses using the software. Furthermore, the University program can be made available to State employees to provide additional training on the solution and technology platform. The vision behind creating this alliance is to support local jobs and provide a system that will allow for local, independent, long-term support of the ERP system.

~~Cost: \$0~~

Item 2: Creating Local Jobs for Local Communities: ~~Alaska Native Corporation Partnerships~~

We are pleased to partner with an Alaska Native Corporation established under the Alaska Native Claims Settlement Act of 1971. Working with them we intend to staff numerous roles with local resources and create new jobs in the IT industry. Alaska taxpayer money, allocated to the ERP project, will be kept within the State for in-state benefit. This partnership will provide a team of local technical resources available to sustain and support the State's ERP system post go-live.

~~Cost: \$0~~

Item 3: Alaska Based Hosting

By taking advantage of a premier locally based hosting organization, hardware and system administration costs are reduced, inventory and facilities costs are minimized, and system-monitoring tools are included. This provides the State with a long-term stable technology base including a Disaster Recovery solution, while allowing the State to focus on business process improvement. Hosting providers are able to reduce the cost of system administration by leveraging larger pools of technical resources while delivering high quality service 24x7. All resource costs for the system administrators, including training and management, are transferred to the hosting provider.

Cost: One-Time Cost = \$22,100, Yearly Maintenance = \$196,200

Item 4: The State of Alaska has knowledge of Business Objects.

The State of Alaska will be able to leverage the investment that the State has already made in Business Objects. Instead of developing an ERP specific reporting solution our plans are to ~~expand and enhance the Business Objects solution into a single comprehensive reporting solution.~~ As a result, the State will ~~save money short term because the State will not be required to purchase additional software.~~ In the long term, hardware, development, training, and support costs will also be lower. Since Business Objects is a flexible and easy to use reporting tool, State employees will find it easy to get information and generate reports from the new system. Employee acceptance of the new system will

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require less training because employees will not have to learn multiple reporting tools

Cost: \$0

Item 5: Project Management Support Tools

Our proposal includes a suite of tools to support the project execution and documentation and can be leveraged and enhanced for future State projects. The vendor provided Solution Management tool will be used as the single point of entry for project documentation, system monitoring, issue management tracking, and will serve as an implementation guide during the project. The vendor supplied documentation tool will be used to provide business process documentation, end user training materials, and context-sensitive help tailored to the State's business processes. Both tools provide a set of templates with standard document formats that can be leveraged across all project areas and can be used for future project documentation. These tools integrate to provide a single repository for project documentation that can be added to during future State project initiatives.

Cost: \$0

Item 6: Backfill Key State Resources' Current Roles

The State's key resources will be impacted by a variety of State projects including the ERP implementation. Adequately backfilling the key resources' current roles allows each resource to focus on only implementation tasks instead of worrying about the ongoing operations while working on project activities. This backfill approach will ensure the key resources have dedicated time to participate in the project and build a deep understanding of the new system.

Cost: \$250,000.00 would provide for about 5,000 hours of backfill

Item 7: Elimination of the traditional installation – upgrade software lifecycle with our proposed software solution

Traditional software packages force clients in a software lifecycle where the complete software package is upgraded every three to five years. This approach has several disadvantages. Chief among them is that new functionality can only be deployed or incorporated when the software is updated regardless of when the State really would want to take advantage of the new features. High costs are associated with performing a complete technical upgrade, and increased risk associated with having to upgrade the complete system including functional areas that do not require any changes. Our proposed software solution does not use this traditional model. Instead, it uses an ~~enhancement package strategy that allows organizations to deploy only those new functionality features that they want to implement on the timetable that they choose and that fit their local circumstances.~~ This concept fosters both innovation and stability at the same time since the innovation is introduced as part of the regular maintenance cycle and targeted to only those areas that require the changes. This approach results in significant ~~cost savings because of the reduced effort to install the functional enhancements and easier testing with standard test case templates. Cost savings are expected in the range of four to six million dollars over a 10 year period.~~

Cost: 0\$

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ATTACHMENT D - SAMPLE SYSTEM CONFIGURATION DOCUMENT

Attach a sample system configuration document, which will demonstrate your approach to business process analysis, configuration design, and system configuration/tailoring. The sample does not have to be a complete document. An excerpt sufficient to demonstrate the typical contents, quality, and detail of your proposed deliverable will suffice. Note that simply reproducing the table of contents will not be considered an acceptable sample document.

note

In order to minimize any bias, this document **must NOT** contain any names that can be used to identify the Offeror (company name, personnel names, past project names, product names or any other identifying information).

Please note that your Sample System Configuration Document cannot exceed three pages (excluding these instructions).

RIGHT OF EXCEPTIONS TO TERMS AND CONDITIONS

Describe any specific exceptions to the terms and conditions set forth in the Standard Implementation Services Agreement (Attachment G) or the Standard Licensing and Maintenance Agreement (Attachment H) included in the RFP. Identify the section where the applicable terms and/or conditions are located and provide proposed alternative language. The State's standard agreements will be used for the resulting contract from this RFP and objections to these terms will be evaluated and scored. Wholesale repudiation of the State's terms and conditions will result in an Offeror's proposal being deemed non-responsive under Section 1.11 Right of Rejection.

██████████ has identified the following exceptions to the RFP that need to be clarified and negotiated:

3.03 STANDARD CONTRACT PROVISIONS

See ██████████ response below re Attachment G. ██████████ is not licensing the software so Attachment H is not applicable. ██████████ desires the opportunity to mutually negotiate all terms and conditions that will be included in Attachment G – Standard Agreement Form for Services.

3.09 WITHHOLDING

██████████ proposes negotiating mutually agreeable retainage in lieu of 20% and payment schedule for paying retainage to ██████████ upon State's acceptance of milestones/deliverables.

3.12 CONTRACT PERSONNEL

██████████ proposes that due to difficulty of travel schedules for consultants to and from Alaska that the State reasonably approves all replacement personnel.

3.13 INSPECTION AND MODIFICATION – REIMBURSEMENT FOR UNACCEPTABLE DELIVERABLES

All deliverables should be accepted in accordance with the following procedure and in accordance with the mutually agreed project schedule:

Acceptance criteria for Services and deliverables ("Work Products") shall be set forth in each Statement of Work ("SOW"), or in such other document that the parties mutually agree in writing, including without limitation, project charters or project governance plans, which shall be incorporated into the SOW by this reference. Upon Contractor's delivery of Services or Work Products, State must inspect the Services and Work Products for conformance with specifications. If Contractor has not received written notice from State (the "Acceptance/Rejection Form") within 3 business days following completion of the Services or delivery of the Work Products, the applicable Services or Work Products will be deemed accepted by State. Furthermore, for other kinds of work performed by Contractor, including without limitation, staffing work for which acceptance criteria are not specified in an SOW, the applicable Services or Work Products will be deemed accepted by State on the date of delivery unless Contractor receives an Acceptance/Rejection Form or other written notice from State specifying the reason for non-acceptance within 3 business days after completion of the Services or delivery of the Work Products.

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The term "independent negligence" is negligence other than in the Contracting agency's selection, administration, monitoring, or controlling of the Contractor and in approving or accepting the Contractor's work.

Conditions: A party's responsibility to indemnify and hold harmless the other party is conditioned upon:

1. The indemnifying party receiving prompt written notice of any claim or action. Timely receipt of notice by the indemnifying party is of the essence of this indemnification section.
2. The indemnifying party having the sole authority to defend the indemnified party against any claim or action upon which third party indemnity is sought.
3. The indemnified party reasonably cooperating with the indemnifying party in defending or settling the claim.
4. The indemnifying party has no liability to indemnify or hold the indemnified party harmless for any payment by the indemnified party in settlement or compromise of a claim or action unless the indemnifying party receives written notice at least ten (10) business days in advance of such settlement or compromise and approves the settlement in writing before payment is made.
5. All indemnification rights and obligations under this contract are subject to the terms of the Limitation of Liability section of this agreement.

APPENDIX C – STATEMENT OF WORK

D. STAFFING

Key Consultant Staff, Subcontracting

1. [REDACTED] proposes that "unless due to reasons outside of Contractor's control" be added to end for first sentence. In 3rd sentence, [REDACTED] proposes "reasonable" be added between "State's" and "prior."
2. [REDACTED] proposes that "ten" be changed to "five."

Right of State to Reject Employees or Subcontractors

[REDACTED] proposes that this be revised as follows: The State shall have the right to reject any of Contractor's employees or subcontractors whose qualifications or performance in the State's good faith and reasonable judgment do not meet the standards established by the warranty provisions in the contract that work must be performed in a professional and workmanlike manner, State as necessary for the performance of the Services, provided that such rejection does not violate any applicable law or regulation.

except to SOW!

E. CONTRACTOR DELIVERABLES

PERFORMANCE OF SERVICES

In lieu of the 2nd sentence [REDACTED] proposes the following:

For a period of ninety (90) days from the date of the State's acceptance (the "Warranty Period"), Contractor warrants that it will provide Work Products that conform in all material respects to the specifications set forth in the SOW. The State must report any deficiencies to Contractor in writing within the Warranty Period to receive warranty remedies. The State's exclusive remedy and Contractor's entire liability is to provide Services to correct the deficiencies. If Contractor is unable to correct the deficiencies, the State is entitled to recover the fees paid to Contractor for the deficient portion of the Services or Work Product. **CONTRACTOR DISCLAIMS ALL OTHER WARRANTIES, EXPRESS OR IMPLIED, INCLUDING, BUT NOT LIMITED TO, IMPLIED WARRANTIES OF MERCHANTABILITY AND FITNESS FOR PARTICULAR PURPOSE.** Contractor makes no warranties regarding any portion of any deliverable developed by the State or by any third party, including any third party software, hardware, or other third party products provided by Contractor.

G. WARRANTY OF PERFORMANCE

1. In lieu of "software industry" [REDACTED] proposes "within the ERP consulting services industry."
 2. In lieu of this warranty [REDACTED] proposes the same warranty as in response to E. above.
 3. [REDACTED] proposes that 3, 4 and 6 be deleted. In lieu of 4, [REDACTED] can provide the following indemnity and in lieu of warranty in 6, see warranty in response to E. above.
- **INTELLECTUAL PROPERTY INDEMNITY.** Contractor shall indemnify State from all claims.

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NO CONFIG DOC.
EQUAL LABOR SPLIT - VENDOR MORE THAN STATE

PROJECT WORK PLAN

1. Describe the Offeror's methodology for managing project scope, schedule, and implementation of the project.

Project Management Methodology – Our proven project management methodology provides a disciplined process for successfully delivering valued business solutions to our clients on time and on budget. Our company's Project Management Methodology (PMM) is comprised of three primary project management phases: Planning, Execution, and Closure. The approaches within these three phases represent industry best practices and are consistent with the Project Management Institute (PMI) practices. We also use our PMRx Project site – a project communication and repository tool – to track project progress, issues, risks, change control and other project information and artifacts.

Our Project Manager monitors the project using our standard project plan to track tasks and monitor the critical path, making adjustments in the plan as needed. Our project plan and control processes are used by the Project Manager to manage project tasks, risks, issues and changes throughout the project and ensure that the project is on time and within budget. These processes are designed to control scope creep, enforce standards for quality assurance, and manage issues and risks. Project control processes include Issue Management, Risk Management, Change Management, Quality Assurance and Acceptance Management.

Project Schedule and Scope – Our recommended implementation approach is based on the philosophy of implementing core functionality first to ensure core business operations are supported. This approach reduces the overall project risks and allows the organization and users to adapt to the change they will experience as they transition from their current legacy systems to the best practice processes provided by the ERP Vendor's software.

Our implementation approach, phasing and timeline are built on our understanding of the State's functionality outlined in the RFP's Section Five, Scope of Work and the requirements provided in Attachment F along with our experience implementing the modules required to support those requirements. Our team will implement the ERP Vendor's system in two phases:

- Phase I – Finance, Purchasing, eProcurement – July 1, 2011 through July 1, 2012
- Phase II – HCM, Employee/Manager Self Service, Budget, Treasury and Vendor Self Service – July 1, 2012 through July 1, 2013

The project phases focus on establishing the integrated Finance modules, Purchasing and eProcurement in Phase I followed immediately by full HCM functionality including Employee Self Service, Vendor Self Service, Budgeting and Treasury Management. We have selected the right team to ensure project success; our consultants assigned to the State's project have an average of more than 9 years of experience implementing the ERP Vendor's software and in-depth public sector experience.

2. Describe the Offeror's approach to system initialization, system installation, business process design/reengineering, system configuration, system tailoring, interface design and development, data conversion, testing, and post-implementation stabilization.

We use several methodologies in the implementation of the ERP Vendor's system. Some of these methodologies include the following:

Project Management Methodology (PMM) – PMM is our proven project management methodology based on Project Management Institute (PMI) standards. The key components of our PMM are planning, control and communications. We will adhere to this methodology in performing the work to monitor and control the project's progress. Our project team will also use our PMRx Project site project tool and repository to track project progress, information and artifacts. PMM provides a disciplined process to aid in delivering valued business solutions to our clients on time and on budget.

Accelerated Implementation Methodology – Our team employs the approved ERP Vendor's approach for managing the project phases and deliverables. We enhance these project management processes by utilizing tools and templates created from our experiences on other implementations. We leverage the work we do with other clients to help jump start our projects using the tools and templates available. Our

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implementation methodology breaks a project into five phases: Project Preparation, Blueprint, Realization, Final Preparation/Cutover and Go Live/Support. Each phase has a unique set of deliverables depending upon the requirements and scope of the implementation.

Business Process Redesign/Reengineering – The Business Process Redesign begins with the Blueprint phase of the project. Our team conducts business process workshops to capture the current business processes and contrast those processes with the standard ERP Vendor's business processes. The results of that effort are documented as "as is" processes and "to be" processes. We also identify the impacts of the changes to those processes, which are addressed in the Change Management Strategy and Planning efforts.

Blueprint and Configuration – The Blueprint phase also defines how the standard system functionality meets the State's requirements, configuration changes required and functionality that will require enhancements. The Blueprint documents all of the changes, including configurations, interfaces, reports and enhancements necessary to meet the State's business needs. Our team begins configuration changes once the Blueprint has been reviewed and approved by the State.

Change Management Methodology – Organizational readiness must be part of the overall implementation plan to minimize overall risk. Transition to new systems, processes and reporting can be overwhelming to an organization. Our change management approach identifies the major impacts to key stakeholders, develops an approach to address major changes and uses communication and readiness workshops to prepare the organization and staff for the new system. As a result, the organization is ready and able to support the system once live.

Conversion Methodology – Our methodology includes development of a conversion plan, data mapping steps, approach to building and testing conversion programs, conversion testing plans, and data validation required to convert the required data successfully.

Design Reviews/Code Reviews – Technical project team members conduct design and code reviews to ensure that reports, conversion, interfaces, etc., are developed to the standards of the ERP Vendor, our organization and the State.

Testing – During the project, several testing cycles will ensure that the project team is delivering a quality product: system, user, parallel payroll and integration testing.

3. Describe how the Offeror will transition from existing systems to the proposed systems.

Transitioning the State from its existing system to its new ERP Vendor's system requires extensive planning, careful preparation and integrated execution with the overall project. Our transition activities are focused in two areas: organizational and technical. We initiate the organizational transition activities at the outset of the project by conducting a Change Readiness Assessment. This is designed to assess the State stakeholder's capacity for change and to identify issues that may affect the stakeholder's ability to adopt successfully the State's new system and business processes. We will use the results of the Change Readiness Assessment to assist the State in developing and implementing a Change Adoption Strategy that will address the impacts of the business process and system changes.

During the Business Blueprint phases of the project, our Change Management Lead will work together with the functional consultants and the State's Subject Matter Experts (SMEs) to redesign and document the State's new business processes. As business processes are defined, the Change Management Team will use the information from the business process redesign sessions to determine the organizational areas, departments, and job positions that are affected by the change. We will conduct Change Impact review sessions with the State to validate the changes, confirm the degree or extent of the changes and document the change impacts. Working with the State's managers to prepare stakeholders for the changes will be the primary focus of the Change Adoption and Communications activities as the project moves closer to go-live.

In conjunction with the Training program for each go-live, we will develop and deploy targeted communications for each State stakeholder group which will provide employees with information regarding what they can expect as the system goes into production. We will also conduct Business Readiness workshops with managers, SMEs, and key staff members to assist them in understanding

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their new roles and responsibilities, make the cultural shift required to support the new process, and to help communicate the changes to the organization. Finally, we will conduct an assessment of change adoption achieved and identify opportunities for continuous improvement

4. Describe how the Offeror will educate and train State employees on the proposed systems.

The focus of our training approach is to help the State meet its business goals and project objectives by enabling employees to effectively use the ERP Vendor's system. To accomplish this, we will use a role-based training approach in which users receive training in the business processes and system tasks that are directly related to their job functions and system authorization. The role-based training program will be delivered via blended learning, which combines eLearning and distance learning with hands-on instructor-led training on system tasks. This approach reduces the amount of time users are away from their jobs for classroom training, maximizes the amount of time that users spend doing hands-on system tasks in class and reduces the total cost of ownership by providing repeatable eLearning courses that can be used to train new employees.

We will conduct a training needs assessment to identify the training needs for the State's project team, end users, and technical and operations personnel. We will assess the stakeholder audiences as well as the training infrastructure needed to deliver training. The needs assessment outcomes and analysis will be key inputs to the development of the overall Training Strategy, which will detail the training goals and objectives for all stakeholders who are impacted by the project as well as the specific approaches for each training stakeholder group.

We will provide a detailed training plan for the design, implementation and evaluation of the training program for each implementation phase. The training plan for each phase will identify the employee audiences, training content for each of the audiences, training delivery methods, training delivery schedule and training delivery locations. The plan will also include resources needed such as the number of classrooms and number of trainers required to conduct the training for that phase.

Working collaboratively with the State's SMEs, our instructional designers will develop the course curriculum based on the State's new business processes and create customized courseware. In addition, we will customize and deliver a Train-the-Trainer program to prepare the State's instructors in the course content, delivery and use of the materials, and basic adult learning principles. Finally, we will use our Capability Transfer methodology to prepare the State's operational and technical staff to become self-sufficient in supporting and managing the State's system.

5. Describe how the Offeror will monitor performance throughout the contract term.

Project Controls – We monitor performance in many different ways. During the beginning of a project (Project Prep), the Project Manager will work with the team to refine the baseline project plan. This plan defines at a high level the tasks, dependencies, resources and project timeline required to implement the scope of the project. The Project Manager uses the project control activities to evaluate and manage issues, risks and changes throughout each month.

Project Communication and Meetings – Weekly and monthly project reports communicate critical project information to the State's project team, stakeholders, steering committee and State leadership. Those reports include the status of project tasks in relation to the project plan, project costs compared to project budget, and earned value (project tasks accomplished compared to tasks planned). In addition to status reporting, weekly project team meetings will be held to assess progress on project issues and changes requested. These meetings provide everyone with the opportunity to talk about the successes accomplished and activities planned for the next week. Monthly Steering Committee meetings are extremely beneficial because they provide an opportunity to keep the sponsors informed regarding the successes achieved and elicit their input and guidance for upcoming tasks and challenges.

Project Performance and Quality – An important component of our methodologies is the quality assessment audits that are scheduled and conducted at critical checkpoints in the project. These checkpoints not only allow us to measure the progress of the project and its adherence to our standards and methodologies, but also to detect any potential issue and allow us to adjust and make improvements along the way.

RISK ASSESSMENT

Risk 1: The State's multiple projects will affect Alaska SME's availability. (Examples: ALDER reporting project, ASSET time reporting project, Fiscal YE Close activities, and annual Benefits Open Enrollment.)

Solution 1: Establish a Program Management Office that coordinates the execution of the ASSET, ALDER, and ERP projects. This Program Office will review the various project schedules in order to minimize the impact of each project to the others; assessing major staffing/timing impacts.

Solution 2: Incorporate into the project budget a reserve for hiring temporary personnel that can be used to backfill SME's. This would ensure multiple projects have the right staff available. These backfill resources can be hired either directly by the State or through the Systems Integrator (SI). The latter transfers the administrative burden away from the State to the SI.

Risk 2: State offices and work locations are geographically dispersed throughout the State, from Barrow to Ketchikan. Many of these rural communities have sub-standard bandwidth capabilities. These challenges pose risks from both an implementation, i.e. collaboration among team members in geographically dispersed sites, deployment, i.e. end-user training, and post go-live productive use of the system by State employees.

Solution 1: Our management methodology includes proactive planning of all project activities that require State resources from remote locations; accommodating their travel to/from the central project location. Our use of video conferencing and webinars as communication tools will minimize travel costs to and from remote locations.

Solution 2: Our project management methodology includes a training strategy, plan, and schedule that thoroughly address the deployment of the training program to the remote locations.

Solution 3: Addressing the connectivity issues will require collaboration among the stakeholders; we recommend the State address these issues as a separate project before the ERP project is deployed.

Solution 4: Select an ERP system with an architecture that inherently mitigates these risks. Our proposed ERP solution provides quick communication to the application for all types of users, i.e. internal, external, and remote users. We also plan to install additional application servers in Fairbanks and Anchorage, at a minimum, to provide optimal performance for users in locations other than Juneau.

Risk 3: Data quality in the legacy systems. The State is planning to replace myriad loosely connected systems. Some, if not all of these systems, use common and overlapping data elements. The quality of the data cleansing effort as well as the conversion will be critical to the successful deployment of the ERP solution. Incomplete data cleansing and/or data conversion poses the risk of a serious loss in performance post go-live. Data cleansing will also put an additional strain on State resources

Solution 1: Our project management methodology includes a conversion and data cleansing strategy, plan, and schedule that thoroughly addresses all aspects of data acquisition, cleansing, and conversion.

Solution 2: Our test strategy and plan for the State includes multiple test cycles that are executed with converted data, which thoroughly tests the quality of the data.

Solution 3: See Solution 2 to Risk 1 identified above

Risk 4: As the State migrates from its current legacy infrastructure to an ERP platform, its business processes will become more integrated and will depend more on the underlying IT infrastructure. Not having those systems available for any length of time therefore poses a business continuity risk.

Solution: The technology risk mitigation plan that we propose provides, among other elements, for a High-Availability system, and the planning for various disaster recovery scenarios. The fact that the State operates out of multiple locations provides for an optimal landscape to install both a high-availability infrastructure, as well as for disaster recovery locations. Our proposed ERP solution architecture can also make the most of the latest Disaster Recovery and High Availability technology, such as VMware or Microsoft Clustering Services, to provide a 'best' fit solution for the State of Alaska

Risk 5: Not achieving buy-in and collaboration among the various affected State agencies and

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departments that will be affected by the new ERP system poses a serious risk to the successful deployment of an ERP solution.

Solution: Our implementation methodology and plan incorporates a comprehensive Organizational Change Management Plan that includes various organizational alignment assessments to measure buy-in, and activities to foster collaboration and achieve buy-in.

Risk 6: By not assigning the very best State resources to the ERP project, the State runs the risks that its processes are not modeled correctly and/or that not enough consideration is given to requirements.

Solution: We recommend that the State establish a project budget to backfill some if not all of the resources assigned to the project. That way the very best resources can be freed up to work on the project and gain the required knowledge and build their capability to manage the new system processes.

Risk 7: Insufficient planning for long-term post go-live maintenance and support causes many ERP implementations to stumble upon completion. The State is particularly vulnerable to reliance on consultants (from the lower 48 states) to provide post go-live support. Dependency and finding firms capable of providing support, travel costs to/from Alaska, and locating skilled resources is a challenge.

Solution 1: Our implementation methodology and plan includes a detailed and extensive capability assessment and knowledge transfer program that ensures that the State resources are prepared to support the system post Go-Live.

Solution 2: By selecting the one ERP solution where the software vendor has formalized a University Alliance Program with the University of Alaska, Anchorage, the State can establish in the community a pool of trained resources that can be used to supplement/support the State's resources long term. The alliance program will establish a curriculum over the next 2 years that will utilize the software in a variety of classes. Each of these classes will give students real world experience with the software as it relates to common business practices as well as software implementation. Long term, the University has expressed a willingness to align this initiative with the State's need, especially in the areas of accounting, supply chain and technology, and expand the number of courses using the software. Furthermore, the University program can be made available to State employees to provide additional training on the solution and technology platform. The vision behind creating this alliance is to support local jobs and provide a system that will allow for local, independent, long-term support of the ERP system.

Solution 3: Choose a systems integrator that is aligned with local and Alaska native corporations that are vested in the State and that can provide these support services

Risk 8: It is anticipated that there is currently a lack of (or simply unclear/conflicting) enterprise-wide policies in place. This may impact the State's ability to reach agreement on 'to-be' processes, potentially causing cost overruns, as well as delayed system adoption by the various user groups.

Solution 1: Our implementation methodology focuses on driving for broad participation of all affected departments in the design process so that common policies and processes can be established. In addition our proposed Organizational Change Management Plan includes various activities to identify and address impact of the new policies and processes with each department prior to the system go-live.

Solution 2: Our proposed staffing plan includes key former State employee(s) that have extensive background and experience with the scope being implemented. One of their tasks includes assisting with the to-be process design. We also recommend that the State assign its best/key personnel to the project.

Risk 9: Lack of in-depth knowledge by the Systems Integrator of the State's business processes could cause project delays and misunderstandings between the State and the SI.

Solution: Our proposed staffing plan includes dedicated time by key former State employees like [REDACTED] to assist with the quality assurance program and executive oversight of the project.

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Risk 10: Projects of this magnitude and complexity run the risk of delays and increased costs if no formal governance structure is established that defines how decisions are made and issues are escalated.

Solution: Our proposed project governance plan and structure establishes an environment and processes that empowers the project team to make decisions at the lowest level possible and ensures that changes to scope and project issues are escalated quickly to leadership for their timely decision.

Risk 11: Lack of, or delay in adoption of the system causes the project to be perceived as a technical success but a political failure.

Solution: Prior to go-live our change management plan will focus on activities that foster buy-in by all constituents to the solution by addressing the impacts of the process changes on their specific environment as well as prepare them for the new system. This plan will also establish capabilities within the ERP support organization to support legislative changes, policy changes, and organizational changes resulting from the transition in elected officials. Our change management plan will also establish and extensive communication plan to address both internal and external constituents.

Risk 12: It is anticipated that departments and agencies might have difficulty concurring on process.

Solution: Our change management plan will focus on collaboration between the departments as well as address the specific needs of each agency. To that end, we will establish a change agent network that will assign a business champion (technical and functional) to each agency or department.

Risk 13: Various departments perceive the risk that ETS cannot fully support the implemented solution.

Solution 1: Our implementation methodology and plan includes a detailed and extensive knowledge transfer program that ensures that the State resources are prepared to support the system post Go-Live.

Solution 2: Our post go-live support plan includes establishing a Center of Excellence with State resources that are responsible for the long-term support of the system.

Solution 3: Our resource plan compensates for this deficiency and focuses on skill transfer

Solution 4: We have included various deliverables, e.g. Disaster Recovery plan.

Risk 14: The aging of State's employee population poses the risk that the State will lose significant current system and business process knowledge over the next several years.

Solution 1: Our proposed solution provides a platform to standardize the business processes, which makes it easier to transfer knowledge and resources between departments and agencies

Solution 2: Our proposed implementation methodology will focus on establishing long term support capabilities that formalize the business process knowledge so that it can more easily be transferred from individual to individual

Solution 3: Establish local capabilities (Risk 8, Solution 2 and 3) for the State to tap into when needed.

Risk 15: Lack of, or delay in adoption of the system because end-users are not sufficiently prepared and trained on the new software.

Solution: Our implementation methodology includes a comprehensive training program that addresses all aspects of end user training. This includes establishing an end-user training strategy during project preparation, an end-user training curriculum as a result of audience surveys and a review of the process designs, development of training materials, establishing a training registration process, rollout of a train the trainer program, and support of the actual end-user training delivery.

Risk 16: Converting legacy data and especially payroll data will require detailed comparisons of the legacy and ERP data, which will put an additional burden on the State's SME's and auditors.

Solution 1: See Solution 2 to Risk 1 identified above.

Solution 2: We include automated comparison tools for use after each load of converted data or test payroll run. Alternatively, we will recommend several COTS systems to automate this comparison.

Solution 3: Our management methodology includes a detailed data conversion and data cleansing strategy, plan, and schedule (see Risk 4) and a test strategy, plan, and schedule that clearly spells out how to approach the testing and verification of the converted data, as well as roles and responsibilities.

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VALUE ADDED

Item 1: Training and Retaining Local Resources through the ERP Vendor's University Alliance Program established in partnership between the University of Alaska, Anchorage (UAA) and our proposed ERP Vendor solution.

Most states like Alaska want to build an ecosystem of educated people who can participate in the State's workforce upon graduation from a college or university. Because technology is an integral part of the economy, having technology corridors or educational environments where technology skills are current, updated as needed and integrated into the public education system is key for states to keep up with changing business processes. Our proposed ERP solution is the only ERP solution where the software vendor has formalized a University Alliance Program with the University of Alaska, Anchorage. Through this alliance, the State can establish in the community a pool of trained resources that can be used to supplement/support the State's resources long term. The alliance program will establish a curriculum over the next two years that will utilize the software in a variety of classes. Each of these classes will give students real world experience with the software as it relates to common business practices as well as software implementation. Long term, the University has expressed a willingness to align this initiative with the State's need, especially in the areas of accounting, supply chain and technology, and expand the number of courses using the software. Furthermore, the University program can be made available to State employees to provide additional training on the solution and technology platform. The vision behind creating this alliance is to support local jobs and provide a system that will allow for local, independent, long-term support of the ERP system.

Cost: \$0

Item 2: Creating Local Jobs for Local Communities: Alaska Native Corporation Partnerships

We are pleased to partner with an Alaska Native Corporation established under the Alaska Native Claims Settlement Act of 1971. Working with them we intend to staff numerous roles with local resources and create new jobs in the IT industry. Alaska taxpayer money, allocated to the ERP project, will be kept within the State for in-state benefit. This partnership will provide a team of local technical resources available to sustain and support the State's ERP system post go-live.

Cost: \$0

Item 3: Alaska Based Hosting

By taking advantage of a premier locally based hosting organization, hardware and system administration costs are reduced, inventory and facilities costs are minimized, and system-monitoring tools are included. This provides the State with a long-term stable technology base including a Disaster Recovery solution, while allowing the State to focus on business process improvement. Hosting providers are able to reduce the cost of system administration by leveraging larger pools of technical resources while delivering high quality service 24x7. All resource costs for the system administrators, including training and management, are transferred to the hosting provider.

Cost: One-Time Cost = \$22,100, Yearly Maintenance = \$196,200

Item 4: The State of Alaska has knowledge of Business Objects.

The State of Alaska will be able to leverage the investment that the State has already made in Business Objects. Instead of developing an ERP specific reporting solution our plans are to expand and enhance the business objects solution into a single comprehensive reporting solution. As a result, the State will save money short term because the State will not be required to purchase additional software. In the long term, hardware, development, training, and support costs will also be lower. Since Business Objects is a flexible and easy to use reporting tool, State employees will find it easy to get information and generate reports from the new system. Employee acceptance of the new system will

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require less training because employees will not have to learn multiple reporting tools

Cost: \$0

Item 5: Project Management Support Tools

Our proposal includes a suite of tools to support the project execution and documentation and can be leveraged and enhanced for future State projects. The vendor provided Solution Management tool will be used as the single point of entry for project documentation, system monitoring, issue management tracking, and will serve as an implementation guide during the project. The vendor supplied documentation tool will be used to provide business process documentation, end user training materials, and context-sensitive help tailored to the State's business processes. Both tools provide a set of templates with standard document formats that can be leveraged across all project areas and can be used for future project documentation. These tools integrate to provide a single repository for project documentation that can be added to during future State project initiatives.

Cost: \$0

Item 6: Backfill Key State Resources' Current Roles

The State's key resources will be impacted by a variety of State projects including the ERP implementation. Adequately backfilling the key resources' current roles allows each resource to focus on only implementation tasks instead of worrying about the ongoing operations while working on project activities. This backfill approach will ensure the key resources have dedicated time to participate in the project and build a deep understanding of the new system.

Cost: \$250,000.00 would provide for about 5,000 hours of backfill

Item 7: Elimination of the traditional installation -- upgrade software lifecycle with our proposed software solution

Traditional software packages force clients in a software lifecycle where the complete software package is upgraded every three to five years. This approach has several disadvantages. Chief among them is that new functionality can only be deployed or incorporated when the software is updated regardless of when the State really would want to take advantage of the new features. High costs are associated with performing a complete technical upgrade, and increased risk associated with having to upgrade the complete system including functional areas that do not require any changes. Our proposed software solution does not use this traditional model. Instead, it uses an enhancement package strategy that allows organizations to deploy only those new functionality features that they want to implement on the timetable that they choose and that fits their local circumstances. This concept fosters both innovation and stability at the same time since the innovation is introduced as part of the regular maintenance cycle and targeted to only those areas that require the changes. This approach results in significant cost savings because of the reduced effort to install the functional enhancements and easier testing with standard test case templates. Cost savings are expected in the range of four to six million-dollars over a 10-year period.

Cost: 0\$

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Attach a sample system configuration document, which will demonstrate your approach to business process analysis, configuration design, and system configuration/tailoring. The sample does not have to be a complete document. An excerpt sufficient to demonstrate the typical contents, quality, and detail of your proposed deliverable will suffice. Note that simply reproducing the table of contents will not be considered an acceptable sample document.

In order to minimize any bias, this document **must NOT** contain any names that can be used to identify the Offeror (company name, personnel names, past project names, product names or any other identifying information).

Please note that your Sample System Configuration Document cannot exceed three pages (excluding these instructions).

Describe any specific exceptions to the terms and conditions set forth in the Standard Implementation Services Agreement (Attachment G) or the Standard Licensing and Maintenance Agreement (Attachment H) included in the RFP. Identify the section where the applicable terms and/or conditions are located and provide proposed alternative language. The State's standard agreements will be used for the resulting contract from this RFP and objections to these terms will be evaluated and scored. Wholesale repudiation of the State's terms and conditions will result in an Offeror's proposal being deemed non-responsive under Section 1.11 Right of Rejection.

██████████ has identified the following exceptions to the RFP that need to be clarified and negotiated:

3.03 STANDARD CONTRACT PROVISIONS

See ██████████ response below re Attachment G. ██████████ is not licensing the software so Attachment H is not applicable. ██████████ desires the opportunity to mutually negotiate all terms and conditions that will be included in Attachment G – Standard Agreement Form for Services.

3.09 WITHHOLDING

██████████ proposes negotiating mutually agreeable retainage in lieu of 20% and payment schedule for paying retainage to ██████████ upon State's acceptance of milestones/deliverables.

3.12 CONTRACT PERSONNEL

██████████ proposes that due to difficulty of travel schedules for consultants to and from Alaska that the State reasonably approves all replacement personnel.

3.13 INSPECTION AND MODIFICATION – REIMBURSEMENT FOR UNACCEPTABLE DELIVERABLES

All deliverables should be accepted in accordance with the following procedure and in accordance with the mutually agreed project schedule:

Acceptance criteria for Services and deliverables ("Work Products") shall be set forth in each Statement of Work ("SOW"), or in such other document that the parties mutually agree in writing, including without limitation, project charters or project governance plans, which shall be incorporated into the SOW by this reference. Upon Contractor's delivery of Services or Work Products, State must inspect the Services and Work Products for conformance with specifications. If Contractor has not received written notice from State (the "Acceptance/Rejection Form") within 3 business days following completion of the Services or delivery of the Work Products, the applicable Services or Work Products will be deemed accepted by State. Furthermore, for other kinds of work performed by Contractor, including without limitation, staffing work for which acceptance criteria are not specified in an SOW, the applicable Services or Work Products will be deemed accepted by State on the date of delivery unless Contractor receives an Acceptance/Rejection Form or other written notice from State specifying the reason for non-acceptance within 3 business days after completion of the Services or delivery of the Work Products.

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PROJECT WORK PLAN

1. Describe the Offeror's methodology for managing project scope, schedule, and implementation of the project.

Project Management Methodology – Our proven project management methodology provides a disciplined process for successfully delivering valued business solutions to our clients on time and on budget. Our company's Project Management Methodology (PMM) is comprised of three primary project management phases: Planning, Execution, and Closure. The approaches within these three phases represent industry best practices and are consistent with the Project Management Institute (PMI) practices. We also use our PMRx Project site – a project communication and repository tool – to track project progress, issues, risks, change control and other project information and artifacts.

Our Project Manager monitors the project using our standard project plan to track tasks and monitor the critical path, making adjustments in the plan as needed. Our project plan and control processes are used by the Project Manager to manage project tasks, risks, issues and changes throughout the project and ensure that the project is on time and within budget. These processes are designed to control scope creep, enforce standards for quality assurance, and manage issues and risks. Project control processes include Issue Management, Risk Management, Change Management, Quality Assurance and Acceptance Management.

Project Schedule and Scope – Our recommended implementation approach is based on the philosophy of implementing core functionality first to ensure core business operations are supported. This approach reduces the overall project risks and allows the organization and users to adapt to the change they will experience as they transition from their current legacy systems to the best practice processes provided by the ERP Vendor's software.

Our implementation approach, phasing and timeline are built on our understanding of the State's functionality outlined in the RFP's Section Five, Scope of Work and the requirements provided in Attachment F along with our experience implementing the modules required to support those requirements. Our team will implement the ERP Vendor's system in two phases:

- Phase I – Finance, Purchasing, eProcurement – July 1, 2011 through July 1, 2012
- Phase II – HCM, Employee/Manager Self Service, Budget, Treasury and Vendor Self Service – July 1, 2012 through July 1, 2013

The project phases focus on establishing the integrated Finance modules, Purchasing and eProcurement in Phase I followed immediately by full HCM functionality including Employee Self Service, Vendor Self Service, Budgeting and Treasury Management. We have selected the right team to ensure project success; our consultants assigned to the State's project have an average of more than 9 years of experience implementing the ERP Vendor's software and in-depth public sector experience.

2. Describe the Offeror's approach to system initialization, system installation, business process design/reengineering, system configuration, system tailoring, interface design and development, data conversion, testing, and post-implementation stabilization.

We use several methodologies in the implementation of the ERP Vendor's system. Some of these methodologies include the following:

Project Management Methodology (PMM) – PMM is our proven project management methodology based on Project Management Institute (PMI) standards. The key components of our PMM are planning, control and communications. We will adhere to this methodology in performing the work to monitor and control the project's progress. Our project team will also use our PMRx Project site project tool and repository to track project progress, information and artifacts. PMM provides a disciplined process to aid in delivering valued business solutions to our clients on time and on budget.

Accelerated Implementation Methodology – Our team employs the approved ERP Vendor's approach for managing the project phases and deliverables. We enhance these project management processes by utilizing tools and templates created from our experiences on other implementations. We leverage the work we do with other clients to help jump start our projects using the tools and templates available. Our

-3 phases
-industry best practices
-PMRx-to track
-Risk man
-chg man
-quality ass
-accept man

2 phase project

HR?

PMI

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implementation methodology breaks a project into five phases: Project Preparation, Blueprint, Realization, Final Preparation/Cutover and Go Live/Support. Each phase has a unique set of deliverables depending upon the requirements and scope of the implementation.

- Blueprint

Business Process Redesign/Reengineering – The Business Process Redesign begins with the Blueprint phase of the project. Our team conducts business process workshops to capture the current business processes and contrast those processes with the standard ERP Vendor's business processes. The results of that effort are documented as "as is" processes and "to be" processes. We also identify the impacts of the changes to those processes, which are addressed in the Change Management Strategy and Planning efforts.

- bus process workshops

"as is"
"to be"

Blueprint and Configuration – The Blueprint phase also defines how the standard system functionality meets the State's requirements, configuration changes required and functionality that will require enhancements. The Blueprint documents all of the changes, including configurations, interfaces, reports and enhancements necessary to meet the State's business needs. Our team begins configuration changes once the Blueprint has been reviewed and approved by the State.

Change Management Methodology – Organizational readiness must be part of the overall implementation plan to minimize overall risk. Transition to new systems, processes and reporting can be overwhelming to an organization. Our change management approach identifies the major impacts to key stakeholders, develops an approach to address major changes and uses communication and readiness workshops to prepare the organization and staff for the new system. As a result, the organization is ready and able to support the system once live.

- Chg man

- workshops

com plan

Conversion Methodology – Our methodology includes development of a conversion plan, data mapping steps, approach to building and testing conversion programs, conversion testing plans, and data validation required to convert the required data successfully.

Design Reviews/Code Reviews – Technical project team members conduct design and code reviews to ensure that reports, conversion, interfaces, etc., are developed to the standards of the ERP Vendor, our organization and the State.

Testing – During the project, several testing cycles will ensure that the project team is delivering a quality product: system, user, parallel payroll and integration testing.

- quality ass

3. Describe how the Offeror will transition from existing systems to the proposed systems.

Transitioning the State from its existing system to its new ERP Vendor's system requires extensive planning, careful preparation and integrated execution with the overall project. Our transition activities are focused in two areas: organizational and technical. We initiate the organizational transition activities at the outset of the project by conducting a Change Readiness Assessment. This is designed to assess the State stakeholder's capacity for change and to identify issues that may affect the stakeholder's ability to adopt successfully the State's new system and business processes. We will use the results of the Change Readiness Assessment to assist the State in developing and implementing a Change Adoption Strategy that will address the impacts of the business process and system changes.

- Chg readiness

During the Business Blueprint phases of the project, our Change Management Lead will work together with the functional consultants and the State's Subject Matter Experts (SMEs) to redesign and document the State's new business processes. As business processes are defined, the Change Management Team will use the information from the business process redesign sessions to determine the organizational areas, departments, and job positions that are affected by the change. We will conduct Change Impact review sessions with the State to validate the changes, confirm the degree or extent of the changes and document the change impacts. Working with the State's managers to prepare stakeholders for the changes will be the primary focus of the Change Adoption and Communications activities as the project moves closer to go-live.

- impact review sessions

In conjunction with the Training program for each go-live, we will develop and deploy targeted communications for each State stakeholder group which will provide employees with information regarding what they can expect as the system goes into production. We will also conduct Business Readiness workshops with managers, SMEs, and key staff members to assist them in understanding

- ext comm

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their new roles and responsibilities, make the cultural shift required to support the new process, and to help communicate the changes to the organization. Finally, we will conduct an assessment of change adoption achieved and identify opportunities for continuous improvement

4. Describe how the Offeror will educate and train State employees on the proposed systems.

The focus of our training approach is to help the State meet its business goals and project objectives by enabling employees to effectively use the ERP Vendor's system. To accomplish this, we will use a role-based training approach in which users receive training in the business processes and system tasks that are directly related to their job functions and system authorization. The role-based training program will be delivered via blended learning, which combines eLearning and distance learning with hands-on instructor-led training on system tasks. This approach reduces the amount of time users are away from their jobs for classroom training, maximizes the amount of time that users spend doing hands-on system tasks in class and reduces the total cost of ownership by providing repeatable eLearning courses that can be used to train new employees.

training
- e learning

We will conduct a training needs assessment to identify the training needs for the State's project team, end users, and technical and operations personnel. We will assess the stakeholder audiences as well as the training infrastructure needed to deliver training. The needs assessment outcomes and analysis will be key inputs to the development of the overall Training Strategy, which will detail the training goals and objectives for all stakeholders who are impacted by the project as well as the specific approaches for each training stakeholder group.

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- training plan

Working collaboratively with the State's SMEs, our instructional designers will develop the course curriculum based on the State's new business processes and create customized courseware. In addition, we will customize and deliver a Train-the-Trainer program to prepare the State's instructors in the course content, delivery and use of the materials, and basic adult learning principles. Finally, we will use our Capability Transfer methodology to prepare the State's operational and technical staff to become self-sufficient in supporting and managing the State's system.

- train the trainer

5. Describe how the Offeror will monitor performance throughout the contract term.

Project Controls – We monitor performance in many different ways. During the beginning of a project (Project Prep), the Project Manager will work with the team to refine the baseline project plan. This plan defines at a high level the tasks, dependencies, resources and project timeline required to implement the scope of the project. The Project Manager uses the project control activities to evaluate and manage issues, risks and changes throughout each month.

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- weekly / monthly project reports

Project Performance and Quality – An important component of our methodologies is the quality assessment audits that are scheduled and conducted at critical checkpoints in the project. These checkpoints not only allow us to measure the progress of the project and its adherence to our standards and methodologies, but also to detect any potential issue and allow us to adjust and make improvements along the way.

- quality assessment audits

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RISK ASSESSMENT

Risk 1: The State's multiple projects will affect Alaska SME's availability. (Examples: ALDER reporting project, ASSET time reporting project, Fiscal YE Close activities, and annual Benefits Open Enrollment.)

Solution 1: Establish a Program Management Office that coordinates the execution of the ASSET, ALDER, and ERP projects. This Program Office will review the various project schedules in order to minimize the impact of each project to the others; assessing major staffing/timing impacts.

Solution 2: Incorporate into the project budget a reserve for hiring temporary personnel that can be used to backfill SME's. This would ensure multiple projects have the right staff available. These backfill resources can be hired either directly by the State or through the Systems Integrator (SI). The latter transfers the administrative burden away from the State to the SI.

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Solution 2: Our project management methodology includes a training strategy, plan, and schedule that thoroughly address the deployment of the training program to the remote locations.

Solution 3: Addressing the connectivity issues will require collaboration among the stakeholders; we recommend the State address these issues as a separate project before the ERP project is deployed.

Solution 4: Select an ERP system with an architecture that inherently mitigates these risks. Our proposed ERP solution provides quick communication to the application for all types of users, i.e. internal, external, and remote users. We also plan to install additional application servers in Fairbanks and Anchorage, at a minimum, to provide optimal performance for users in locations other than Juneau.

Risk 3: Data quality in the legacy systems. The State is planning to replace myriad loosely connected systems. Some, if not all of these systems, use common and overlapping data elements. The quality of the data cleansing effort as well as the conversion will be critical to the successful deployment of the ERP solution. Incomplete data cleansing and/or data conversion poses the risk of a serious loss in performance post go-live. Data cleansing will also put an additional strain on State resources

Solution 1: Our project management methodology includes a conversion and data cleansing strategy, plan, and schedule that thoroughly addresses all aspects of data acquisition, cleansing, and conversion.

Solution 2: Our test strategy and plan for the State includes multiple test cycles that are executed with converted data, which thoroughly tests the quality of the data.

Solution 3: See Solution 2 to Risk 1 identified above

Risk 4: As the State migrates from its current legacy infrastructure to an ERP platform, its business processes will become more integrated and will depend more on the underlying IT infrastructure. Not having those systems available for any length of time therefore poses a business continuity risk.

Solution: The technology risk mitigation plan that we propose provides, among other elements, for a High-Availability system, and the planning for various disaster recovery scenarios. The fact that the State operates out of multiple locations provides for an optimal landscape to install both a high-availability infrastructure, as well as for disaster recovery locations. Our proposed ERP solution architecture can also make the most of the latest Disaster Recovery and High Availability technology, such as VMware or Microsoft Clustering Services, to provide a 'best' fit solution for the State of Alaska

Risk 5: Not achieving buy-in and collaboration among the various affected State agencies and

departments that will be affected by the new ERP system poses a serious risk to the successful deployment of an ERP solution.

Solution: Our implementation methodology and plan incorporates a comprehensive Organizational Change Management Plan that includes various organizational alignment assessments to measure buy-in, and activities to foster collaboration and achieve buy-in.

Risk 6: By not assigning the very best State resources to the ERP project, the State runs the risks that its processes are not modeled correctly and/or that not enough consideration is given to requirements.

Solution: We recommend that the State establish a project budget to backfill some if not all of the resources assigned to the project. That way the very best resources can be freed up to work on the project and gain the required knowledge and build their capability to manage the new system processes.

Risk 7: Insufficient planning for long-term post go-live maintenance and support causes many ERP implementations to stumble upon completion. The State is particularly vulnerable to reliance on consultants (from the lower 48 states) to provide post go-live support. Dependency and finding firms capable of providing support, travel costs to/from Alaska, and locating skilled resources is a challenge.

Solution 1: Our implementation methodology and plan includes a detailed and extensive capability assessment and knowledge transfer program that ensures that the State resources are prepared to support the system post Go-Live.

Solution 2: By selecting the one ERP solution where the software vendor has formalized a University Alliance Program with the University of Alaska, Anchorage, the State can establish in the community a pool of trained resources that can be used to supplement/support the State's resources long term. The alliance program will establish a curriculum over the next 2 years that will utilize the software in a variety of classes. Each of these classes will give students real world experience with the software as it relates to common business practices as well as software implementation. Long term, the University has expressed a willingness to align this initiative with the State's need, especially in the areas of accounting, supply chain and technology, and expand the number of courses using the software. Furthermore, the University program can be made available to State employees to provide additional training on the solution and technology platform. The vision behind creating this alliance is to support local jobs and provide a system that will allow for local, independent, long-term support of the ERP system.

Solution 3: Choose a systems integrator that is aligned with local and Alaska native corporations that are vested in the State and that can provide these support services

Risk 8: It is anticipated that there is currently a lack of (or simply unclear/conflicting) enterprise-wide policies in place. This may impact the State's ability to reach agreement on 'to-be' processes, potentially causing cost overruns, as well as delayed system adoption by the various user groups.

Solution 1: Our implementation methodology focuses on driving for broad participation of all affected departments in the design process so that common policies and processes can be established. In addition our proposed Organizational Change Management Plan includes various activities to identify and address impact of the new policies and processes with (each department) prior to the system go-live.

Solution 2: Our proposed staffing plan includes key former State employee(s) that have extensive background and experience with the scope being implemented. One of their tasks includes assisting with the to-be process design. We also recommend that the State assign its best/key personnel to the project.

Risk 9: Lack of in-depth knowledge by the Systems Integrator of the State's business processes could cause project delays and misunderstandings between the State and the SI.

Solution: Our proposed staffing plan includes dedicated time by key former State employees like [REDACTED] to assist with the quality assurance program and executive oversight of the project.

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Risk 10: Projects of this magnitude and complexity run the risk of delays and increased costs if no formal governance structure is established that defines how decisions are made and issues are escalated.

Solution: Our proposed project governance plan and structure establishes an environment and processes that empowers the project team to make decisions at the lowest level possible and ensures that changes to scope and project issues are escalated quickly to leadership for their timely decision.

Risk 11: Lack of, or delay in adoption of the system causes the project to be perceived as a technical success but a political failure.

Solution: Prior to go-live our change management plan will focus on activities that foster buy-in by all constituents to the solution by addressing the impacts of the process changes on their specific environment as well as prepare them for the new system. This plan will also establish capabilities within the ERP support organization to support legislative changes, policy changes, and organizational changes resulting from the transition in elected officials. Our change management plan will also establish and extensive communication plan to address both internal and external constituents.

Risk 12: It is anticipated that departments and agencies might have difficulty concurring on process.

Solution: Our change management plan will focus on collaboration between the departments as well as address the specific needs of each agency. To that end, we will establish a change agent network that will assign a business champion (technical and functional) to each agency or department.

Risk 13: Various departments perceive the risk that ETS cannot fully support the implemented solution.

Solution 1: Our implementation methodology and plan includes a detailed and extensive knowledge transfer program that ensures that the State resources are prepared to support the system post Go-Live.

Solution 2: Our post go-live support plan includes establishing a Center of Excellence with State resources that are responsible for the long-term support of the system.

Solution 3: Our resource plan compensates for this deficiency and focuses on skill transfer

Solution 4: We have included various deliverables, e.g. Disaster Recovery plan. ★

Risk 14: The aging of State's employee population poses the risk that the State will lose significant current system and business process knowledge over the next several years.

Solution 1: Our proposed solution provides a platform to standardize the business processes, which makes it easier to transfer knowledge and resources between departments and agencies

Solution 2: Our proposed implementation methodology will focus on establishing long term support capabilities that formalize the business process knowledge so that it can more easily be transferred from individual to individual.

Solution 3: Establish local capabilities (Risk 8, Solution 2 and 3) for the State to tap into when needed.

Risk 15: Lack off, or delay in adoption of the system because end-users are not sufficiently prepared and trained on the new software.

Solution: Our implementation methodology includes a comprehensive training program that addresses all aspects of end user training. This includes establishing an end-user training strategy during project preparation, an end-user training curriculum as a result of audience surveys and a review of the process designs, development of training materials, establishing a training registration process, rollout of a train the trainer program, and support of the actual end-user training delivery.

Risk 16: Converting legacy data and especially payroll data will require detailed comparisons of the legacy and ERP data, which will put an additional burden on the State's SME's and auditors.

Solution 1: See Solution 2 to Risk 1 identified above.

Solution 2: We include automated comparison tools for use after each load of converted data or test payroll run. Alternatively, we will recommend several COTS systems to automate this comparison.

Solution 3: Our management methodology includes a detailed data conversion and data cleansing strategy, plan, and schedule (see Risk 4) and a test strategy, plan, and schedule that clearly spells out how to approach the testing and verification of the converted data, as well as roles and responsibilities.

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VALUE ADDED

Item 1: Training and Retaining Local Resources through the ERP Vendor's University Alliance Program established in partnership between the University of Alaska, Anchorage (UAA) and our proposed ERP Vendor solution.

Most states like Alaska want to build an ecosystem of educated people who can participate in the State's workforce upon graduation from a college or university. Because technology is an integral part of the economy, having technology corridors or educational environments where technology skills are current, updated as needed and integrated into the public education system is key for states to keep up with changing business processes. Our proposed ERP solution is the only ERP solution where the software vendor has formalized a University Alliance Program with the University of Alaska, Anchorage. Through this alliance, the State can establish in the community a pool of trained resources that can be used to supplement/support the State's resources long term. The alliance program will establish a curriculum over the next two years that will utilize the software in a variety of classes. Each of these classes will give students real world experience with the software as it relates to common business practices as well as software implementation. Long term, the University has expressed a willingness to align this initiative with the State's need, especially in the areas of accounting, supply chain and technology, and expand the number of courses using the software. Furthermore, the University program can be made available to State employees to provide additional training on the solution and technology platform. The vision behind creating this alliance is to support local jobs and provide a system that will allow for local, independent, long-term support of the ERP system.

Cost: \$0

Item 2: Creating Local Jobs for Local Communities: Alaska Native Corporation Partnerships

We are pleased to partner with an Alaska Native Corporation established under the Alaska Native Claims Settlement Act of 1971. Working with them we intend to staff numerous roles with local resources and create new jobs in the IT industry. Alaska taxpayer money, allocated to the ERP project, will be kept within the State for in-state benefit. This partnership will provide a team of local technical resources available to sustain and support the State's ERP system post go-live.

Cost: \$0

Item 3: Alaska Based Hosting

By taking advantage of a premier locally based hosting organization, hardware and system administration costs are reduced, inventory and facilities costs are minimized, and system-monitoring tools are included. This provides the State with a long-term stable technology base including a Disaster Recovery solution, while allowing the State to focus on business process improvement. Hosting providers are able to reduce the cost of system administration by leveraging larger pools of technical resources while delivering high quality service 24x7. All resource costs for the system administrators, including training and management, are transferred to the hosting provider.

Cost: One-Time Cost = \$22,100, Yearly Maintenance = \$196,200

Item 4: The State of Alaska has knowledge of Business Objects.

The State of Alaska will be able to leverage the investment that the State has already made in Business Objects. Instead of developing an ERP specific reporting solution our plans are to expand and enhance the business objects solution into a single comprehensive reporting solution. As a result, the State will save money short term because the State will not be required to purchase additional software. In the long term, hardware, development, training, and support costs will also be lower.

Since Business Objects is a flexible and easy to use reporting tool, State employees will find it easy to get information and generate reports from the new system. Employee acceptance of the new system will

require less training because employees will not have to learn multiple reporting tools

Cost: \$0

Item 5: Project Management Support Tools

Our proposal includes a suite of tools to support the project execution and documentation and can be leveraged and enhanced for future State projects. The vendor provided Solution Management tool will be used as the single point of entry for project documentation, system monitoring, issue management tracking, and will serve as an implementation guide during the project. The vendor supplied documentation tool will be used to provide business process documentation, end user training materials, and context-sensitive help tailored to the State's business processes. Both tools provide a set of templates with standard document formats that can be leveraged across all project areas and can be used for future project documentation. These tools integrate to provide a single repository for project documentation that can be added to during future State project initiatives.

Cost: \$0

Item 6: Backfill Key State Resources' Current Roles

The State's key resources will be impacted by a variety of State projects including the ERP implementation. Adequately backfilling the key resources' current roles allows each resource to focus on only implementation tasks instead of worrying about the ongoing operations while working on project activities. This backfill approach will ensure the key resources have dedicated time to participate in the project and build a deep understanding of the new system.

Cost: \$250,000.00 would provide for about 5,000 hours of backfill

Item 7: Elimination of the traditional installation – upgrade software lifecycle with our proposed software solution

Traditional software packages force clients in a software lifecycle where the complete software package is upgraded every three to five years. This approach has several disadvantages. Chief among them is that new functionality can only be deployed or incorporated when the software is updated regardless of when the State really would want to take advantage of the new features. High costs are associated with performing a complete technical upgrade, and increased risk associated with having to upgrade the complete system including functional areas that do not require any changes. Our proposed software solution does not use this traditional model. Instead, it uses an enhancement package strategy that allows organizations to deploy only those new functionality features that they want to implement on the timetable that they choose and that fits their local circumstances. This concept fosters both innovation and stability at the same time since the innovation is introduced as part of the regular maintenance cycle and targeted to only those areas that require the changes. This approach results in significant cost savings because of the reduced effort to install the functional enhancements and easier testing with standard test case templates. Cost savings are expected in the range of four to six million-dollars over a 10-year period.

Cost: 0\$