Cedar Crestone

PROJECT WORK PLAN

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

We have thoroughly reviewed all State provided materials in developing our recommended project scope, schedule, and costs in addition to a preliminary Microsoft (MS) Project-based work plan. We've reviewed and commented on your preliminary Statement of Work (SOW) which will be reviewed and completed with the State in the Pre-award Phase. Once mutual agreement has been reached, the SOW becomes the benchmark against which scope will be managed. Adherence to the scope will be the responsibility of all team members, managed by the joint Project Management team. The team will follow a detailed scope management process, similar to the process outlined in Attachment K (Charter). All deviations from the scope contained in the SOW will be documented, even if there is no monetary impact, and will require State management approval to proceed. Recommendations are based on over 20 years of experience implementing our software solution and have been developed to specifically meet the State's requirements.

Our proposed implementation schedule is phased and will meet the State's priorities for system replacement. The baseline MS Project work plan includes a detailed work breakdown structure, resource assignments, task dependencies, and estimated task durations. Schedule management will be accomplished by working with each lead from the functional, technical, and change management/BPR teams. Each week, these resources will be responsible for assessing the status of assigned tasks and developing estimates to complete prior to updating the MS work plan.

Our team's Project Manager will co-manage the implementation project with the State's Project Manager following the disciplines of the Project Management Institute's (PMI) 5 process groups and 9 knowledge areas, each has been integrated into our methodology for packaged software implementations. Status reports as described in Attachment G will be provided to senior and executive State agency and division staff in addition to key State stakeholders. These reports will include the project's Technical Status, Resource Status, Schedule Status, Issues & Risks, proposed Change Control, updated MS work plan, and project health metrics. Recurring status meetings will be scheduled and supported.

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.

System Initialization & Installation – During the Pre-award Phase, we will conduct a formal technical infrastructure assessment to refine and solidify the architecture requirements provided in Exhibit E. This assessment will address the Hardware Specification and Application Architecture Documentation requested by the State. The software will then be installed and certified by our infrastructure team. Knowledge transfer will be provided to State staff throughout this process, as our staff will perform the installation tasks with assistance from State resources.

During the Pre-award Phase we will conduct concept workshops covering the in-scope business areas. Concept workshops are designed to give the State's project team an overview of key software concepts and functions so they can begin to make informed process design decisions and confirm the requirements and scope contained in our proposed SOW.

Business Process Design/Reengineering, System Configuration, System Tailoring – After project kickoff, as part of the initial deployment, the team will develop an overall solution blueprint. The blueprint will contain the to-be processes for all integrated functions inclusive of those to be implemented in latter project deployments. The creation of an overall solution blueprint minimizes any re-engineering or re-configuration effort during the execution of subsequent deployments and provides greater knowledge transfer to State team members by demonstrating enterprise wide business processes rather than silo driven departmental transactions. The solution blueprint also includes an inventory of technical development items including reports, interfaces, and conversions. A requirements traceability matrix will be developed to address the State's System Configuration Reports deliverable, and will be updated throughout the implementation lifecycle.

During subsequent process design activities, our teams will leverage a state government model to assist with fit/gap activities. The state government model is a version of our software that is preconfigured with public sector common data. It is based on leading state and local government business practices, gained through our years of executing similar projects. The State's solution blueprint is compared to our

PMI

no reference to experience

very technical

BL

state government model. When needed, our state government model can be tailored/configured to meet the State's requirements in an iterative process. This interactive approach encourages participation and input from State team members, while accelerating the change management effort. If a State requirement cannot be met by configuration, the gap will be documented.

Resolution of functionality gaps can be accomplished by changing the State's business processes or, when absolutely necessary, enhancing system functionality through technical development. All new or changed business processes will be captured and documented as business process modification recommendations. Change management impacts are also identified and incorporated into the change management and training plans. The confirmed requirements, approved resolutions to functionality gaps, and other technical development items are all updated in the requirements traceability matrix.

System Tailoring, Interface Design and Development, Data Conversion –Approved development tasks related to customizations, reports, interfaces, and data conversions will be assigned to the appropriate project team members and incorporated into the MS work plan. Functional and technical design specifications will be created for approved development items. Items that have been successfully unit tested will be migrated to a test environment for further integration, system, and acceptance testing.

Our system supports industry-leading, standards-based technologies, including web services and native file integration capabilities, to pass information quickly and reliably throughout the solution and to internal and external systems. Once specifications are created, approved interfaces will be developed and unit tested by our technical staff. With involvement from the State agencies, our technical staff will perform integration, system, and acceptance testing prior to migration to production.

During project planning our conversion strategy template will be updated with State-specific conversion processes and data retention requirements. It will be further expanded during fit/gap to include a full Data Conversion Plan for all required data elements. Our assumption is that ALDER will be the primary source of State data. Data mapping will identify the fields/values in ALDER which will be converted. Programs will be written to convert data from ALDER to our system based upon data maps and the conversion plan. Our conversion team will include a resource experienced with the ALDER application technologies. Conversion testing is an iterative process, multiple test cycles will be executed to refine and perfect the process and complete the Validated Migrated Data deliverable. Once system design, system configuration, and technical development are completed, the software will be ready to test.

Testing - Our approach to system testing supports early identification of discrepancies and allows corrective action to be taken proactively throughout the project life cycle. We complete unit testing before progressing to integration testing between components across full business processes. We then progress to user acceptance and system testing prior to transitioning to system Go-Live. Full integration testing, user acceptance testing, and performance testing will be supported using our prebuilt templates with test plans, scenarios, and scripts. These templates will be updated to meet the State's requirements. Pre-defined templates for payroll parallel test processes will also be tailored to the State's needs and executed to validate the new system against AKPAY.

Post-Implementation Stabilization - Leveraging leading practices from other projects, our team will provide the State with a recommended organizational model for supporting the system after Go Live. We will define resource requirements, communication protocols, and help desk processes including a priority structure for issues, a tracking tool, escalation process, and system patch/maintenance processes. In an effort to provide stable deployments that the State is well equipped to manage, we will provide onsite, ongoing knowledge transfer to the State's functional and technical support organization over a three-month period following each deployment Go-Live. Key areas of knowledge transfer include techniques for troubleshooting issues, understanding the interdependence of processes, tuning activities, and ad hoc training to the support team and end users.

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

At a high level, our approach to the transition from existing systems to our proposed system features three deployments. This approach provides the State with the functionality needed to retire its systems while providing an environment conducive to user adoption. The first deployment will include the core Financials functionality needed to replace AKSAS while building the integration to supporting systems being retained as outlined in Attachment I. The second deployment includes the Human Resource and Payroll functionality allowing the AKPAY system to be retired. The third deployment includes extended module functionality across both the Financials and Human Resource/Payroll systems along with the

addition of Budgeting, which enables ABS to be decommissioned. The extended modules will eliminate the need for the existing "shadow systems" that currently accommodate these functions for the State.
At a lower level, the transition to Go-Live for each deployment involves very detailed tasks that are interdependent, such as closing the legacy systems to transactions, and thereby ALDER, in advance of the final extraction for conversion into the new system. During the execution of the project testing cycles, these detailed tasks are documented in our MS Project cutover plan template which addresses the State's Go-Live and stabilization plan deliverable. The cutover plan includes all activities related to production environment preparation, conversions, interfaces, system administration, network administration, desktop administration, peripheral device management, object migration, end user training, transitional procedures, communications, initiation of post production support and the help desk, and other "countdown" items. The cutover plan also includes a readiness checklist which indicates whether or not the system and organization are ready for Go-Live. At the culmination of the readiness checklist, if the State is not ready for Go-Live, the contingency plan will be activated. The cutover plan will help prepare business owners and end users for Go-Live and post-production support.

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

Knowledge transfer begins during the Pre-award Phase with activities focused primarily on the State project team. The project team orientation and kickoff session includes activities which confirm the objectives for the project, increase awareness, and build enthusiasm. The concept workshops are then delivered. Post-award, we deliver project team training - a series of instructor-led or e-learning courses for the State resources that will actively participate in the design, configuration, and validation activities of the project. Ongoing education, which spans the life of the project, occurs through creating process documentation, performing hands-on configuration and testing, performing transactions side-by-side with the system implementer, and reviewing documentation that will be used in end-user training.
We use communication events identified in the Change Management Plan and formal training to facilitate knowledge transfer for end users. End-user training will incorporate a blended learning approach that combines traditional learning methods with e-Learning technology. We focus on five (5) core activities: 1) Training Strategy Development - This provides an overview of the direction, goals, and objectives of the end-user training program. 2) Design and Develop Training Curriculum and Supporting Materials - Training materials will be created in multiple learning formats, including process documents, class presentations, instructor guides, quick reference guides, and self-paced e-Learning. The development of training materials will be accelerated by our pre-built content by process area. We will work with the State's e-Learning developers to supplement and/or customize approximately 10-15% of the pre-built e-Learning content for end users. 3) Deliver a Train-the-Trainer Program (T3) - The T3 program is designed to teach State trainers the fundamentals of classroom management and includes a detailed review of the educational content that will be covered during end-user training classes. The T3 program also serves as pilot training to secure feedback from State users on content, allowing for final adjustments to be made prior to delivery to the larger population. 4) Support and Monitor End-User Training Delivery - Training classes provide users with an overview of the business process and hands-on exercises facilitate practice and learning. We mentor State trainers during the first delivery of each course and then the State delivers the remaining training. 5) Establish an Ongoing Training Plan - Our ongoing training plan includes working labs, where employees learn while performing actual work.

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

Performance will be monitored throughout the project by both our Project Management team and our Project Management Oversight team consisting of our Project Director and other executive leadership. During the Pre-award Phase, the Project Management team will establish governance tools in compliance with the State's IT standards per Attachment K. They will also perform project quality management in compliance with the PMI processes of plan quality, perform quality assurance, and perform quality control. The governance tools include a combination of the MS work plan, weekly status reports, and weekly status meetings. Our team will also establish a comprehensive quality management plan (QMP) for the project during the planning phase. The QMP will be continually monitored by our project management oversight team and will include processes for weekly risk reporting (WRR), satisfaction surveys, and other check point audits. Anticipated monitoring activities will include work product/deliverable validation and sign-off processes, project change control logs, issues and risks logs, project plan review, and status reporting including project progress and risk dashboards. The QMP will also include QA activities to be provided by the State's oversight resources.

RISK ASSESSMENT

Risk 1: Selecting an ERP product not specifically proven to support public sector requirements as reflected through dominant state and local government market share, commitment to continued product innovation and the strongest overall application and technology fit to State defined requirements.
Solution 1: Our proposed ERP solution provides the State with a mature product that has been successfully implemented, upgraded, supported and maintained by state, county, and city governments of different sizes. Our ERP solution has already been chosen by more than twenty states as their statewide solution to replace legacy systems and address common and unique state government business processes similar in nature to the State. These business processes include Financials, Procurement, Budgeting, Human Resources and Payroll. Our solution readily incorporates regulatory changes into the general releases through maintenance updates. These regulatory changes include such items as federal, state, and local tax changes; GAAP, GASB/FASB, and FHWA requirements. Our products are supported by an extensive user group in which the State can network with peers and other active ERP owners. This network of public sector clients also drives innovation in our products by specifying and testing innovative new functionality that incorporates industry best practices as they emerge. Our products and technology are enriched by more than $3 billion dollars in Research and Development (R&D) funds annually. Our significant investment in R&D makes our solution one that is designed to address the State's needs now and well into the future. Strong software fit to State requirements minimizes the need for custom solutions and provides rich "out of the box" solutions.

Risk 2: State selects an implementation vendor lacking the employee base, skills depth and experience to execute this project. The vendor has not properly factored into its solution the challenges that travel to a remote location may present for some project team members over the project's duration.
Solution 2: Our team is intentionally comprised of three organizations that focus on providing implementation services for the proposed software solution. The consortium of partners provide access to a comprehensive talent pool with the depth and breadth of resources to execute. This talent pool includes project management, technical, functional, and enterprise readiness professionals with broad public sector experience implementing our proposed solution. Our leads and key resources exemplify the strength of our talent pool. Since the consulting arm of the software vendor is part of the team, we have unfettered access to product development and support personnel for our solution. We have likewise built a project team that is a cultural fit for the State. This includes staff traveling from geographically desirable locations, individuals with a specific interest in working and/or relocating to Juneau and robust remote services options. Whenever possible, project staff performing remote tasks and activities will coincide with State personnel constraints including payroll cycles, legacy system year end processing, legislative session demands, and holidays.

Risk 3: The selected System Integrator's approach to the ERP project has not carefully considered the State's investment in ALDER and ASSET and how these remaining systems will impact the design of the State's new chart of accounts, reporting requirements, and consolidation of current, historical and inception to date information. The resulting project approach is not structured to incorporate all eventual system components leaving the State with multiple Chart of Accounts' structures, complex reporting schematics, and requires the State's end users to manually translate multiple data sets. The State's end users are faced with complex reporting requirements after the initial deployment and potentially on an ongoing basis whenever historical or inception to date information is required in a production report. In many cases, IT is required to design, program, and run reports
Solution 3: Our deployment approach takes a comprehensive view of the State's new ERP system by performing enterprise-wide design tasks starting with an overall solution blueprint designed during the initial phase of the project. In addition, we conduct cross-system requirements' confirmation sessions throughout the project. Our phased deployment approach includes check points to coordinate reporting of the ongoing historical and inception to date information maintained in ALDER, with the soon to be decommissioned systems such as AKPAY, and the soon to be deployed new applications. Our strategy is not a piecemeal approach and mitigates extensive rework and manual translations and crosswalks by the State's end users.

Risk 4: Developing an over aggressive project scope and schedule that stifles State adoption by

implementing all the comprehensive requirements in Exhibit F - Software Functionality and Technical Requirements too rapidly. Attempting to automate too many new business processes, while replacing the AKSAS and AKPAY financial and payroll systems, could create user adoption issues if the pace of change is too rapid or executed in an overly condensed project timeframe.

Solution 4: Our schedule contains a phased deployment of functionality that has been mapped to the existing automated functions performed by AKPAY and AKSAS and requirements from Exhibit F that are germane to these core processes and transactions. Our deployment approach allows for the complete decommission of AKSAS and then AKPAY, while simultaneously incorporating measured amounts of new functionality and redesigned business process flows, based on our prior experience with similar projects. As evidenced by the success of our prior payroll implementations, separating payroll into a discreet deployment provides for the focus on comprehensive testing, including parallel testing, that is mission critical in an organization with 13 collective bargaining units. This approach provides the foundation of the enterprise solution which will serve as the core system for the State to utilize, expand, and adjust as business process, organizational, and legislative changes occur.

Risks from both perspectives

Risk 5: To reduce project costs vendors have created an unrealistic project schedule, reduced project scope or increased State staffing and responsibilities. These actions will ultimately result in the State executing contract change orders to meet original project goals and unexpected project costs. It would also result in a strained working relationship between the State and the vendor as a lack of trust and administrative inefficiencies are counterproductive and can lead to project delays.

Solution 5: Our proposed scope is based on the information provided in the State's RFP including Exhibit F: Software Functionality and Technical Requirements and the three educational sessions. Our key management team (Director, Project Manager, Leads) has evaluated the recommended State approach against their combined experience implementing 10 different statewide ERP projects as it factors into scope, approach, schedule, and assumptions. Our proposed price reflects a 48 month project duration to replace AKSAS, AKPAY and ABS. The approach is a multi-phase deployment of foundation Financials and Procurement, followed by foundation HR/Payroll, followed then by the extended modules to increase the functionality of the Financials/Procurement and Human Resource/Payroll applications and Budget Development. Deployments have minimal overlaps each includes three (3) months of dedicated post implementation support after Go-Live. We have clearly defined a realistic joint staffing plan inclusive of roles and responsibilities. Our staffing plan reflects our LEAD role on most tasks and activities and the knowledge that State staff will have either a SUPPORT or PARTICIPANT role due to periodic availability constraints given cyclical events. We have also created a detailed project schedule, begun refinements of the State's Statement of Work contained in Attachment G, and documented our assumptions in preparing our response. We continue to prepare for the Pre-award Phase where we expect to perform validation of the State's requirements, create the project's requirements traceability matrix, and finalize a comprehensive Statement of Work, schedule, staffing plan, and team roles and responsibilities.

Risk 6: The State of Alaska, as client is unable or reluctant to change business processes when implementing a new system and, as a result, elects to customize the new system to reflect how employees are "used to doing business."

Solution 6: Our approach to the implementation of a vanilla system is based on iterations of Business Process Re-engineering, unique design techniques, and formal and informal training activities. Our approach begins with training. Concept workshops will provide the State with an orientation to the new system as a whole. Concept workshops are performed before any formal design activities occur. During project design, activities are performed in our "preconfigured" state government model containing public sector common data. This model is based on leading state and local government business practices. Use of the state government model provides a "Show Me" approach, with hands-on demonstrations of preconfigured workflows and processes as opposed to conceptual white-boarding of requirements and diagramming To Be processes. State project team members can immediately process transactions, execute delivered reports, and view inquiry screens that contain realistic information that is representative of public sector scenarios. We have found that the earlier a new user has hands-on system exposure entering transactions and running business processes using a "Do It" mode the more effective is the acceptance of the new system.

Risk 7: Poor employee adoption of the new system
Solution 7: Our proposal includes a comprehensive change management approach that is a component of our Enterprise Readiness program. Our program is led by a Certified Change Management Professional and supported by a dedicated Enterprise Readiness team. Our Enterprise Readiness Team's purpose is to create awareness of the new system and the associated changes. Successful employee adoption incorporates cultural change management behaviors that focus on the State's organizational life and the basic assumptions that drive organizational behaviors.
Iterations of communication and training, executed over the project's duration, are instrumental to increasing employee adoption and facilitating knowledge transfer. Engaging executives, employees/end users and business owners leverages the core human desire of "feeling" involved in the process. Employee adoption is more achievable when sponsorship is visible and active, when front-line managers drive the desired employee behavior, and when there is a well-defined training strategy. To encourage involvement and employee adoption of the new system and business processes, we concentrate on stakeholder engagement, communications, and a change agent network across the State. Business process re-engineering and training are provided for both the project team and employee/end user communities.
Project team members begin their adoption process in the Pre-award Phase and continue to gain experience throughout the life of the project. Employees participate in events that are driven by a carefully planned, crafted and communication strategy and a training program. The program will be designed and developed by our training team. Our training has design experience in addition to hands on delivery experience focused on the application of learning theories in a variety of settings. The combination of these activities is influential in increasing employee adoption of the system and associated process changes.

Risk 8: A lack of training or excessive demands on State staff make it challenging for them to effectively take on ownership and support of the production system upon Go Live.
Solution 8: Our proposed solution mitigates this risk by providing formal and informal training, readiness check points and formal staff capacity and skills assessments in advance of Go Live. Our solution includes a variety of alternative post implementation support options that could supplement State personnel should any needs arise. These options include hosting, managed services, and on-site or remote technical and functional support packages. We have outlined more details about these solutions and how the State can utilize these quality services, in our Value-Add section.

Risk 9: Selecting a Software product and/or System Integrator that is not financially sound and whose solution may, therefore, not be supported in the future.
Solution 9: The prime implementation contractor has operated profitably since inception. . Operating profits have been invested to build managed service capabilities including infrastructure for ERP hosting and lab upgrades. FY2010 annual revenues approximate $130 million, about 30% of which comes from multi-year hosting and managed service agreements. The prime contractor has a diversified client base across public sector, higher education and commercial sectors. No single client represents more than 6% of annual revenue. The prime implementation contractors financial and working capital position, coupled with a history of performance, allows the company to undertake large-scale projects as the prime contractor. A copy of the most recent audited financial statement is available upon request
The proposed software solution is supported by one of the world's largest enterprise software companies. This software company develops, manufactures, markets, distributes and services database and middleware software, applications software and hardware systems, consisting primarily of computer server and storage products. The breadth of this product offering is designed to help customers manage and grow their business operations in an integrated fashion at their own pace. The software company's Public Sector Division is their #1 vertical industry in North America and therefore benefits greatly by over $3 billion in annual Research and Development invested to enhance and develop the product suite.

Risk 10: Lacking key personnel credentials and experience as a predictor of future success.
Solution 10: Our project director, key project managers and lead staff have successfully executed similar engagements, the best overall predictor of future project successes.

[redacted]					Number of years with proposed product	Key staff? (Y/N)
	Product Manager	Planning and Budgeting Lead	2,499	1,874	12	N
	Tech Manager	Planning and Budgeting Technical Lead	2,499	1,874	11	N
	Senior Consultant	Strategic Sourcing / eSupplier Module Lead	2,142	1,607	12	N
	Senior Consultant	Self Service Applications	2,142	1,607	9	N

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

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implementing all the comprehensive requirements in Exhibit F - Software Functionality and Technical Requirements too rapidly. Attempting to automate too many new business processes, while replacing the AKSAS and AKPAY financial and payroll systems, could create user adoption issues if the pace of change is too rapid or executed in an overly condensed project timeframe.
Solution 4: Our schedule contains a phased deployment of functionality that has been mapped to the existing automated functions performed by AKPAY and AKSAS and requirements from Exhibit F that are germane to these core processes and transactions. Our deployment approach allows for the complete decommission of AKSAS and then AKPAY, while simultaneously incorporating measured amounts of new functionality and redesigned business process flows, based on our prior experience with similar projects. As evidenced by the success of our prior payroll implementations, separating payroll into a discreet deployment provides for the focus on comprehensive testing, including parallel testing, that is mission critical in an organization with 13 collective bargaining units. This approach provides the foundation of the enterprise solution which will serve as the core system for the State to utilize, expand, and adjust as business process, organizational, and legislative changes occur.

Risk 5: To reduce project costs vendors have created an unrealistic project schedule, reduced project scope or increased State staffing and responsibilities. These actions will ultimately result in the State executing contract change orders to meet original project goals and unexpected project costs. It would also result in a strained working relationship between the State and the vendor as a lack of trust and administrative inefficiencies are counterproductive and can lead to project delays.
Solution 5: Our proposed scope is based on the information provided in the State's RFP including Exhibit F: Software Functionality and Technical Requirements and the three educational sessions. Our key management team (Director, Project Manager, Leads) has evaluated the recommended State approach against their combined experience implementing 10 different statewide ERP projects as it factors into scope, approach, schedule, and assumptions. Our proposed price reflects a 48 month project duration to replace AKSAS, AKPAY and ABS. The approach is a multi-phase deployment of foundation Financials and Procurement, followed by foundation HR/Payroll, followed then by the extended modules to increase the functionality of the Financials/Procurement and Human Resource/Payroll applications and Budget Development. Deployments have minimal overlaps each includes three (3) months of dedicated post implementation support after Go-Live. We have clearly defined a realistic joint staffing plan inclusive of roles and responsibilities. Our staffing plan reflects our LEAD role on most tasks and activities and the knowledge that State staff will have either a SUPPORT or PARTICIPANT role due to periodic availability constraints given cyclical events. We have also created a detailed project schedule, begun refinements of the State's Statement of Work contained in Attachment G, and documented our assumptions in preparing our response. We continue to prepare for the Pre-award Phase where we expect to perform validation of the State's requirements, create the project's requirements traceability matrix, and finalize a comprehensive Statement of Work, schedule, staffing plan, and team roles and responsibilities.

Risk 6: The State of Alaska, as client is unable or reluctant to change business processes when implementing a new system and, as a result, elects to customize the new system to reflect how employees are "used to doing business."
Solution 6: Our approach to the implementation of a vanilla system is based on iterations of Business Process Re-engineering, unique design techniques, and formal and informal training activities. Our approach begins with training. Concept workshops will provide the State with an orientation to the new system as a whole. Concept workshops are performed before any formal design activities occur. During project design, activities are performed in our "preconfigured" state government model containing public sector common data. This model is based on leading state and local government business practices. Use of the state government model provides a "Show Me" approach, with hands-on demonstrations of preconfigured workflows and processes as opposed to conceptual white-boarding of requirements and diagramming To Be processes. State project team members can immediately process transactions, execute delivered reports, and view inquiry screens that contain realistic information that is representative of public sector scenarios. We have found that the earlier a new user has hands-on system exposure entering transactions and running business processes using a "Do It" mode the more effective is the acceptance of the new system.

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Risk 7: Poor employee adoption of the new system.
Solution 7: Our proposal includes a comprehensive change management approach that is a component of our Enterprise Readiness program. Our program is led by a Certified Change Management Professional and supported by a dedicated Enterprise Readiness team. Our Enterprise Readiness Team's purpose is to create awareness of the new system and the associated changes. Successful employee adoption incorporates cultural change management behaviors that focus on the State's organizational life and the basic assumptions that drive organizational behaviors.
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Project team members begin their adoption process in the Pre-award Phase and continue to gain experience throughout the life of the project. Employees participate in events that are driven by a carefully planned, crafted and communication strategy and a training program. The program will be designed and developed by our training team. Our training has design experience in addition to hands on delivery experience focused on the application of learning theories in a variety of settings. The combination of these activities is influential in increasing employee adoption of the system and associated process changes.

Risk 8: A lack of training or excessive demands on State staff make it challenging for them to effectively take on ownership and support of the production system upon Go Live.
Solution 8: Our proposed solution mitigates this risk by providing formal and informal training, readiness check points and formal staff capacity and skills assessments in advance of Go Live. Our solution includes a variety of alternative post implementation support options that could supplement State personnel should any needs arise. These options include hosting, managed services, and on-site or remote technical and functional support packages. We have outlined more details about these solutions and how the State can utilize these quality services, in our Value-Add section.

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Risk 10: Lacking key personnel credentials and experience as a predictor of future success.
Solution 10: Our project director, key project managers and lead staff have successfully executed similar engagements, the best overall predictor of future project successes.

VALUE ADDED

Item 1: Implementation Hosting - Our first value added option includes implementation hosting and data center services during the implementation phases of the project with flexible timeframes. The applications to be hosted will include foundation Financials and Procurement and will provide the Demo, Development, Test, QA, Conversion, and Training environments. Providing hosting and data center services for the initial deployment will support a more rapid start to design and fit/gap activities by eliminating the risk of not having hardware environments created, stable and well administered by skilled staff in early project stages. Implementation hosting during solution blueprint activities will allow the State to delay their hardware purchases. This option also affords the State's DBAs and System Administrators the extra time to transition into their new roles with opportunities for training. This value added option would allow for our project team DBA/System Administrator resources to be reduced during the design, fit/gap, and solution blueprint portion of the initial deployment as our data center team will deliver most of the environment services. Once the State's infrastructure has been appropriately architected, procured and environments established, the implementation environments will be ported back to the State's infrastructure to continue the implementation and transition to production activities.
Cost: Implementation hosting fees: $15,300/month. Implementation Services Cost Savings as the result of implementation hosting: $10,000 per month for reductions to traveling consultant DBA/Admin.

Item 2: Post Implementation Hosting - Our second value added option includes production hosting and data center services for the production and non-production environments. Following the initial deployment go live, the foundation Financials applications' production environment will be hosted in our data center. Foundation HR/Payroll will be added to the hosted production environment following the second deployment Go-Live. Modules that increase the functionality of Financials/Procurement, HR/Payroll, and Budgeting will be added to the hosted production environment at the third deployment Go Live.
Our production hosting services include our full service level agreement (SLA) which provides for 100% of our hosting fees to be at risk for the system availability commitment and system performance. We will also provide full hot-site disaster recovery for all production environments. This solution relieves the State of the responsibility to provide the production servers, other data center facilities and services, and disaster recovery needs for the new ERP application. We currently provide production hosting services of our ERP applications for over 600 environments, for organizations ranging in size from 100 users to over 10,000 concurrent users and 50,000 employees.
The cost of production hosting is dependent on system sizing metrics. We have relied on those metrics provided in the RFP for concurrent users in calculating anticipated database sizes and number of environments required.
Cost: Production Hosting fees: $42,000/month once the first Phase goes live (includes impl hosting). $59,900/month once all phases are live. We will discuss options during Pre-Award activities, where deemed of interest.

Note: The next 3 value added options are focused on providing an alternative to applications that the State is utilizing and are designated as not being replaced by the new ERP application. The benefits of adding these applications into the overall project will allow the State to reduce additional applications that need to be integrated, supported, and act in a standalone fashion. The additional benefit of these applications is that they can be added within the current applications and server configurations.

Item 3: ERP Travel & Expense Module - Implement the fully integrated Travel & Expense module for expense reporting and travel reports. This product could be used to replace the State's current DATABASICS – Travel Expense Management System for expense reporting and would eliminate the need for developing integration between the module and the ERP system.
Cost: Software Cost: $169,000, Implementation Services: $250,000

Item 4: ERP Maintenance Management module - Implement the fully integrated maintenance management module for work orders and maintenance plans. This product could be used to replace the State's current Maximo system for work orders and related maintenance areas and would eliminate the need for developing integration between the module and the ERP system.
Cost: Software Cost: $221,000; Implementation Services: $500,000 – 900,000. More details would

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need to be gathered to determine how many agencies would utilize it, types of work orders would be utilized, level of detail for time break-out.

Item 5: ERP Recruiting module - Implement the fully integrated recruiting module for job openings, recruiting and new hires. This product could be used to replace the State's current Workplace Alaska system for recruiting and hiring and would eliminate the need for developing integration between the module and the ERP system.
Cost: Software Cost: $97,000; Implementation Services: $600,000.

Note: The next option covers additional software products and modules, in our suite of applications, that we recommend to the State to facilitate further improvements in productivity and process efficiencies.

Item 6: Imaging and Process Management/Document Capture - This application could be used for scanning and storing different document repositories (invoices, HR documents, contracts, photos and graphics, warranties, engineering documents and drawings, etc.). These images could then be easily retrieved directly from the ERP application business areas.
Cost: Price list. $80,000 per processor (estimated 6 processors); Implementation Cost:$400,000 – 800,000. More details are needed to refine estimates and evaluate the extent of business areas to be incorporated into imaging, integration into the transaction systems.

Note: The next 2 options describe opportunities for dramatic process improvement enabled by our ERP system. We will work with the State in each of these areas to assess the opportunity and further develop the implementation strategy in each area.

Item 7: Strategic Sourcing – In this value added option we will review the sourcing processes that are currently followed at the State and determine if improvement opportunities, enabled by our software solution, exist. These improvement opportunities will be measured by lower prices, better quality, and increased transparency. Outputs from the assessment will include an understanding of how the State is currently spending money for goods and services, a determination of the opportunity for savings, the ease of implementation (focus on big ticket, low hanging fruit first), and the strategy for implementation.
Cost: Implementation Services: $90,000

Item 8: Shared Services - This value added option includes the consolidation and redesign of business processes into cross-organizational "service centers" which perform administrative functions more efficiently. Given the integration and deep functionality within our software solution, numerous features and functions of the application suite will be utilized to enable this transformation. Implementing some shared service initiatives in conjunction with our software solution can result in dramatic cost savings for administrative functions in accounting, procurement, and human resources (as high as 30%). We will begin by evaluating any shared services already in place at the State, identify leading practices and lessons learned from those initiatives, evaluate the applicability for additional shared services (or expansion of existing shared services), determine the expected benefits from any new initiatives. Once the scope of new initiatives has been determined, we will develop an implementation strategy for the desirable new/expanded shared services. The implementation strategy will include the organization change management and educational aspects of the transformation (standardization and consolidation), as well as the risks included in the project.
Cost: Implementation Services: $90,000

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Estimated Implementation Effort and Proposed Solution

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	2,600	4,414
2. Project status reports	4,000	6,612
3. Weekly risk reports	2,880	5,466
4. Satisfaction surveys	2,400	2,909
5. System configuration reports	9,280	10,756
6. Business process modification recommendations	11,040	13,048
7. Configured software ready for test	6,560	8,464
8. Accepted workflows	4,480	4,956
9. Hardware specification (applicable to licensed solution)	1,920	2,856
10. Application architecture documentation	2,560	3,086
11. Installation certification document	2,560	3,703
12. Data conversion plan	7,600	9,345
13. Validated migrated data	7,840	9,081
14. Reports	5,920	5,642
15. Interface specifications	6,240	9,521
16. Tested interfaces	5,760	6,965
17. Test plan	7,280	8,750
18. Volume/stress testing report	4,320	4,584
19. Training plan	3,840	6,524
20. Training materials	4,960	7,589
21. Training	2,880	3,615
22. Knowledge transfer plan and activity	3,040	4,027
23. Go-live and stabilization plan	3,680	4,320
24. Technical operations manual	2,560	2,478
25. Business user manual	3,520	4,884
26. Configured and licensed software in productive use	4,960	5,202
27. Stabilization services	17,640	17,527
	142,320	176,324
	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.

We have thoroughly reviewed all State provided materials in developing our recommended project scope, schedule, and costs in addition to a preliminary Microsoft (MS) Project-based work plan.. We've reviewed and commented on your preliminary Statement of Work (SOW) which will be reviewed and completed with the State in the Pre-award Phase. Once mutual agreement has been reached, the SOW becomes the benchmark against which scope will be managed. Adherence to the scope will be the responsibility of all team members, managed by the joint Project Management team. The team will follow a detailed scope management process, similar to the process outlined in Attachment K (Charter). All deviations from the scope contained in the SOW will be documented, even if there is no monetary impact, and will require State management approval to proceed. Recommendations are based on over 20 years of experience implementing our software solution and have been developed to specifically meet the State's requirements.

Our proposed implementation schedule is phased and will meet the State's priorities for system replacement. The baseline MS Project work plan includes a detailed work breakdown structure, resource assignments, task dependencies, and estimated task durations. Schedule management will be accomplished by working with each lead from the functional, technical, and change management/BPR teams. Each week, these resources will be responsible for assessing the status of assigned tasks and developing estimates to complete prior to updating the MS work plan.

Our team's Project Manager will co-manage the implementation project with the State's Project Manager following the disciplines of the Project Management Institute's (PMI) 5 process groups and 9 knowledge areas, each has been integrated into our methodology for packaged software implementations. Status reports as described in Attachment G will be provided to senior and executive State agency and division staff in addition to key State stakeholders. These reports will include the project's Technical Status, Resource Status, Schedule Status, Issues & Risks, proposed Change Control, updated MS work plan, and project health metrics. Recurring status meetings will be scheduled and supported.

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.

System Initialization & Installation – During the Pre-award Phase; we will conduct a formal technical infrastructure assessment to refine and solidify the architecture requirements provided in Exhibit E. This assessment will address the Hardware Specification and Application Architecture Documentation requested by the State. The software will then be installed and certified by our infrastructure team. Knowledge transfer will be provided to State staff throughout this process, as our staff will perform the installation tasks with assistance from State resources.

During the Pre-award Phase we will conduct concept workshops covering the in-scope business areas. Concept workshops are designed to give the State's project team an overview of key software concepts and functions so they can begin to make informed process design decisions and confirm the requirements and scope contained in our proposed SOW.

Business Process Design/Reengineering, System Configuration, System Tailoring – After project kickoff, as part of the initial deployment, the team will develop an overall solution blueprint. The blueprint will contain the to-be processes for all integrated functions inclusive of those to be implemented in latter project deployments. The creation of an overall solution blueprint minimizes any re-engineering or re-configuration effort during the execution of subsequent deployments and provides greater knowledge transfer to State team members by demonstrating enterprise wide business processes rather than silo driven departmental transactions. The solution blueprint also includes an inventory of technical development items including reports, interfaces, and conversions. A requirements traceability matrix will be developed to address the State's System Configuration Reports deliverable, and will be updated throughout the implementation lifecycle.

During subsequent process design activities, our teams will leverage a state government model to assist with fit/gap activities. The state government model is a version of our software that is preconfigured with public sector common data. It is based on leading state and local government business practices, gained through our years of executing similar projects. The State's solution blueprint is compared to our

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state government model. When needed, our state government model can be tailored/configured to meet the State's requirements in an iterative process. This interactive approach encourages participation and input from State team members, while accelerating the change management effort. If a State requirement cannot be met by configuration, the gap will be documented.

Resolution of functionality gaps can be accomplished by changing the State's business processes or, when absolutely necessary, enhancing system functionality through technical development. All new or changed business processes will be captured and documented as business process modification recommendations. Change management impacts are also identified and incorporated into the change management and training plans. The confirmed requirements, approved resolutions to functionality gaps, and other technical development items are all updated in the requirements traceability matrix.

System Tailoring, Interface Design and Development, Data Conversion –Approved development tasks related to customizations, reports, interfaces, and data conversions will be assigned to the appropriate project team members and incorporated into the MS work plan. Functional and technical design specifications will be created for approved development items. Items that have been successfully unit tested will be migrated to a test environment for further integration, system, and acceptance testing.

Our system supports industry-leading, standards-based technologies, including web services and native file integration capabilities, to pass information quickly and reliably throughout the solution and to internal and external systems. Once specifications are created, approved interfaces will be developed and unit tested by our technical staff. With involvement from the State agencies, our technical staff will perform integration, system, and acceptance testing prior to migration to production.

During project planning our conversion strategy template will be updated with State-specific conversion processes and data retention requirements. It will be further expanded during fit/gap to include a full Data Conversion Plan for all required data elements. Our assumption is that ALDER will be the primary source of State data. Data mapping will identify the fields/values in ALDER which will be converted. Programs will be written to convert data from ALDER to our system based upon data maps and the conversion plan. Our conversion team will include a resource experienced with the ALDER application technologies. Conversion testing is an iterative process, multiple test cycles will be executed to refine and perfect the process and complete the Validated Migrated Data deliverable. Once system design, system configuration, and technical development are completed, the software will be ready to test.

Testing - Our approach to system testing supports early identification of discrepancies and allows corrective action to be taken proactively throughout the project life cycle. We complete unit testing before progressing to integration testing between components across full business processes. We then progress to user acceptance and system testing prior to transitioning to system Go-Live. Full integration testing, user acceptance testing, and performance testing will be supported using our prebuilt templates with test plans, scenarios, and scripts. These templates will be updated to meet the State's requirements. Pre-defined templates for payroll parallel test processes will also be tailored to the State's needs and executed to validate the new system against AKPAY.

Post-Implementation Stabilization - Leveraging leading practices from other projects, our team will provide the State with a recommended organizational model for supporting the system after Go Live. We will define resource requirements, communication protocols, and help desk processes including a priority structure for issues, a tracking tool, escalation process, and system patch/maintenance processes. In an effort to provide stable deployments that the State is well equipped to manage, we will provide onsite, ongoing knowledge transfer to the State's functional and technical support organization over a three-month period following each deployment Go-Live. Key areas of knowledge transfer include techniques for troubleshooting issues, understanding the interdependence of processes, tuning activities, and ad hoc training to the support team and end users.

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

At a high level, our approach to the transition from existing systems to our proposed system features three deployments. This approach provides the State with the functionality needed to retire its systems while providing an environment conducive to user adoption. The first deployment will include the core Financials functionality needed to replace AKSAS while building the integration to supporting systems being retained as outlined in Attachment I. The second deployment includes the Human Resource and Payroll functionality allowing the AKPAY system to be retired. The third deployment includes extended module functionality across both the Financials and Human Resource/Payroll systems along with the

addition of Budgeting, which enables ABS to be decommissioned. The extended modules will eliminate the need for the existing "shadow systems" that currently accommodate these functions for the State.
At a lower level, the transition to Go-Live for each deployment involves very detailed tasks that are interdependent, such as closing the legacy systems to transactions, and thereby ALDER, in advance of the final extraction for conversion into the new system. During the execution of the project testing cycles, these detailed tasks are documented in our MS Project cutover plan template which addresses the State's Go-Live and stabilization plan deliverable. The cutover plan includes all activities related to production environment preparation, conversions, interfaces, system administration, network administration, desktop administration, peripheral device management, object migration, end user training, transitional procedures, communications, initiation of post production support and the help desk, and other "countdown" items. The cutover plan also includes a readiness checklist which indicates whether or not the system and organization are ready for Go-Live. At the culmination of the readiness checklist, if the State is not ready for Go-Live, the contingency plan will be activated. The cutover plan will help prepare business owners and end users for Go-Live and post-production support.

TRAINING →

4. Describe how the Offeror will educate and train State employees on the proposed systems.
Knowledge transfer begins during the Pre-award Phase with activities focused primarily on the State project team. The project team orientation and kickoff session includes activities which confirm the objectives for the project, increase awareness, and build enthusiasm. The concept workshops are then delivered. Post-award, we deliver project team training - a series of instructor-led or e-learning courses for the State resources that will actively participate in the design, configuration, and validation activities of the project. Ongoing education, which spans the life of the project, occurs through creating process documentation, performing hands-on configuration and testing, performing transactions side-by-side with the system implementer, and reviewing documentation that will be used in end-user training.
We use communication events identified in the Change Management Plan and formal training to facilitate knowledge transfer for end users. End-user training will incorporate a blended learning approach that combines traditional learning methods with e-Learning technology. We focus on five (5) core activities: 1) Training Strategy Development - This provides an overview of the direction, goals, and objectives of the end-user training program. 2) Design and Develop Training Curriculum and Supporting Materials - Training materials will be created in multiple learning formats, including process documents, class presentations, instructor guides, quick reference guides, and self-paced e-Learning. The development of training materials will be accelerated by our pre-built content by process area. We will work with the State's e-Learning developers to supplement and/or customize approximately 10-15% of the pre-built e-Learning content for end users. 3) Deliver a Train-the-Trainer Program (T3) - The T3 program is designed to teach State trainers the fundamentals of classroom management and includes a detailed review of the educational content that will be covered during end-user training classes. The T3 program also serves as pilot training to secure feedback from State users on content, allowing for final adjustments to be made prior to delivery to the larger population. 4) Support and Monitor End-User Training Delivery - Training classes provide users with an overview of the business process and hands-on exercises facilitate practice and learning. We mentor State trainers during the first delivery of each course and then the State delivers the remaining training. 5) Establish an Ongoing Training Plan - Our ongoing training plan includes working labs, where employees learn while performing actual work.

5. Describe how the Offeror will monitor performance throughout the contract term.
Performance will be monitored throughout the project by both our Project Management team and our Project Management Oversight team consisting of our Project Director and other executive leadership. During the Pre-award Phase, the Project Management team will establish governance tools in compliance with the State's IT standards per Attachment K. They will also perform project quality management in compliance with the PMI processes of plan quality, perform quality assurance, and perform quality control. The governance tools include a combination of the MS work plan, weekly status reports, and weekly status meetings. Our team will also establish a comprehensive quality management plan (QMP) for the project during the planning phase. The QMP will be continually monitored by our project management oversight team and will include processes for weekly risk reporting (WRR), satisfaction surveys, and other check point audits. Anticipated monitoring activities will include work product/deliverable validation and sign-off processes, project change control logs, issues and risks logs, project plan review, and status reporting including project progress and risk dashboards. The QMP will also include QA activities to be provided by the State's oversight resources.

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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Winning Vendor – Not really a Proj risk

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RISK ASSESSMENT

Risk 1: Selecting an ERP product not specifically proven to support public sector requirements as reflected through dominant state and local government market share, commitment to continued product innovation and the strongest overall application and technology fit to State defined requirements.
Solution 1: Our proposed ERP solution provides the State with a mature product that has been successfully implemented, upgraded, supported and maintained by state, county, and city governments of different sizes. Our ERP solution has already been chosen by more than twenty states as their statewide solution to replace legacy systems and address common and unique state government business processes similar in nature to the State. These business processes include Financials, Procurement, Budgeting, Human Resources and Payroll. Our solution readily incorporates regulatory changes into the general releases through maintenance updates. These regulatory changes include such items as federal, state, and local tax changes; GAAP, GASB/FASB, and FHWA requirements. Our products are supported by an extensive user group in which the State can network with peers and other active ERP owners. This network of public sector clients also drives innovation in our products by specifying and testing innovative new functionality that incorporates industry best practices as they emerge. Our products and technology are enriched by more than $3 billion dollars in Research and Development (R&D) funds annually. Our significant investment in R&D makes our solution one that is designed to address the State's needs now and well into the future. Strong software fit to State requirements minimizes the need for custom solutions and provides rich "out of the box" solutions.

Risk 2: State selects an implementation vendor lacking the employee base, skills depth and experience to execute this project. The vendor has not properly factored into its solution the challenges that travel to a remote location may present for some project team members over the project's duration.
Solution 2: Our team is intentionally comprised of three organizations that focus on providing implementation services for the proposed software solution. The consortium of partners provide access to a comprehensive talent pool with the depth and breadth of resources to execute. This talent pool includes project management, technical, functional, and enterprise readiness professionals with broad public sector experience implementing our proposed solution. Our leads and key resources exemplify the strength of our talent pool. Since the consulting arm of the software vendor is part of the team, we have unfettered access to product development and support personnel for our solution. We have likewise built a project team that is a cultural fit for the State. This includes staff traveling from geographically desirable locations, individuals with a specific interest in working and/or relocating to Juneau and robust remote services options. Whenever possible, project staff performing remote tasks and activities will coincide with State personnel constraints including payroll cycles, legacy system year end processing, legislative session demands, and holidays.

Risk 3: The selected System Integrator's approach to the ERP project has not carefully considered the State's investment in ALDER and ASSET and how these remaining systems will impact the design of the State's new chart of accounts, reporting requirements, and consolidation of current, historical and inception to date information. The resulting project approach is not structured to incorporate all eventual system components leaving the State with multiple Chart of Accounts' structures, complex reporting schematics, and requires the State's end users to manually translate multiple data sets. The State's end users are faced with complex reporting requirements after the initial deployment and potentially on an ongoing basis whenever historical or inception to date information is required in a production report. In many cases, IT is required to design, program, and run reports
Solution 3: Our deployment approach takes a comprehensive view of the State's new ERP system by performing enterprise-wide design tasks starting with an overall solution blueprint designed during the initial phase of the project. In addition, we conduct cross-system requirements' confirmation sessions throughout the project. Our phased deployment approach includes check points to coordinate reporting of the ongoing historical and inception to date information maintained in ALDER, with the soon to be decommissioned systems such as AKPAY, and the soon to be deployed new applications. Our strategy is not a piecemeal approach and mitigates extensive rework and manual translations and crosswalks by the State's end users.

Risk 4: Developing an over aggressive project scope and schedule that stifles State adoption by

implementing all the comprehensive requirements in Exhibit F - Software Functionality and Technical Requirements too rapidly. Attempting to automate too many new business processes, while replacing the AKSAS and AKPAY financial and payroll systems, could create user adoption issues if the pace of change is too rapid or executed in an overly condensed project timeframe.
Solution 4: Our schedule contains a phased deployment of functionality that has been mapped to the existing automated functions performed by AKPAY and AKSAS and requirements from Exhibit F that are germane to these core processes and transactions. Our deployment approach allows for the complete decommission of AKSAS and then AKPAY, while simultaneously incorporating measured amounts of new functionality and redesigned business process flows, based on our prior experience with similar projects. As evidenced by the success of our prior payroll implementations, separating payroll into a discreet deployment provides for the focus on comprehensive testing, including parallel testing, that is mission critical in an organization with 13 collective bargaining units. This approach provides the foundation of the enterprise solution which will serve as the core system for the State to utilize, expand, and adjust as business process, organizational, and legislative changes occur.

Risk 5: To reduce project costs vendors have created an unrealistic project schedule, reduced project scope or increased State staffing and responsibilities. These actions will ultimately result in the State executing contract change orders to meet original project goals and unexpected project costs. It would also result in a strained working relationship between the State and the vendor as a lack of trust and administrative inefficiencies are counterproductive and can lead to project delays.
Solution 5: Our proposed scope is based on the information provided in the State's RFP including Exhibit F: Software Functionality and Technical Requirements and the three educational sessions. Our key management team (Director, Project Manager, Leads) has evaluated the recommended State approach against their combined experience implementing 10 different statewide ERP projects as it factors into scope, approach, schedule, and assumptions. Our proposed price reflects a 48 month project duration to replace AKSAS, AKPAY and ABS. The approach is a multi-phase deployment of foundation Financials and Procurement, followed by foundation HR/Payroll, followed then by the extended modules to increase the functionality of the Financials/Procurement and Human Resource/Payroll applications and Budget Development. Deployments have minimal overlaps each includes three (3) months of dedicated post implementation support after Go-Live. We have clearly defined a realistic joint staffing plan inclusive of roles and responsibilities. Our staffing plan reflects our LEAD role on most tasks and activities and the knowledge that State staff will have either a SUPPORT or PARTICIPANT role due to periodic availability constraints given cyclical events. We have also created a detailed project schedule, begun refinements of the State's Statement of Work contained in Attachment G, and documented our assumptions in preparing our response. We continue to prepare for the Pre-award Phase where we expect to perform validation of the State's requirements, create the project's requirements traceability matrix, and finalize a comprehensive Statement of Work, schedule, staffing plan, and team roles and responsibilities.

Risk 6: The State of Alaska, as client is unable or reluctant to change business processes when implementing a new system and, as a result, elects to customize the new system to reflect how employees are "used to doing business."
Solution 6: Our approach to the implementation of a vanilla system is based on iterations of Business Process Re-engineering, unique design techniques, and formal and informal training activities. Our approach begins with training. Concept workshops will provide the State with an orientation to the new system as a whole. Concept workshops are performed before any formal design activities occur. During project design, activities are performed in our "preconfigured" state government model containing public sector common data. This model is based on leading state and local government business practices. Use of the state government model provides a "Show Me" approach, with hands-on demonstrations of preconfigured workflows and processes as opposed to conceptual white-boarding of requirements and diagramming To Be processes. State project team members can immediately process transactions, execute delivered reports, and view inquiry screens that contain realistic information that is representative of public sector scenarios. We have found that the earlier a new user has hands-on system exposure entering transactions and running business processes using a "Do It" mode the more effective is the acceptance of the new system.

Risk 7: Poor employee adoption of the new system
Solution 7: Our proposal includes a comprehensive change management approach that is a component of our Enterprise Readiness program. Our program is led by a Certified Change Management Professional and supported by a dedicated Enterprise Readiness team. Our Enterprise Readiness Team's purpose is to create awareness of the new system and the associated changes. Successful employee adoption incorporates cultural change management behaviors that focus on the State's organizational life and the basic assumptions that drive organizational behaviors.
Iterations of communication and training, executed over the project's duration, are instrumental to increasing employee adoption and facilitating knowledge transfer. Engaging executives, employees/end users and business owners leverages the core human desire of "feeling" involved in the process. Employee adoption is more achievable when sponsorship is visible and active, when front-line managers drive the desired employee behavior, and when there is a well-defined training strategy. To encourage involvement and employee adoption of the new system and business processes, we concentrate on stakeholder engagement, communications, and a change agent network across the State. Business process re-engineering and training are provided for both the project team and employee/end user communities.
Project team members begin their adoption process in the Pre-award Phase and continue to gain experience throughout the life of the project. Employees participate in events that are driven by a carefully planned, crafted and communication strategy and a training program. The program will be designed and developed by our training team. Our training has design experience in addition to hands on delivery experience focused on the application of learning theories in a variety of settings. The combination of these activities is influential in increasing employee adoption of the system and associated process changes.

Risk 8: A lack of training or excessive demands on State staff make it challenging for them to effectively take on ownership and support of the production system upon Go Live.
Solution 8: Our proposed solution mitigates this risk by providing formal and informal training, readiness check points and formal staff capacity and skills assessments in advance of Go Live. Our solution includes a variety of alternative post implementation support options that could supplement State personnel should any needs arise. These options include hosting, managed services, and on-site or remote technical and functional support packages. We have outlined more details about these solutions and how the State can utilize these quality services, in our Value-Add section.

Risk 9: Selecting a Software product and/or System Integrator that is not financially sound and whose solution may, therefore, not be supported in the future.
Solution 9: The prime implementation contractor has operated profitably since inception. . Operating profits have been invested to build managed service capabilities including infrastructure for ERP hosting and lab upgrades. FY2010 annual revenues approximate $130 million, about 30% of which comes from multi-year hosting and managed service agreements. The prime contractor has a diversified client base across public sector, higher education and commercial sectors. No single client represents more than 6% of annual revenue. The prime implementation contractors financial and working capital position, coupled with a history of performance, allows the company to undertake large-scale projects as the prime contractor. A copy of the most recent audited financial statement is available upon request
The proposed software solution is supported by one of the world's largest enterprise software companies. This software company develops, manufactures, markets, distributes and services database and middleware software, applications software and hardware systems, consisting primarily of computer server and storage products. The breadth of this product offering is designed to help customers manage and grow their business operations in an integrated fashion at their own pace. The software company's Public Sector Division is their #1 vertical industry in North America and therefore benefits greatly by over $3 billion in annual Research and Development invested to enhance and develop the product suite.

Risk 10: Lacking key personnel credentials and experience as a predictor of future success.
Solution 10: Our project director, key project managers and lead staff have successfully executed similar engagements, the best overall predictor of future project successes.

VALUE ADDED

Item 1: Implementation Hosting - Our first value added option includes implementation hosting and data center services during the implementation phases of the project with flexible timeframes. The applications to be hosted will include foundation Financials and Procurement and will provide the Demo, Development, Test, QA, Conversion, and Training environments. Providing hosting and data center services for the initial deployment will support a more rapid start to design and fit/gap activities by eliminating the risk of not having hardware environments created, stable and well administered by skilled staff in early project stages. Implementation hosting during solution blueprint activities will allow the State to delay their hardware purchases. This option also affords the State's DBAs and System Administrators the extra time to transition into their new roles with opportunities for training. This value added option would allow for our project team DBA/System Administrator resources to be reduced during the design, fit/gap, and solution blueprint portion of the initial deployment as our data center team will deliver most of the environment services. Once the State's infrastructure has been appropriately architected, procured and environments established, the implementation environments will be ported back to the State's infrastructure to continue the implementation and transition to production activities.
Cost: Implementation hosting fees: $15,300/month. Implementation Services Cost Savings as the result of implementation hosting: $10,000 per month for reductions to traveling consultant DBA/Admin.

Assumes significant infrastructure changes

Item 2: Post Implementation Hosting - Our second value added option includes production hosting and data center services for the production and non-production environments. Following the initial deployment go live, the foundation Financials applications' production environment will be hosted in our data center. Foundation HR/Payroll will be added to the hosted production environment following the second deployment Go-Live. Modules that increase the functionality of Financials/Procurement, HR/Payroll, and Budgeting will be added to the hosted production environment at the third deployment Go Live.
Our production hosting services include our full service level agreement (SLA) which provides for 100% of our hosting fees to be at risk for the system availability commitment and system performance. We will also provide full hot-site disaster recovery for all production environments. This solution relieves the State of the responsibility to provide the production servers, other data center facilities and services, and disaster recovery needs for the new ERP application. We currently provide production hosting services of our ERP applications for over 600 environments, for organizations ranging in size from 100 users to over 10,000 concurrent users and 50,000 employees.
The cost of production hosting is dependent on system sizing metrics. We have relied on those metrics provided in the RFP for concurrent users in calculating anticipated database sizes and number of environments required.
Cost: Production Hosting fees: $42,000/month once the first Phase goes live (includes impl hosting). $59,900/month once all phases are live. We will discuss options during Pre-Award activities, where deemed of interest.

Note: The next 3 value added options are focused on providing an alternative to applications that the State is utilizing and are designated as not being replaced by the new ERP application. The benefits of adding these applications into the overall project will allow the State to reduce additional applications that need to be integrated, supported, and act in a standalone fashion. The additional benefit of these applications is that they can be added within the current applications and server configurations.

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Cost: Software Cost: $169,000, Implementation Services: $250,000

Item 4: ERP Maintenance Management module - Implement the fully integrated maintenance management module for work orders and maintenance plans. This product could be used to replace the State's current Maximo system for work orders and related maintenance areas and would eliminate the need for developing integration between the module and the ERP system.
Cost: Software Cost: $221,000; Implementation Services: $500,000 – 900,000. More details would

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	2,600	4,414
2. Project status reports	4,000	6,612
3. Weekly risk reports	2,880	5,466
4. Satisfaction surveys	2,400	2,909
5. System configuration reports	9,280	10,756
6. Business process modification recommendations	11,040	13,048
7. Configured software ready for test	6,560	8,464
8. Accepted workflows	4,480	4,956
9. Hardware specification (applicable to licensed solution)	1,920	2,856
10. Application architecture documentation	2,560	3,086
11. Installation certification document	2,560	3,703
12. Data conversion plan	7,600	9,345
13. Validated migrated data	7,840	9,081
14. Reports	5,920	5,642
15. Interface specifications	6,240	9,521
16. Tested interfaces	5,760	6,965
17. Test plan	7,280	8,750
18. Volume/stress testing report	4,320	4,584
19. Training plan	3,840	6,524
20. Training materials	4,960	7,589
21. Training	2,880	3,615
22. Knowledge transfer plan and activity	3,040	4,027
23. Go-live and stabilization plan	3,680	4,320
24. Technical operations manual	2,560	2,478
25. Business user manual	3,520	4,884
26. Configured and licensed software in productive use	4,960	5,202
27. Stabilization services	17,640	17,527
	142,320	176,324

318,644

72 FTE Staff Years

45% 55%

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Exhibit D1: Implementation Team and Key Staff

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.

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IS "ERP" a trademark or is it a general term? TIC

PROPOSED IMPLEMENTATION TEAM

				Number of years with proposed product	Key staff? (Y/N)	
VP – Public Sector Services	Project Director	800	800	15 TNM	N	<1
Senior Project Manager	Project Manager	9,739	8,765	10 DNM	Y	<1
Senior Consultant	Financials Lead	4,239	3,815	14 DNM	Y	2
Technical Manager	Technical Lead	7,441	6,697	14	Y	3 out 6 @ position
Practice Manager, Change Mgmt	Change Management / BPR Lead	6,571	5,914	6	Y	1
Senior Consultant	Training Lead	5,756	5,180	10	Y	4
Manager	BPR Consultant	5,221	3,916	2	N	
Senior Consultant	Change Management Consultant	3,936	2,952	15	N	
Senior Consultant	General Ledger Module Lead	3,997	2,998	13	N	
Senior Consultant	Payables Module Lead	3,997	2,998	10	N	

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Company may claim many installs / much experience But it does not with this Key Staff

KEY STAFF BACKGROUND INFORMATION

Complete the following table for each of the key proposed staff identified in the previous table. The individuals listed below shall be the individuals assigned to this project for the total duration of the project. These individuals cannot be replaced unless the State of Alaska provides approval. Create additional copies of this table as necessary. There is no page limit for completing these tables. This form must be completed as-is – standard resumes are not acceptable – however resumes for specific staff may be requested as a part of contract negotiations. At a minimum, you should provide information for the proposed project manager, technical lead, functional leads, process reengineering lead, as well as other staff members with substantial hours on the project

Ex DI says "15 yrs with proposed Product" Doesn't say like this product specifically

*** Staff member name**	[redacted]
*** Employer name**	[redacted]
Position in the company	~~VP~~ – Public Sector Services
Length of time in position	13 years as a Project Manager and Director
Length of time at company	Less than 1 year
Project position and responsibilities	Project Director Engagement oversight and delivery responsibility. [redacted] will be the Project Executive from [redacted] and will be directly involved in architecting our solution. He will be actively engaged in supporting the implementation efforts and the Project Management Team. [redacted] will interface directly with the State's Steering Committee and Executive Sponsors.
Education and certifications	Bachelor of Science, Mechanical Engineering
Technical skills and qualifications for the project position	[redacted] has more than 15 years of ERP consulting experience with implementing Financials, Procurement, HR/Payroll and Data Warehousing applications for public sector clients. His public sector clients have included states, cities/counties, special districts, and universities. He has performed in a managerial position for 7 state ERP projects of which 5 were statewide (all state agencies) implementations for Financials, HR/Payroll and Procurement systems. The key project activities that have been common on these statewide projects have been business process design, architecture design, change management needs for the entire enterprise (all agencies), training needs for the diverse end user groups (sessions throughout the state), and thorough testing.

*** Staff member name**	[redacted]
*** Employer name**	[redacted]
Position in the company	Senior Project Manager

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Length of time in position	6 years as a Project Manager for ERP implementations
Length of time at company	Less than 1 year
Project position and responsibilities	Project Manager [redacted] will be the onsite Project Manager with day-to-day responsibility for the delivery of services. All project team members will functionally report to [redacted], who will with the State's project manager develop and manage the overall project plan. [redacted] will be responsible for reporting project status, tracking project metrics, and resolving project issues.
Education and certifications	Bachelor of Arts, Economics PMP Certification in progress
Technical skills and qualifications for the project position	[redacted] has more than 10 years of professional experience in consulting and project management implementing Financials, HR and Performance Management applications in the public sector industry and is based out of Seattle, WA. His public sector clients have included states, counties, cities, public transportation and school systems. As a manager, [redacted] has successfully led project teams in full lifecycle projects based on PMI standards and methodology working through the initiation and planning, design, development, validation and production phases of projects. He has served as the project manager for two statewide ERP Financials and HR projects. In this role, [redacted] delivered the projects by establishing and managing to project plan and schedule, gaining team and client buy-in and acceptance of the plan, implementing project management controls and maintaining effective communications with the project team and stakeholders. He has successfully directed teams with up to 35 consultants in the implementation and rollout of these ERP systems to all state agencies. He also served as the project manager at a transportation district and led a team of consultants in implementing the HR software application as well as the design and installation of the technical architecture and datacenter. In addition to the implementation of the application software the project included installing and integrating new technology for the collection and approval of employee time. design and implementation of the help desk and innovative training methods to reach widely dispersed field workers. [redacted] served as the project manager with a large city for a Performance Management and Budgeting system. In the first phase of the project, he worked directly with a city department to conduct the project scoping tasks and defining the requirements for guiding the city through the system selection process. The second phase of the project called for completing the project initiation, and managing the execution of the project through the rollout to support the first year's budget development process. Prior to roles in project management, [redacted] functioned as a module and team lead on numerous public sector projects with demonstrated expertise in the areas of Purchasing and Procurement, Project Costing, Inventory and Automated Workflow. On these projects, he conducted the requirements definition, fit/gap analysis, business process development and prototyping, testing and successful go live.

*** Staff member name**	[redacted]
*** Employer name**	[redacted]
Position in the company	Senior Consultant
Length of time in position	12 years as a Financials lead on different projects.
Length of time at company	2 years
Project position and responsibilities	Financials Lead [redacted] will lead the Functional Financials implementation team. The Functional Financials resources will report to her, and work at her direction. She will be responsible for providing guidance and support for the Financials team for the analysis, installation, configuration, and testing of the Financials applications.
Education and certifications	Canadian Institute of Management – Certificate in Management Saint Mary's University – Completed 20 of 25 credits toward Bachelor of Commerce, Accounting Lunenburg Regional Vocation School – Accounting Diploma
Technical skills and qualifications for the project position	[redacted] has more than 14 years of ERP functional experience. Prior to this she spent 10 years in the accounting field in the telecommunications industry. She has worked in a functional capacity as a team member and a lead role. [redacted] also has extensive experience working as a project manager on several ERP implementations and upgrades focusing on the full project lifecycle planning and management, resource and financial management, risk mitigation, contract oversight and invoice management and analysis. She has worked with the following module areas in a module focus role: General Ledger, Project Costing, Asset Management, and Commitment Control. [redacted] has been responsible for many aspects of a project lifecycle; including RFP authoring, system analysis, vendor selection, detail design and configuration, system integration testing, conversion testing, user acceptance testing, training, report writing, production cutover, and production support. [redacted] is highly skilled in business process re-engineering and thoroughly knowledgeable in General Ledger, Asset Management, Project Costing, Encumbrance Accounting and Financials. On her most recent project, [redacted] served as the project manager for an upgrade of the General Ledger, Accounts Receivable, Billing, Purchasing, Accounts Payable, Inventory, and Asset Management modules as well as the functional lead for the Asset Management and General Ledger modules including Commitment Control. Examples of specific Project Management experience includes the following initiatives: • Managed the project on an ERP Financials and Supply Chain project including Asset Management, Accounts Payable, General Ledger, Purchasing, Accounts Receivable, Billing and

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Task list does not show anything about process analysis

Overview:
Our Functional Design documents focus on 2 major areas of our design activities for our clients: 1) Business Process Flows and Details 2) Foundation Table System Configuration. We have provided a couple of examples of these items below.

1. Human Resources Add People Business Process

The Business Process Flows contain both a flow diagram that shows how the process steps flow through the application (which is what is displayed below at a high-level). Additionally, the more detailed flows will outline the roles for each step along with any business details for the step area. In the example below, we highlight the major steps needed to Add a new Employee into the HR application. Below the major steps, we have provided a flow diagram which highlights the sequence of steps and step role owner.

Major Business Process Steps

Personal Information
- Add Persons to your HR system
- Maintain Personal data on all employees and Persons of Interest
- Modify a Person to update name, address, phone numbers, and other personal information
- Maintain Emergency Contact and Dependent Information
- Maintain Visa/Permit data

Job Information
- Update the job record of an employee, contingent worker, or POI
- Add effective dated transactional data
- Manage Applicant Hires with information added through Recruiting Solutions
- Capture Company Property and badge information

Compensation
- Maintain compensation levels provided to employees
- Run compensation analysis, and salary administration reports

Position Management
- Maintain Positions and Budgets
- Review Position and Budget Information
- Run Position-Related Reports
- Create basic organization charts from position data

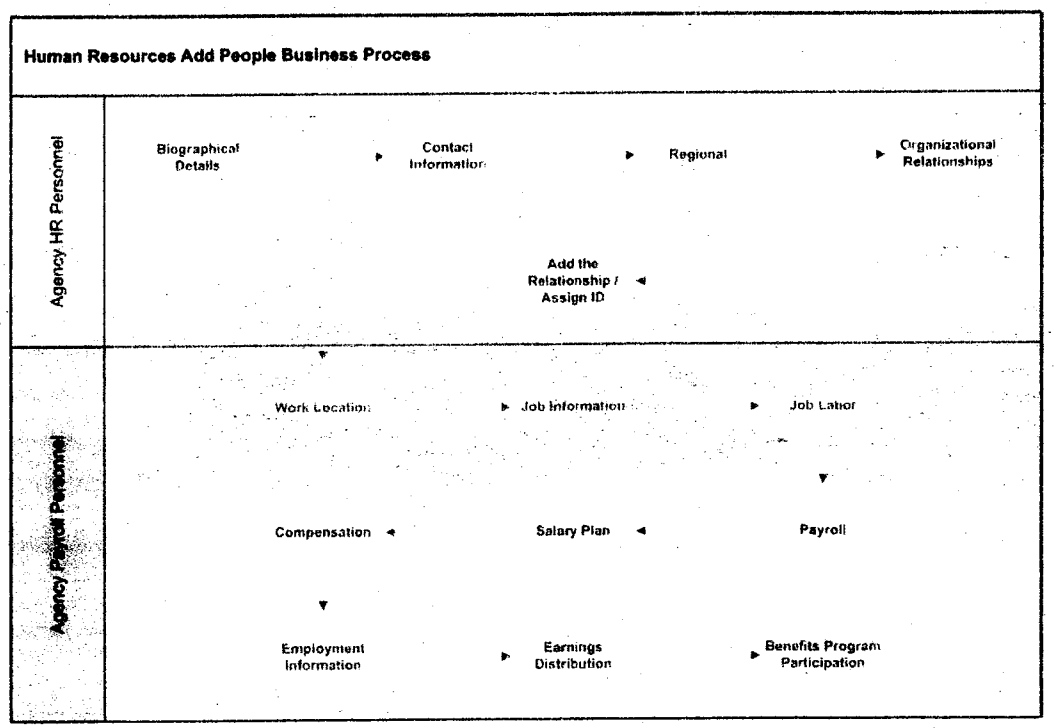

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Exhibit D.1 Exceptions to Terms and Conditions

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.

I. **Exceptions to the Standard Implementation Services Agreement**

Offeror is amenable to using the State's Standard Implementation Services Agreement as the foundation of the implementation contract. It notes the following exceptions to the form:

Article 6, Assignment (and RFP section 1.21): Depending upon any surety requirement and the frequency of scheduled payments, Offeror may wish to discuss assignment of right to payment if required by standard form banking and/or surety agreements.

Article 9 (and RFP section 3.10), Payment of Taxes: Offeror understands that the State is currently exempt from Alaska sales tax. Notwithstanding, Offeror would want to clarify that the State is responsible for any sales tax related to the contract.

Article 10, Ownership of Documents: Offeror is agreeable to the State's ownership of documents created for the State. Offeror would like to clarify that nothing in the Agreement is intended to affect its ownership in its pre-existing intellectual property or its right to use know-how learned in the course of providing services to the State for the future benefit of the State or others.

Article 11. Offeror proposes that this contract be governed by the laws of the State of Alaska. All actions concerning this contract shall be brought in the Superior Court of the State of Alaska or the United States District Court for Alaska.

Article 12, Conflicting Provisions: Offeror takes exception to the statement that provisions relating to limitation of liability are void. Offeror anticipates that the Implementation Services Agreement, the Licensing and Maintenance Agreement, and, if elected, the Hosting Agreement will include limitations on Contractor's liability. With regard to precedence, Offeror expects that during pre-contract execution discussions, the parties will refine numerous provisions relating to the services. Therefore, Offeror would want to clarify that the terms agreed upon by the parties in the Statement of Work take precedence over prior documents (such as the RFP or proposal) to the extent that the executed Statement of Work modifies those documents.

Appendix B, Article 1, Indemnification: Offeror takes exception to the requirement that it provide indemnification for negligence. It does not take exception to the concept that it would be responsible for its own negligence in a breach of contract claim, to the extent not limited by the terms of the contract. Pursuant to its insurance covenants, Offeror can provide indemnification for certain types of claims, such as personal injury, property damage, breach of confidentiality, and intellectual property infringement.

Appendix B, Article 2, Insurance: Offeror takes exception to the reference to "material change", as its carriers will not agree to give notice of material change. It can agree to provide such notice itself.

Appendix C, Statement of Work:

B. Definition of Terms: Offeror is materially in agreement with definitions as provided, however would expect clarifying definition adjustments to occur as warranty periods, scope of warranty services and malfunction types are further refined consistent with our proposed agreement and separate software, services and hardware agreements with the State.

C. Scope:

Page G-7: As to the requirement about non-production performance being equal to production environments, non-production environment performance could differ from production based on the underlying hardware infrastructure procured and based on how non-production system configurations intentionally would differ from production

Page G-7: As to the Contractor at its own cost remedying third party product failure, Offeror would like to discuss the State's expectations. The Offeror is willing to stand in the shoes of the State and work closely with the State, with its permission, in order to identify and escalate issues associated with such third party vendors, but not remedy third party issues at its own cost as these remedies would be supported by the independent software and maintenance relationships between the State and those third parties.

E. Contractor Deliverables: Offeror is materially in agreement with the contractor deliverables, but would generally like to discuss acceptance and correction timeframes with the State to ensure outstanding deliverable correction timeframes do not compromise overall project goals and timeframes. Additionally Offeror would like to discuss the following items with the State:

Page G-10 Performance of Services: As it relates to Contractor providing all services not explicitly assigned to State staff, the Contractor or approved subcontractor would provide all non State or non third party services not contemplated as part of this agreement.

Effect of Acceptance: As it relates to not billing the State until the noted standard of performance is met, the standard implies an amount of time beyond post deliverable acceptance that must pass before any billing can take place. Offeror would like to discuss with the State in the context of deliverable acceptance to make sure it understands any such constraint prior to accepting the term.

Deliverable 4: Where no material exception currently exists, Offeror would like to discuss the materiality and timing of satisfaction survey results as it relates to deliverable acceptance and payment since deliverable results are subjective and outside of Offeror control.

Deliverable 9: Where physical data center requirements have statutory related needs, it is possible that Offeror will need State and additional third party consultation to fully meet "all necessary specification".

Deliverable 27: As to the Contractor remedying all Type A or Type B malfunctions as noted, Offeror would like to discuss the State's expectations. The Offeror is willing to stand in the shoes of the State and work closely with the State, with its permission, in order to identify and escalate issues associated with third party vendor issues as part of stabilization, however malfunctions due to Type A or Type B issues subject to third parties are outside the control of Offeror.

Deliverables General - Offeror would like to sit down with the State during the pre-award phase to align the project Deliverables with our standard project methodology. We view the 2 deliverable lists as having common areas but would like to expand some of the items into more details to allow more timely checkpoints and approvals. Additionally, we would recommend that we have separate deliverables and payment structures that would align with each rollout Phase that we are recommending (3 rollout phases).

H. Offeror takes exception to the Limitation of Liability provision in that it would seek to limit liability to return of fees actually paid and to exclude consequential, incidental, special, and punitive damages. Offeror anticipates that the parties would, in the course of finalizing the Statement of Work, modify and clarify various provisions by agreement.

Additional Terms: Offeror would seek to include a non-solicitation clause and a standard warranty provision.

II. **Exceptions to the Standard Licensing and Maintenance Agreement**

We have identified certain potential exceptions to Attachment H and other attachments or appendices related to the licensing and maintenance agreement. As such, we have listed these potential exceptions below and would welcome an opportunity to discuss our concerns and recommendations with the State.

APPENDIX A: GENERAL PROVISIONS

Article 5. Termination: Please note manufacturer terms dictate that all software licenses are non-cancellable once an order has been placed.

APPENDIX B: INDEMNITY AND INSURANCE

Article 1. Indemnification: Please note that in consideration of the "intellectual property" indemnities that are afforded to end users by ERP Software Provider, certain requirements and/or caveats apply (for example, we would request that the State work with ERP Software Provider to enable ERP Software Provider to fulfill its indemnification obligations to the State).

APPENDIX C: TERMS AND CONDITIONS

Article 2.2 Limited Software Warranty - Article 2.2.1 Malfunction Correction and 2.2.2 Malfunction Analysis: ERP Software Provider warrants that the programs will operate in all material respects as described in the applicable program documentation, for one year after delivery. ERP Software Provider does not guarantee that the programs will perform error free or uninterrupted or that ERP Software Provider will correct all program errors.

Article 2.2.3 Intellectual Property Rights: The State's language is agreeable. However, as noted above in Article 1 "Indemnification", certain additional requirements and/or caveats apply (for example, we would request that the State work with ERP Software Provider to enable ERP Software Provider to help the State).

Article 2.3 Licensed Software Exchange: The State may not interchange products at any time during the agreement term. ERP Software Provider will allow for the migration from one product to another provided it is an upgrade in functionality within the same product set. This requires manufacturer approval and may incur additional costs.

Article 3.1 Maintenance Services: Point of clarification: As an authorized ERP Software Provider value added reseller, Reseller will provide ERP Software Provider Update Licenses and Support. Actual technical support will be provided by award winning ERP Software Provider support staff on a 24 x 7 basis.

Article 3.5 Term and Renewal: The initial term for the chosen support services program will begin upon purchase date and remain in effect for one year. Customer will receive notification to renew software maintenance near the end of the 12-month term at which time they will confirm their intent to renew. In the event that technical support lapses or was not originally purchased, upon the commencement of technical support a reinstatement fee will be assessed.

Article 4.4 Limitation of Liability: We feel that this language requires additional discussion. For example, it is very uncommon for software manufacturers to be liable for any indirect, incidental, special, punitive, or consequential damages, or any loss of projects, revenue, data, or data use, etc.

Article 4.9 Effective Date: We acknowledge that the State will not purchase software in advance of the commencement of each implementation phase. However, upon purchase of the required software at the beginning of each phase, payment terms are Net: 30 upon receipt of invoice.

APPENDIX D – CONSIDERATION AND PAYMENT SCHEDULE

License Fees. As referenced in Attachment D, Section 1, "Software Final Acceptance" shall mean the date upon which the State receives its license grant from ERP Software Provider, usually 3-5 days upon receipt of a valid order, and has access to ERP Software Provider Technical Support and Update Rights.

Payment in full for license fees and first year support are due Net 30 days upon receipt of invoice.

Additional Licenses: Please note that we have negotiated special reduced pricing for add-on licenses which is detailed in the cost proposal.

III. **Exceptions relating to hosting**

As one of the value-add options presented to the State, Offeror has proposed a hosted solution. If the State were to elect that route, Offeror would anticipate execution of its standard Master Hosting Agreement, modified as agreed by the parties to conform to any applicable requirements of Alaska law. Offeror would be happy to provide the Master Hosting Agreement to the State for review on request.

IV. **Exceptions to other portions of RFP**

As to the portions of the RFP other than those included in the Agreements discussed above,

Offeror has reviewed and is generally agreeable to the RFP provisions. It takes exception to and would like to further discuss the following provisions:

Section 1.22: Dispute resolution: Where Offeror is in agreement with the general dispute resolution proposed by the State, it would like to discuss State provided dispute resolution timeframes to prevent outstanding issues from materially impacting overall implementation objectives and goals which are time or schedule sensitive.

Section 2.05, Supplemental Terms and Conditions: Offeror does not entirely understand the intent of this section. It anticipates that the parties' executed contract will govern their rights and obligations and that the terms of the contract will be enforceable and, to the extent the terms vary from the RFP or proposal by agreement, the terms of the contract would prevail.

Section 3.03, Standard Contract Provisions: Offeror anticipates that the State would sign a separate contract for the software directly with the software vendor and that all software license and support provisions in the RFP would be included in that contract.

RFP Sections 3.04, regarding videotaped interviews: Offeror takes exception to the provision that interview statements would become part of the contract. Offeror would be happy to respond in writing to questions submitted in advance of the interviews; however, interviewees are not corporate officers and are not legally authorized to bind the company. Accordingly, Offeror takes exception to this provision which is contrary to our internal controls and our formation documents.

Section 3.09: Offeror requests that the withholding percentage be adjusted to 10% and that the final withholding amount, less warranty and stabilization related support deliverable payments, be paid at the point of go-live versus at periodic points after go-live and during the warranty period.

Section 4.04: Please note that the proposed infrastructure architecture enables the State to comply with its stated security policies and procedures but does not include all software, devices and procedural modifications that may be required to formally establish compliance certification.

PROJECT WORK PLAN

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

We have thoroughly reviewed all State provided materials in developing our recommended project scope, schedule, and costs in addition to a preliminary Microsoft (MS) Project-based work plan.. We've reviewed and commented on your preliminary Statement of Work (SOW) which will be reviewed and completed with the State in the Pre-award Phase. Once mutual agreement has been reached, the SOW becomes the benchmark against which scope will be managed. Adherence to the scope will be the responsibility of all team members, managed by the joint Project Management team. The team will follow a detailed scope management process, similar to the process outlined in Attachment K (Charter). All deviations from the scope contained in the SOW will be documented, even if there is no monetary impact, and will require State management approval to proceed. Recommendations are based on over 20 years of experience implementing our software solution and have been developed to specifically meet the State's requirements.

Our proposed implementation schedule is phased and will meet the State's priorities for system replacement. The baseline MS Project work plan includes a detailed work breakdown structure, resource assignments, task dependencies, and estimated task durations. Schedule management will be accomplished by working with each lead from the functional, technical, and change management/BPR teams. Each week, these resources will be responsible for assessing the status of assigned tasks and developing estimates to complete prior to updating the MS work plan.

Our team's Project Manager will co-manage the implementation project with the State's Project Manager following the disciplines of the Project Management Institute's (PMI) 5 process groups and 9 knowledge areas, each has been integrated into our methodology for packaged software implementations. Status reports as described in Attachment G will be provided to senior and executive State agency and division staff in addition to key State stakeholders. These reports will include the project's Technical Status, Resource Status, Schedule Status, Issues & Risks, proposed Change Control, updated MS work plan, and project health metrics. Recurring status meetings will be scheduled and supported.

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.

System Initialization & Installation – During the Pre-award Phase, we will conduct a formal technical infrastructure assessment to refine and solidify the architecture requirements provided in Exhibit E. This assessment will address the Hardware Specification and Application Architecture Documentation requested by the State. The software will then be installed and certified by our infrastructure team. Knowledge transfer will be provided to State staff throughout this process, as our staff will perform the installation tasks with assistance from State resources.

During the Pre-award Phase we will conduct concept workshops covering the in-scope business areas. Concept workshops are designed to give the State's project team an overview of key software concepts and functions so they can begin to make informed process design decisions and confirm the requirements and scope contained in our proposed SOW.

Business Process Design/Reengineering, System Configuration, System Tailoring – After project kickoff, as part of the initial deployment, the team will develop an overall solution blueprint. The blueprint will contain the to-be processes for all integrated functions inclusive of those to be implemented in latter project deployments. The creation of an overall solution blueprint minimizes any re-engineering or re-configuration effort during the execution of subsequent deployments and provides greater knowledge transfer to State team members by demonstrating enterprise wide business processes rather than silo driven departmental transactions. The solution blueprint also includes an inventory of technical development items including reports, interfaces, and conversions. A requirements traceability matrix will be developed to address the State's System Configuration Reports deliverable, and will be updated throughout the implementation lifecycle.

During subsequent process design activities, our teams will leverage a state government model to assist with fit/gap activities. The state government model is a version of our software that is preconfigured with public sector common data. It is based on leading state and local government business practices, gained through our years of executing similar projects. The State's solution blueprint is compared to our

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state government model. When needed, our state government model can be tailored/configured to meet the State's requirements in an iterative process. This interactive approach encourages participation and input from State team members, while accelerating the change management effort. If a State requirement cannot be met by configuration, the gap will be documented.

Resolution of functionality gaps can be accomplished by changing the State's business processes or, when absolutely necessary, enhancing system functionality through technical development. All revised business processes will be captured and documented as business process modification recommendations. Change management impacts are also identified and incorporated into the change management and training plans. The confirmed requirements, approved resolutions to functionality gaps, and other technical development items are all updated in the requirements traceability matrix.

System Tailoring, Interface Design and Development, Data Conversion –Approved development tasks related to customizations, reports, interfaces, and data conversions will be assigned to the appropriate project team members and incorporated into the MS work plan. Functional and technical design specifications will be created for approved development items. Items that have been successfully unit tested will be migrated to a test environment for further integration, system, and acceptance testing.

Our system supports industry-leading, standards-based technologies, including web services and native file integration capabilities, to pass information quickly and reliably throughout the solution and to internal and external systems. Once specifications are created, approved interfaces will be developed and unit tested by our technical staff. With involvement from the State agencies, our technical staff will perform integration, system, and acceptance testing prior to migration to production.

During project planning our conversion strategy template will be updated with State-specific conversion processes and data retention requirements. It will be further expanded during fit/gap to include a full Data Conversion Plan for all required data elements. [redacted] ALDER will be the primary source of State data. Data mapping will identify the fields/values in ALDER which will be converted. Programs will be written to convert data from ALDER to our system based upon data maps and the conversion plan. Our conversion team will include a resource experienced with the ALDER application technologies. Conversion testing is an iterative process, multiple test cycles will be executed to refine and perfect the process and complete the Validated Migrated Data deliverable. Once system design, system configuration, and technical development are completed, the software will be ready to test.

Testing - Our approach to system testing supports early identification of discrepancies and allows corrective action to be taken proactively throughout the project life cycle. We complete unit testing before progressing to integration testing between components across full business processes. We then progress to user acceptance and system testing prior to transitioning to system Go-Live. Full integration testing, user acceptance testing, and performance testing will be supported using our prebuilt templates with test plans, scenarios and scripts. These templates will be updated to meet the State's requirements. Pre-defined templates for payroll parallel test processes will also be tailored to the State's needs and executed to validate the new system against AKPAY.

Post-Implementation Stabilization - Leveraging leading practices from other projects, our team will provide the State with a recommended organizational model for supporting the system after Go Live. We will define resource requirements, communication protocols, and help desk processes including a priority structure for issues, a tracking tool, escalation process, and system patch/maintenance processes. In an effort to provide stable deployments that the State is well equipped to manage, we will provide onsite, ongoing knowledge transfer to the State's functional and technical support organization over a three-month period following each deployment Go-Live. Key areas of knowledge transfer include techniques for troubleshooting issues, understanding the interdependence of processes, tuning activities, and ad hoc training to the support team and end users.

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

At a high level, our approach to the transition from existing systems to our proposed system features three deployments. This approach provides the State with the functionality needed to retire its systems while providing an environment conducive to user adoption. The first deployment will include the core Financials functionality needed to replace AKSAS, while building the integration to supporting systems being retained as outlined in Attachment I. The second deployment includes the Human Resource and Payroll functionality allowing the AKPAY system to be retired. The third deployment includes extended module functionality across both the Financials and Human Resource/Payroll systems along with the

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addition of Budgeting, which enables ABS to be decommissioned. The extended modules will eliminate the need for the existing "shadow systems" that currently accommodate these functions for the State.
At a lower level, the transition to Go-Live for each deployment involves very detailed tasks that are interdependent, such as closing the legacy systems to transactions, and thereby ALDER, in advance of the final extraction for conversion into the new system. During the execution of the project testing cycles, these detailed tasks are documented in our MS Project cutover plan template which addresses the State's Go-Live and stabilization plan deliverable. The cutover plan includes all activities related to production environment preparation, conversions, interfaces, system administration, network administration, desktop administration, peripheral device management, object migration, end user training, transitional procedures, communications, initiation of post production support and the help desk, and other "countdown" items. The cutover plan also includes a readiness checklist which indicates whether or not the system and organization are ready for Go-Live. At the culmination of the readiness checklist, if the State is not ready for Go-Live, the contingency plan will be activated. The cutover plan will help prepare business owners and end users for Go-Live and post-production support.

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

Knowledge transfer begins during the Pre-award Phase with activities focused primarily on the State project team. The project team orientation and kickoff session includes activities which confirm the objectives for the project, increase awareness, and build enthusiasm. The concept workshops are then delivered. Post-award, we deliver project team training - a series of instructor-led or e-learning courses for the State resources that will actively participate in the design, configuration, and validation activities of the project. Ongoing education, which spans the life of the project, occurs through creating process documentation, performing hands-on configuration and testing, performing transactions side-by-side with the system implementer, and reviewing documentation that will be used in end-user training.
We use communication events identified in the Change Management Plan and formal training to facilitate knowledge transfer for end users. End-user training will incorporate a blended learning approach that combines traditional learning methods with e-Learning technology. We focus on five (5) core activities: 1) Training Strategy Development - This provides an overview of the direction, goals, and objectives of the end-user training program. 2) Design and Develop Training Curriculum and Supporting Materials - Training materials will be created in multiple learning formats, including process documents, class presentations, instructor guides, quick reference guides, and self-paced e-Learning. The development of training materials will be accelerated by our pre-built content by process area. We will work with the State's e-Learning developers to supplement and/or customize approximately 10-15% of the pre-built e-Learning content for end users. 3) Deliver a Train-the-Trainer Program (T3) - The T3 program is designed to teach State trainers the fundamentals of classroom management and includes a detailed review of the educational content that will be covered during end-user training classes. The T3 program also serves as pilot training to secure feedback from State users on content, allowing for final adjustments to be made prior to delivery to the larger population. 4) Support and Monitor End-User Training Delivery - Training classes provide users with an overview of the business process and hands-on exercises facilitate practice and learning. We mentor State trainers during the first delivery of each course and then the State delivers the remaining training. 5) Establish an Ongoing Training Plan - Our ongoing training plan includes working labs, where employees learn while performing actual work.

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

Performance will be monitored throughout the project by both our Project Management team and our Project Management Oversight team consisting of our Project Director and other executive leadership. During the Pre-award Phase, the Project Management team will establish governance tools in compliance with the State's IT standards per Attachment K. They will also perform project quality management in compliance with the PMI processes of plan quality, perform quality assurance, and perform quality control. The governance tools include a combination of the MS work plan, weekly status reports, and weekly status meetings. Our team will also establish a comprehensive quality management plan (QMP) for the project during the planning phase. The QMP will be continually monitored by our project management oversight team and will include processes for weekly risk reporting (WRR), satisfaction surveys, and other check point audits. Anticipated monitoring activities will include work product/deliverable validation and sign-off processes, project change control logs, issues and risks logs, project plan review, and status reporting including project progress and risk dashboards. The QMP will also include QA activities to be provided by the State's oversight resources.

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RISK ASSESSMENT

Risk 1: Selecting an ERP product not specifically proven to support public sector requirements as reflected through dominant state and local government market share, commitment to continued product innovation and the strongest overall application and technology fit to State defined requirements.
Solution 1: Our proposed ERP solution provides the State with a mature product that has been successfully implemented, upgraded, supported and maintained by state, county, and city governments of different sizes. Our ERP solution has already been chosen by more than twenty states as their statewide solution to replace legacy systems and address common and unique state government business processes similar in nature to the State. These business processes include Financials, Procurement, Budgeting, Human Resources and Payroll. Our solution readily incorporates regulatory changes into the general releases through maintenance updates. These regulatory changes include such items as federal, state, and local tax changes; GAAP, GASB/FASB, and FHWA requirements. Our products are supported by an extensive user group in which the State can network with peers and other active ERP owners. This network of public sector clients also drives innovation in our products by specifying and testing innovative new functionality that incorporates industry best practices as they emerge. Our products and technology are enriched by more than $3 billion dollars in Research and Development (R&D) funds annually. Our significant investment in R&D makes our solution one that is designed to address the State's needs now and well into the future. Strong software fit to State requirements minimizes the need for custom solutions and provides rich "out of the box" solutions.

Risk 2: State selects an implementation vendor lacking the employee base, skills depth and experience to execute this project. The vendor has not properly factored into its solution the challenges that travel to a remote location may present for some project team members over the project's duration.
Solution 2: Our team is intentionally comprised of three organizations that focus on providing implementation services for the proposed software solution. The consortium of partners provide access to a comprehensive talent pool with the depth and breadth of resources to execute. This talent pool includes project management, technical, functional, and enterprise readiness professionals with broad public sector experience implementing our proposed solution. Our leads and key resources exemplify the strength of our talent pool. Since the consulting arm of the software vendor is part of the team, we have unfettered access to product development and support personnel for our solution. We have likewise built a project team that is a cultural fit for the State. This includes staff traveling from geographically desirable locations, individuals with a specific interest in working and/or relocating to Juneau and robust remote services options. Whenever possible, project staff performing remote tasks and activities will coincide with State personnel constraints including payroll cycles, legacy system year end processing, legislative session demands, and holidays.

Risk 3: The selected System Integrator's approach to the ERP project has not carefully considered the State's investment in ALDER and ASSET and how these remaining systems will impact the design of the State's new chart of accounts, reporting requirements, and consolidation of current, historical and inception to date information. The resulting project approach is not structured to incorporate all eventual system components leaving the State with multiple Chart of Accounts' structures, complex reporting schematics, and requires the State's end users to manually translate multiple data sets. The State's end users are faced with complex reporting requirements after the initial deployment and potentially on an ongoing basis whenever historical or inception to date information is required in a production report. In many cases, IT is required to design, program, and run reports.
Solution 3: Our deployment approach takes a comprehensive view of the State's new ERP system by performing enterprise-wide design tasks starting with an overall solution blueprint designed during the initial phase of the project. In addition, we conduct cross-system requirements' confirmation sessions throughout the project. Our phased deployment approach includes check points to coordinate reporting of the ongoing historical and inception to date information maintained in ALDER with the soon to be decommissioned systems such as AKPAY, and the soon to be deployed new applications. Our strategy is not a piecemeal approach and mitigates extensive rework and manual translations and crosswalks by the State's end users.

Risk 4: Developing an over aggressive project scope and schedule that stifles State adoption by

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implementing all the comprehensive requirements in Exhibit F - Software Functionality and Technical Requirements too rapidly. Attempting to automate too many new business processes while replacing the AKSAS and AKPAY financial and payroll systems could create user adoption issues if the pace of change is too rapid or executed in an overly condensed project timeframe.

Solution 4: Our schedule contains a phased deployment of functionality that has been mapped to the existing automated functions performed by AKPAY and AKSAS and requirements from Exhibit F that are germane to these core processes and transactions. Our deployment approach allows for the complete decommission of AKSAS and then AKPAY, while simultaneously incorporating measured amounts of new functionality and redesigned business process flows, based on our prior experience with similar projects. As evidenced by the success of our prior payroll implementations, separating payroll into a discreet deployment provides for the focus on comprehensive testing, including parallel testing, that is mission critical in an organization with 13 collective bargaining units. This approach provides the foundation of the enterprise solution which will serve as the core system for the State to utilize, expand, and adjust as business process, organizational, and legislative changes occur.

Risk 5: To reduce project costs vendors have created an unrealistic project schedule, reduced project scope or increased State staffing and responsibilities. These actions will ultimately result in the State executing contract change orders to meet original project goals and unexpected project costs. It would also result in a strained working relationship between the State and the vendor as a lack of trust and administrative inefficiencies are counterproductive and can lead to project delays.

Solution 5: Our proposed scope is based on the information provided in the State's RFP including Exhibit F: Software Functionality and Technical Requirements and the three educational sessions. Our key management team (Director, Project Manager, Leads) has evaluated the recommended State approach against their combined experience implementing 10 different statewide ERP projects as it factors into scope, approach, schedule, and assumptions. Our proposed price reflects a 48 month project duration to replace AKSAS, AKPAY and ABS. The approach is a multi-phase deployment of foundation Financials and Procurement, followed by foundation HR/Payroll, followed then by the extended modules to increase the functionality of the Financials/Procurement and Human Resource/Payroll applications and Budget Development. Deployments have minimal overlaps each includes three (3) months of dedicated post implementation support after Go-Live. We have clearly defined a realistic joint staffing plan inclusive of roles and responsibilities. Our staffing plan reflects our LEAD role on most tasks and activities and the knowledge that State staff will have either a SUPPORT or PARTICIPANT role due to periodic availability constraints given cyclical events. We have also created a detailed project schedule, begun refinements of the State's Statement of Work contained in Attachment G, and documented our assumptions in preparing our response. We continue to prepare for the Pre-award Phase where we expect to perform validation of the State's requirements, create the project's requirements traceability matrix, and finalize a comprehensive Statement of Work, schedule, staffing plan, and team roles and responsibilities.

Risk 6: The State of Alaska, as client is unable or reluctant to change business processes when implementing a new system and, as a result, elects to customize the new system to reflect how employees are "used to doing business."

Solution 6: Our approach to the implementation of a vanilla system is based on iterations of Business Process Re-engineering, unique design techniques, and formal and informal training activities. Our approach begins with training. Concept workshops will provide the State with an orientation to the new system as a whole. Concept workshops are performed before any formal design activities occur. During project design, activities are performed in our "preconfigured" state government model containing public sector common data. This model is based on leading state and local government business practices. Use of the state government model provides a "Show Me" approach, with hands-on demonstrations of preconfigured workflows and processes as opposed to conceptual white-boarding of requirements and diagramming To Be processes. State project team members can immediately process transactions, execute delivered reports, and view inquiry screens that contain realistic information that is representative of public sector scenarios. We have found that the earlier a new user has hands-on system exposure entering transactions and running business processes using a "Do It" mode the more effective is the acceptance of the new system.

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Risk 7: Poor employee adoption of the new system
Solution 7: Our proposal includes a comprehensive change management approach that is a component of our Enterprise Readiness program. Our program is led by a Certified Change Management Professional and supported by a dedicated Enterprise Readiness team. Our Enterprise Readiness Team's purpose is to create awareness of the new system and the associated changes. Successful employee adoption incorporates cultural change management behaviors that focus on the State's organizational life and the basic assumptions that drive organizational behaviors.
Iterations of communication and training, executed over the project's duration, are instrumental to increasing employee adoption and facilitating knowledge transfer. Engaging executives, employees/end users and business owners leverages the core human desire of "feeling" involved in the process. Employee adoption is more achievable when sponsorship is visible and active, when front-line managers drive the desired employee behavior, and when there is a well-defined training strategy. To encourage involvement and employee adoption of the new system and business processes, we concentrate on stakeholder engagement, communications, and a change agent network across the State. Business process re-engineering and training are provided for both the project team and employee/end user communities.
Project team members begin their adoption process in the Pre-award Phase and continue to gain experience throughout the life of the project. Employees participate in events that are driven by a carefully planned, crafted and communication strategy and a training program. The program will be designed and developed by our training team. Our training has design experience in addition to hands on delivery experience focused on the application of learning theories in a variety of settings. The combination of these activities is influential in increasing employee adoption of the system and associated process changes.

Risk 8: A lack of training or excessive demands on State staff make it challenging for them to effectively take on ownership and support of the production system upon Go Live.
Solution 8: Our proposed solution mitigates this risk by providing formal and informal training, readiness check points and formal staff capacity and skills assessments in advance of Go Live. Our solution includes a variety of alternative post implementation support options that could supplement State personnel should any needs arise. These options include hosting, managed services, and on-site or remote technical and functional support packages. We have outlined more details about these solutions and how the State can utilize these quality services, in our Value-Add section.

Risk 9: Selecting a Software product and/or System Integrator that is not financially sound and whose solution may, therefore, not be supported in the future.
Solution 9: The prime implementation contractor has operated profitably since inception. . Operating profits have been invested to build managed service capabilities including infrastructure for ERP hosting and lab upgrades. FY2010 annual revenues approximate $130 million, about 30% of which comes from multi-year hosting and managed service agreements. The prime contractor has a diversified client base across public sector, higher education and commercial sectors. No single client represents more than 6% of annual revenue. The prime implementation contractors financial and working capital position, coupled with a history of performance, allows the company to undertake large-scale projects as the prime contractor. A copy of the most recent audited financial statement is available upon request
The proposed software solution is supported by one of the world's largest enterprise software companies. This software company develops, manufactures, markets, distributes and services database and middleware software, applications software and hardware systems, consisting primarily of computer server and storage products. The breadth of this product offering is designed to help customers manage and grow their business operations in an integrated fashion at their own pace. The software company's Public Sector Division is their #1 vertical industry in North America and therefore benefits greatly by over $3 billion in annual Research and Development invested to enhance and develop the product suite.

Risk 10: Lacking key personnel credentials and experience as a predictor of future success.
Solution 10: Our project director, key project managers and lead staff have successfully executed similar engagements, the best overall predictor of future project successes.

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VALUE ADDED

Item 1: Implementation Hosting - Our first value added option includes implementation hosting and data center services during the implementation phases of the project with flexible timeframes. The applications to be hosted will include foundation Financials and Procurement and will provide the Demo, Development, Test, QA, Conversion, and Training environments. Providing hosting and data center services for the initial deployment will support a more rapid start to design and fit/gap activities by eliminating the risk of not having hardware environments created, stable and well administered by skilled staff in early project stages. Implementation hosting during solution blueprint activities will allow the State to delay their hardware purchases. This option also affords the State's DBAs and System Administrators the extra time to transition into their new roles with opportunities for training. This value added option would allow for our project team DBA/System Administrator resources to be reduced during the design, fit/gap, and solution blueprint portion of the initial deployment as our data center team will deliver most of the environment services. Once the State's infrastructure has been appropriately architected, procured and environments established, the implementation environments will be ported back to the State's infrastructure to continue the implementation and transition to production activities.
Cost: Implementation hosting fees: $15,300/month. Implementation Services Cost Savings as the result of implementation hosting: $10,000 per month for reductions to traveling consultant DBA/Admin.

Item 2: Post Implementation Hosting - Our second value added option includes production hosting and data center services for the production and non-production environments. Following the initial deployment go live, the foundation Financials applications' production environment will be hosted in our data center. Foundation HR/Payroll will be added to the hosted production environment following the second deployment Go-Live. Modules that increase the functionality of Financials/Procurement, HR/Payroll, and Budgeting will be added to the hosted production environment at the third deployment Go Live.
Our production hosting services include our full service level agreement (SLA) which provides for 100% of our hosting fees to be at risk for the system availability commitment and system performance. We will also provide full hot-site disaster recovery for all production environments. This solution relieves the State of the responsibility to provide the production servers, other data center facilities and services, and disaster recovery needs for the new ERP application. We currently provide production hosting services of our ERP applications for over 600 environments, for organizations ranging in size from 100 users to over 10,000 concurrent users and 50,000 employees.
The cost of production hosting is dependent on system sizing metrics. We have relied on those metrics provided in the RFP for concurrent users in calculating anticipated database sizes and number of environments required.
Cost: Production Hosting fees: $42,000/month once the first Phase goes live (includes impl hosting). $59,900/month once all phases are live. We will discuss options during Pre-Award activities, where deemed of interest.

Note: The next 3 value added options are focused on providing an alternative to applications that the State is utilizing and are designated as not being replaced by the new ERP application. The benefits of adding these applications into the overall project will allow the State to reduce additional applications that need to be integrated, supported, and act in a standalone fashion. The additional benefit of these applications is that they can be added within the current applications and server configurations.

Item 3: ERP Travel & Expense Module - Implement the fully integrated Travel & Expense module for expense reporting and travel reports. This product could be used to replace the State's current DATABASICS – Travel Expense Management System for expense reporting and would eliminate the need for developing integration between the module and the ERP system.
Cost: Software Cost: $169,000, Implementation Services: $250,000

Item 4: ERP Maintenance Management module - Implement the fully integrated maintenance management module for work orders and maintenance plans. This product could be used to replace the State's current Maximo system for work orders and related maintenance areas and would eliminate the need for developing integration between the module and the ERP system.
Cost: Software Cost: $221,000; Implementation Services: $500,000 – 900,000. More details would

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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.

I. **Exceptions to the Standard Implementation Services Agreement**

Offeror is amenable to using the State's Standard Implementation Services Agreement as the foundation of the implementation contract. It notes the following exceptions to the form:

Article 6, Assignment (and RFP section 1.21): Depending upon any surety requirement and the frequency of scheduled payments, Offeror may wish to discuss assignment of right to payment if required by standard form banking and/or surety agreements.

Article 9 (and RFP section 3.10), Payment of Taxes: Offeror understands that the State is currently exempt from Alaska sales tax. Notwithstanding, Offeror would want to clarify that the State is responsible for any sales tax related to the contract.

Article 10, Ownership of Documents: Offeror is agreeable to the State's ownership of documents created for the State. Offeror would like to clarify that nothing in the Agreement is intended to affect its ownership in its pre-existing intellectual property or its right to use know-how learned in the course of providing services to the State for the future benefit of the State or others.

Article 11. Offeror proposes that this contract be governed by the laws of the State of Alaska. All actions concerning this contract shall be brought in the Superior Court of the State of Alaska or the United States District Court for Alaska.

Article 12, Conflicting Provisions: Offeror takes exception to the statement that provisions relating to limitation of liability are void. Offeror anticipates that the Implementation Services Agreement, the Licensing and Maintenance Agreement, and, if elected, the Hosting Agreement will include limitations on Contractor's liability. With regard to precedence, Offeror expects that during pre-contract execution discussions, the parties will refine numerous provisions relating to the services. Therefore, Offeror would want to clarify that the terms agreed upon by the parties in the Statement of Work take precedence over prior documents (such as the RFP or proposal) to the extent that the executed Statement of Work modifies those documents.

Appendix B, Article 1, Indemnification: Offeror takes exception to the requirement that it provide indemnification for negligence. It does not take exception to the concept that it would be responsible for its own negligence in a breach of contract claim, to the extent not limited by the terms of the contract. Pursuant to its insurance covenants, Offeror can provide indemnification for certain types of claims, such as personal injury, property damage, breach of confidentiality, and intellectual property infringement.

Appendix B, Article 2, Insurance: Offeror takes exception to the reference to "material change", as its carriers will not agree to give notice of material change. It can agree to provide such notice itself.

Appendix C, Statement of Work:

B. Definition of Terms: Offeror is materially in agreement with definitions as provided, however would expect clarifying definition adjustments to occur as warranty periods, scope of warranty services and malfunction types are further refined consistent with our proposed agreement and separate software, services and hardware agreements with the State.

C. Scope:

Page G-7: As to the requirement about non-production performance being equal to production environments, non-production environment performance could differ from production based on the underlying hardware infrastructure procured and based on how non-production system configurations intentionally would differ from production

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Page G-7: As to the Contractor at its own cost remedying third party product failure, Offeror would like to discuss the State's expectations. The Offeror is willing to stand in the shoes of the State and work closely with the State, with its permission, in order to identify and escalate issues associated with such third party vendors, but not remedy third party issues at its own cost as these remedies would be supported by the independent software and maintenance relationships between the State and those third parties.

E. Contractor Deliverables: Offeror is materially in agreement with the contractor deliverables, but would generally like to discuss acceptance and correction timeframes with the State to ensure outstanding deliverable correction timeframes do not compromise overall project goals and timeframes. Additionally Offeror would like to discuss the following items with the State:

Page G-10 Performance of Services: As it relates to Contractor providing all services not explicitly assigned to State staff, the Contractor or approved subcontractor would provide all non State or non third party services not contemplated as part of this agreement.

Effect of Acceptance: As it relates to not billing the State until the noted standard of performance is met, the standard implies an amount of time beyond post deliverable acceptance that must pass before any billing can take place. Offeror would like to discuss with the State in the context of deliverable acceptance to make sure it understands any such constraint prior to accepting the term.

Deliverable 4: Where no material exception currently exists, Offeror would like to discuss the materiality and timing of satisfaction survey results as it relates to deliverable acceptance and payment since deliverable results are subjective and outside of Offeror control.

Deliverable 9: Where physical data center requirements have statutory related needs, it is possible that Offeror will need State and additional third party consultation to fully meet "all necessary specification".

Deliverable 27: As to the Contractor remedying all Type A or Type B malfunctions as noted, Offeror would like to discuss the State's expectations. The Offeror is willing to stand in the shoes of the State and work closely with the State, with its permission, in order to identify and escalate issues associated with third party vendor issues as part of stabilization, however malfunctions due to Type A or Type B issues subject to third parties are outside the control of Offeror.

Deliverables General - Offeror would like to sit down with the State during the pre-award phase to align the project Deliverables with our standard project methodology. We view the 2 deliverable lists as having common areas but would like to expand some of the items into more details to allow more timely checkpoints and approvals. Additionally, we would recommend that we have separate deliverables and payment structures that would align with each rollout Phase that we are recommending (3 rollout phases).

H. Offeror takes exception to the Limitation of Liability provision in that it would seek to limit liability to return of fees actually paid and to exclude consequential, incidental, special, and punitive damages. Offeror anticipates that the parties would, in the course of finalizing the Statement of Work, modify and clarify various provisions by agreement.

Additional Terms: Offeror would seek to include a non-solicitation clause and a standard warranty provision.

II. **Exceptions to the Standard Licensing and Maintenance Agreement**

We have identified certain potential exceptions to Attachment H and other attachments or appendices related to the licensing and maintenance agreement. As such, we have listed these potential exceptions below and would welcome an opportunity to discuss our concerns and recommendations with the State.

APPENDIX A: GENERAL PROVISIONS

Article 5. Termination: Please note manufacturer terms dictate that all software licenses are non-cancellable once an order has been placed.

Offeror has reviewed and is generally agreeable to the RFP provisions. It takes exception to and would like to further discuss the following provisions:

Section 1.22: Dispute resolution: Where Offeror is in agreement with the general dispute resolution proposed by the State, it would like to discuss State provided dispute resolution timeframes to prevent outstanding issues from materially impacting overall implementation objectives and goals which are time or schedule sensitive.

Section 2.05, Supplemental Terms and Conditions: Offeror does not entirely understand the intent of this section. It anticipates that the parties' executed contract will govern their rights and obligations and that the terms of the contract will be enforceable and, to the extent the terms vary from the RFP or proposal by agreement, the terms of the contract would prevail.

Section 3.03, Standard Contract Provisions: Offeror anticipates that the State would sign a separate contract for the software directly with the software vendor and that all software license and support provisions in the RFP would be included in that contract.

RFP Sections 3.04, regarding videotaped interviews: Offeror takes exception to the provision that interview statements would become part of the contract. Offeror would be happy to respond in writing to questions submitted in advance of the interviews; however, interviewees are not corporate officers and are not legally authorized to bind the company. Accordingly, Offeror takes exception to this provision which is contrary to our internal controls and our formation documents.

Section 3.09: Offeror requests that the withholding percentage be adjusted to 10% and that the final withholding amount, less warranty and stabilization related support deliverable payments, be paid at the point of go-live versus at periodic points after go-live and during the warranty period.

Section 4.04: Please note that the proposed infrastructure architecture enables the State to comply with its stated security policies and procedures but does not include all software, devices and procedural modifications that may be required to formally establish compliance certification.

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PROJECT WORK PLAN

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

We have thoroughly reviewed all State provided materials in developing our recommended project scope, schedule, and costs in addition to a preliminary Microsoft (MS) Project-based work plan. We've reviewed and commented on your preliminary Statement of Work (SOW) which will be reviewed and completed with the State in the Pre-award Phase. Once mutual agreement has been reached, the SOW becomes the benchmark against which scope will be managed. Adherence to the scope will be the responsibility of all team members, managed by the joint Project Management team. The team will follow a detailed scope management process, similar to the process outlined in Attachment K (Charter). All deviations from the scope contained in the SOW will be documented, even if there is no monetary impact, and will require State management approval to proceed. Recommendations are based on over 20 years of experience implementing our software solution and have been developed to specifically meet the State's requirements.

Our proposed implementation schedule is phased and will meet the State's priorities for system replacement. The baseline MS Project work plan includes a detailed work breakdown structure, resource assignments, task dependencies, and estimated task durations. Schedule management will be accomplished by working with each lead from the functional, technical, and change management/BPR teams. Each week, these resources will be responsible for assessing the status of assigned tasks and developing estimates to complete prior to updating the MS work plan.

Our team's Project Manager will co-manage the implementation project with the State's Project Manager following the disciplines of the Project Management Institute's (PMI) 5 process groups and 9 knowledge areas, each has been integrated into our methodology for packaged software implementations. Status reports as described in Attachment G will be provided to senior and executive State agency and division staff in addition to key State stakeholders. These reports will include the project's Technical Status, Resource Status, Schedule Status, Issues & Risks, proposed Change Control, updated MS work plan, and project health metrics. Recurring status meetings will be scheduled and supported.

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.

System Initialization & Installation – During the Pre-award Phase, we will conduct a formal technical infrastructure assessment to refine and solidify the architecture requirements provided in Exhibit E. This assessment will address the Hardware Specification and Application Architecture Documentation requested by the State. The software will then be installed and certified by our infrastructure team. Knowledge transfer will be provided to State staff throughout this process, as our staff will perform the installation tasks with assistance from State resources.

During the Pre-award Phase we will conduct concept workshops covering the in-scope business areas. Concept workshops are designed to give the State's project team an overview of key software concepts and functions so they can begin to make informed process design decisions and confirm the requirements and scope contained in our proposed SOW.

Business Process Design/Reengineering, System Configuration, System Tailoring – After project kickoff, as part of the initial deployment, the team will develop an overall solution blueprint. The blueprint will contain the to-be processes for all integrated functions inclusive of those to be implemented in latter project deployments. The creation of an overall solution blueprint minimizes any re-engineering or re-configuration effort during the execution of subsequent deployments and provides greater knowledge transfer to State team members by demonstrating enterprise wide business processes rather than silo driven departmental transactions. The solution blueprint also includes an inventory of technical development items including reports, interfaces, and conversions. A requirements traceability matrix will be developed to address the State's System Configuration Reports deliverable, and will be updated throughout the implementation lifecycle.

During subsequent process design activities, our teams will leverage a state government model to assist with fit/gap activities. The state government model is a version of our software that is preconfigured with public sector common data. It is based on leading state and local government business practices, gained through our years of executing similar projects. The State's solution blueprint is compared to our

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state government model. When needed, our state government model can be tailored/configured to meet the State's requirements in an iterative process. This interactive approach encourages participation and input from State team members, while accelerating the change management effort. If a State requirement cannot be met by configuration, the gap will be documented.

Resolution of functionality gaps can be accomplished by changing the State's business processes or, when absolutely necessary, enhancing system functionality through technical development. All new or changed business processes will be captured and documented as business process modification recommendations. Change management impacts are also identified and incorporated into the change management and training plans. The confirmed requirements, approved resolutions to functionality gaps, and other technical development items are all updated in the requirements traceability matrix.

System Tailoring, Interface Design and Development, Data Conversion –Approved development tasks related to customizations, reports, interfaces, and data conversions will be assigned to the appropriate project team members and incorporated into the MS work plan. Functional and technical design specifications will be created for approved development items. Items that have been successfully unit tested will be migrated to a test environment for further integration, system, and acceptance testing.

Our system supports industry-leading, standards-based technologies, including web services and native file integration capabilities, to pass information quickly and reliably throughout the solution and to internal and external systems. Once specifications are created, approved interfaces will be developed and unit tested by our technical staff. With involvement from the State agencies, our technical staff will perform integration, system, and acceptance testing prior to migration to production.

During project planning our conversion strategy template will be updated with State-specific conversion processes and data retention requirements. It will be further expanded during fit/gap to include a full Data Conversion Plan for all required data elements. Our assumption is that ALDER will be the primary source of State data. Data mapping will identify the fields/values in ALDER which will be converted. Programs will be written to convert data from ALDER to our system based upon data maps and the conversion plan. Our conversion team will include a resource experienced with the ALDER application technologies. Conversion testing is an iterative process, multiple test cycles will be executed to refine and perfect the process and complete the Validated Migrated Data deliverable. Once system design, system configuration, and technical development are completed, the software will be ready to test.

Testing - Our approach to system testing supports early identification of discrepancies and allows corrective action to be taken proactively throughout the project life cycle. We complete unit testing before progressing to integration testing between components across full business processes. We then progress to user acceptance and system testing prior to transitioning to system Go-Live. Full integration testing, user acceptance testing, and performance testing will be supported using our prebuilt templates with test plans, scenarios, and scripts. These templates will be updated to meet the State's requirements. Pre-defined templates for payroll parallel test processes will also be tailored to the State's needs and executed to validate the new system against AKPAY.

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

At a high level, our approach to the transition from existing systems to our proposed system features three deployments. This approach provides the State with the functionality needed to retire its systems while providing an environment conducive to user adoption. The first deployment will include the core Financials functionality needed to replace AKSAS while building the integration to supporting systems being retained as outlined in Attachment I. The second deployment includes the Human Resource and Payroll functionality allowing the AKPAY system to be retired. The third deployment includes extended module functionality across both the Financials and Human Resource/Payroll systems along with the

addition of Budgeting, which enables ABS to be decommissioned. The extended modules will eliminate the need for the existing "shadow systems" that currently accommodate these functions for the State.
At a lower level, the transition to Go-Live for each deployment involves very detailed tasks that are interdependent, such as closing the legacy systems to transactions, and thereby ALDER, in advance of the final extraction for conversion into the new system. During the execution of the project testing cycles, these detailed tasks are documented in our MS Project cutover plan template which addresses the State's Go-Live and stabilization plan deliverable. The cutover plan includes all activities related to production environment preparation, conversions, interfaces, system administration, network administration, desktop administration, peripheral device management, object migration, end user training, transitional procedures, communications, initiation of post production support and the help desk, and other "countdown" items. The cutover plan also includes a readiness checklist which indicates whether or not the system and organization are ready for Go-Live. At the culmination of the readiness checklist, if the State is not ready for Go-Live, the contingency plan will be activated. The cutover plan will help prepare business owners and end users for Go-Live and post-production support.

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

Knowledge transfer begins during the Pre-award Phase with activities focused primarily on the State project team. The project team orientation and kickoff session includes activities which confirm the objectives for the project, increase awareness, and build enthusiasm. The concept workshops are then delivered. Post-award, we deliver project team training - a series of instructor-led or e-learning courses for the State resources that will actively participate in the design, configuration, and validation activities of the project. Ongoing education, which spans the life of the project, occurs through creating process documentation, performing hands-on configuration and testing, performing transactions side-by-side with the system implementer, and reviewing documentation that will be used in end-user training.
We use communication events identified in the Change Management Plan and formal training to facilitate knowledge transfer for end users. End-user training will incorporate a blended learning approach that combines traditional learning methods with e-Learning technology. We focus on five (5) core activities: 1) Training Strategy Development - This provides an overview of the direction, goals, and objectives of the end-user training program. 2) Design and Develop Training Curriculum and Supporting Materials - Training materials will be created in multiple learning formats, including process documents, class presentations, instructor guides, quick reference guides, and self-paced e-Learning. The development of training materials will be accelerated by our pre-built content by process area. We will work with the State's e-Learning developers to supplement and/or customize approximately 10-15% of the pre-built e-Learning content for end users. 3) Deliver a Train-the-Trainer Program (T3) - The T3 program is designed to teach State trainers the fundamentals of classroom management and includes a detailed review of the educational content that will be covered during end-user training classes. The T3 program also serves as pilot training to secure feedback from State users on content, allowing for final adjustments to be made prior to delivery to the larger population. 4) Support and Monitor End-User Training Delivery - Training classes provide users with an overview of the business process and hands-on exercises facilitate practice and learning. We mentor State trainers during the first delivery of each course and then the State delivers the remaining training. 5) Establish an Ongoing Training Plan - Our ongoing training plan includes working labs, where employees learn while performing actual work.

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

Performance will be monitored throughout the project by both our Project Management team and our Project Management Oversight team consisting of our Project Director and other executive leadership. During the Pre-award Phase, the Project Management team will establish governance tools in compliance with the State's IT standards per Attachment K. They will also perform project quality management in compliance with the PMI processes of plan quality, perform quality assurance, and perform quality control. The governance tools include a combination of the MS work plan, weekly status reports, and weekly status meetings. Our team will also establish a comprehensive quality management plan (QMP) for the project during the planning phase. The QMP will be continually monitored by our project management oversight team and will include processes for weekly risk reporting (WRR), satisfaction surveys, and other check point audits. Anticipated monitoring activities will include work product/deliverable validation and sign-off processes, project change control logs, issues and risks logs, project plan review, and status reporting including project progress and risk dashboards. The QMP will also include QA activities to be provided by the State's oversight resources.

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RISK ASSESSMENT

Risk 1: Selecting an ERP product not specifically proven to support public sector requirements as reflected through dominant state and local government market share, commitment to continued product innovation and the strongest overall application and technology fit to State defined requirements.
Solution 1: Our proposed ERP solution provides the State with a mature product that has been successfully implemented, upgraded, supported and maintained by state, county, and city governments of different sizes. Our ERP solution has already been chosen by more than twenty states as their statewide solution to replace legacy systems and address common and unique state government business processes similar in nature to the State. These business processes include Financials, Procurement, Budgeting, Human Resources and Payroll. Our solution readily incorporates regulatory changes into the general releases through maintenance updates. These regulatory changes include such items as federal, state, and local tax changes; GAAP, GASB/FASB, and FHWA requirements. Our products are supported by an extensive user group in which the State can network with peers and other active ERP owners. This network of public sector clients also drives innovation in our products by specifying and testing innovative new functionality that incorporates industry best practices as they emerge. Our products and technology are enriched by more than $3 billion dollars in Research and Development (R&D) funds annually. Our significant investment in R&D makes our solution one that is designed to address the State's needs now and well into the future. Strong software fit to State requirements minimizes the need for custom solutions and provides rich "out of the box" solutions.

Risk 2: State selects an implementation vendor lacking the employee base, skills depth and experience to execute this project. The vendor has not properly factored into its solution the challenges that travel to a remote location may present for some project team members over the project's duration.
Solution 2: Our team is intentionally comprised of three organizations that focus on providing implementation services for the proposed software solution. The consortium of partners provide access to a comprehensive talent pool with the depth and breadth of resources to execute. This talent pool includes project management, technical, functional, and enterprise readiness professionals with broad public sector experience implementing our proposed solution. Our leads and key resources exemplify the strength of our talent pool. Since the consulting arm of the software vendor is part of the team, we have unfettered access to product development and support personnel for our solution. We have likewise built a project team that is a cultural fit for the State. This includes staff traveling from geographically desirable locations, individuals with a specific interest in working and/or relocating to Juneau and robust remote services options. Whenever possible, project staff performing remote tasks and activities will coincide with State personnel constraints including payroll cycles, legacy system year end processing, legislative session demands, and holidays.

Risk 3: The selected System Integrator's approach to the ERP project has not carefully considered the State's investment in ALDER and ASSET and how these remaining systems will impact the design of the State's new chart of accounts, reporting requirements, and consolidation of current, historical and inception to date information. The resulting project approach is not structured to incorporate all eventual system components leaving the State with multiple Chart of Accounts' structures, complex reporting schematics, and requires the State's end users to manually translate multiple data sets. The State's end users are faced with complex reporting requirements after the initial deployment and potentially on an ongoing basis whenever historical or inception to date information is required in a production report. In many cases, IT is required to design, program, and run reports.
Solution 3: Our deployment approach takes a comprehensive view of the State's new ERP system by performing enterprise-wide design tasks starting with an overall solution blueprint designed during the initial phase of the project. In addition, we conduct cross-system requirements' confirmation sessions throughout the project. Our phased deployment approach includes check points to coordinate reporting of the ongoing historical and inception to date information maintained in ALDER, with the soon to be decommissioned systems such as AKPAY, and the soon to be deployed new applications. Our strategy is not a piecemeal approach and mitigates extensive rework and manual translations and crosswalks by the State's end users.

Risk 4: Developing an over aggressive project scope and schedule that stifles State adoption by

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implementing all the comprehensive requirements in Exhibit F - Software Functionality and Technical Requirements too rapidly. Attempting to automate too many new business processes, while replacing the AKSAS and AKPAY financial and payroll systems, could create user adoption issues if the pace of change is too rapid or executed in an overly condensed project timeframe.
Solution 4: Our schedule contains a phased deployment of functionality that has been mapped to the existing automated functions performed by AKPAY and AKSAS and requirements from Exhibit F that are germane to these core processes and transactions. Our deployment approach allows for the complete decommission of AKSAS and then AKPAY, while simultaneously incorporating measured amounts of new functionality and redesigned business process flows, based on our prior experience with similar projects. As evidenced by the success of our prior payroll implementations, separating payroll into a discreet deployment provides for the focus on comprehensive testing, including parallel testing, that is mission critical in an organization with 13 collective bargaining units. This approach provides the foundation of the enterprise solution which will serve as the core system for the State to utilize, expand, and adjust as business process, organizational, and legislative changes occur.

Risk 5: To reduce project costs vendors have created an unrealistic project schedule, reduced project scope or increased State staffing and responsibilities. These actions will ultimately result in the State executing contract change orders to meet original project goals and unexpected project costs. It would also result in a strained working relationship between the State and the vendor as a lack of trust and administrative inefficiencies are counterproductive and can lead to project delays.
Solution 5: Our proposed scope is based on the information provided in the State's RFP including Exhibit F: Software Functionality and Technical Requirements and the three educational sessions. Our key management team (Director, Project Manager, Leads) has evaluated the recommended State approach against their combined experience implementing 10 different statewide ERP projects as it factors into scope, approach, schedule, and assumptions. Our proposed price reflects a 48 month project duration to replace AKSAS, AKPAY and ABS. The approach is a multi-phase deployment of foundation Financials and Procurement, followed by foundation HR/Payroll, followed then by the extended modules to increase the functionality of the Financials/Procurement and Human Resource/Payroll applications and Budget Development. Deployments have minimal overlaps each includes three (3) months of dedicated post implementation support after Go-Live. We have clearly defined a realistic joint staffing plan inclusive of roles and responsibilities. Our staffing plan reflects our LEAD role on most tasks and activities and the knowledge that State staff will have either a SUPPORT or PARTICIPANT role due to periodic availability constraints given cyclical events. We have also created a detailed project schedule, begun refinements of the State's Statement of Work contained in Attachment G, and documented our assumptions in preparing our response. We continue to prepare for the Pre-award Phase where we expect to perform validation of the State's requirements, create the project's requirements traceability matrix, and finalize a comprehensive Statement of Work, schedule, staffing plan, and team roles and responsibilities.

Risk 6: The State of Alaska, as client is unable or reluctant to change business processes when implementing a new system and, as a result, elects to customize the new system to reflect how employees are "used to doing business."
Solution 6: Our approach to the implementation of a vanilla system is based on iterations of Business Process Re-engineering, unique design techniques, and formal and informal training activities. Our approach begins with training. Concept workshops will provide the State with an orientation to the new system as a whole. Concept workshops are performed before any formal design activities occur. During project design, activities are performed in our "preconfigured" state government model containing public sector common data This model is based on leading state and local government business practices. Use of the state government model provides a "Show Me" approach, with hands-on demonstrations of preconfigured workflows and processes as opposed to conceptual white-boarding of requirements and diagramming To Be processes. State project team members can immediately process transactions, execute delivered reports, and view inquiry screens that contain realistic information that is representative of public sector scenarios. We have found that the earlier a new user has hands-on system exposure entering transactions and running business processes using a "Do It" mode the more effective is the acceptance of the new system.

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Risk 7: Poor employee adoption of the new system.
Solution 7: Our proposal includes a comprehensive change management approach that is a component of our Enterprise Readiness program. Our program is led by a Certified Change Management Professional and supported by a dedicated Enterprise Readiness team. Our Enterprise Readiness Team's purpose is to create awareness of the new system and the associated changes. Successful employee adoption incorporates cultural change management behaviors that focus on the State's organizational life and the basic assumptions that drive organizational behaviors.
Iterations of communication and training, executed over the project's duration, are instrumental to increasing employee adoption and facilitating knowledge transfer. Engaging executives, employees/end users and business owners leverages the core human desire of "feeling" involved in the process. Employee adoption is more achievable when sponsorship is visible and active, when front-line managers drive the desired employee behavior, and when there is a well-defined training strategy. To encourage involvement and employee adoption of the new system and business processes, we concentrate on stakeholder engagement, communications, and a change agent network across the State. Business process re-engineering and training are provided for both the project team and employee/end user communities.
Project team members begin their adoption process in the Pre-award Phase and continue to gain experience throughout the life of the project. Employees participate in events that are driven by a carefully planned, crafted and communication strategy and a training program. The program will be designed and developed by our training team. Our training has design experience in addition to hands on delivery experience focused on the application of learning theories in a variety of settings. The combination of these activities is influential in increasing employee adoption of the system and associated process changes.

Risk 8: A lack of training or excessive demands on State staff make it challenging for them to effectively take on ownership and support of the production system upon Go Live.
Solution 8: Our proposed solution mitigates this risk by providing formal and informal training, readiness check points and formal staff capacity and skills assessments in advance of Go Live. Our solution includes a variety of alternative post implementation support options that could supplement State personnel should any needs arise. These options include hosting, managed services, and on-site or remote technical and functional support packages. We have outlined more details about these solutions and how the State can utilize these quality services, in our Value-Add section.

Risk 9: Selecting a Software product and/or System Integrator that is not financially sound and whose solution may, therefore, not be supported in the future.
Solution 9: The prime implementation contractor has operated profitably since inception. . Operating profits have been invested to build managed service capabilities including infrastructure for ERP hosting and lab upgrades. FY2010 annual revenues approximate $130 million, about 30% of which comes from multi-year hosting and managed service agreements. The prime contractor has a diversified client base across public sector, higher education and commercial sectors. No single client represents more than 6% of annual revenue. The prime implementation contractors financial and working capital position, coupled with a history of performance, allows the company to undertake large-scale projects as the prime contractor. A copy of the most recent audited financial statement is available upon request
The proposed software solution is supported by one of the world's largest enterprise software companies. This software company develops, manufactures, markets, distributes and services database and middleware software, applications software and hardware systems, consisting primarily of computer server and storage products. The breadth of this product offering is designed to help customers manage and grow their business operations in an integrated fashion at their own pace. The software company's Public Sector Division is their #1 vertical industry in North America and therefore benefits greatly by over $3 billion in annual Research and Development invested to enhance and develop the product suite.

Risk 10: Lacking key personnel credentials and experience as a predictor of future success.
Solution 10: Our project director, key project managers and lead staff have successfully executed similar engagements, the best overall predictor of future project successes.

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need to be gathered to determine how many agencies would utilize it, types of work orders would be utilized, level of detail for time break-out.

Item 5: ERP Recruiting module - Implement the fully integrated recruiting module for job openings, recruiting and new hires. This product could be used to replace the State's current Workplace Alaska system for recruiting and hiring and would eliminate the need for developing integration between the module and the ERP system.
Cost: Software Cost: $97,000; Implementation Services: $600,000.

Note: The next option covers additional software products and modules, in our suite of applications, that we recommend to the State to facilitate further improvements in productivity and process efficiencies.

Item 6: Imaging and Process Management/Document Capture - This application could be used for scanning and storing different document repositories (invoices, HR documents, contracts, photos and graphics, warranties, engineering documents and drawings, etc.). These images could then be easily retrieved directly from the ERP application business areas.
Cost: Price list. $80,000 per processor (estimated 6 processors); Implementation Cost:$400,000 – 800,000. More details are needed to refine estimates and evaluate the extent of business areas to be incorporated into imaging, integration into the transaction systems.

Note: The next 2 options describe opportunities for dramatic process improvement enabled by our ERP system. We will work with the State in each of these areas to assess the opportunity and further develop the implementation strategy in each area.

Item 7: Strategic Sourcing – In this value added option we will review the sourcing processes that are currently followed at the State and determine if improvement opportunities, enabled by our software solution, exist. These improvement opportunities will be measured by lower prices, better quality, and increased transparency. Outputs from the assessment will include an understanding of how the State is currently spending money for goods and services, a determination of the opportunity for savings, the ease of implementation (focus on big ticket, low hanging fruit first), and the strategy for implementation.
Cost: Implementation Services: $90,000

Item 8: Shared Services - This value added option includes the consolidation and redesign of business processes into cross-organizational "service centers" which perform administrative functions more efficiently. Given the integration and deep functionality within our software solution, numerous features and functions of the application suite will be utilized to enable this transformation. Implementing some shared service initiatives in conjunction with our software solution can result in dramatic cost savings for administrative functions in accounting, procurement, and human resources (as high as 30%). We will begin by evaluating any shared services already in place at the State, identify leading practices and lessons learned from those initiatives, evaluate the applicability for additional shared services (or expansion of existing shared services), determine the expected benefits from any new initiatives. Once the scope of new initiatives has been determined, we will develop an implementation strategy for the desirable new/expanded shared services. The implementation strategy will include the organization change management and educational aspects of the transformation (standardization and consolidation), as well as the risks included in the project.
Cost: Implementation Services: $90,000

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VALUE ADDED

Item 1: Implementation Hosting - Our first value added option includes implementation hosting and data center services during the implementation phases of the project with flexible timeframes. The applications to be hosted will include foundation Financials and Procurement and will provide the Demo, Development, Test, QA, Conversion, and Training environments. Providing hosting and data center services for the initial deployment will support a more rapid start to design and fit/gap activities by eliminating the risk of not having hardware environments created, stable and well administered by skilled staff in early project stages. Implementation hosting during solution blueprint activities will allow the State to delay their hardware purchases. This option also affords the State's DBAs and System Administrators the extra time to transition into their new roles with opportunities for training. This value added option would allow for our project team DBA/System Administrator resources to be reduced during the design, fit/gap, and solution blueprint portion of the initial deployment as our data center team will deliver most of the environment services. Once the State's infrastructure has been appropriately architected, procured and environments established, the implementation environments will be ported back to the State's infrastructure to continue the implementation and transition to production activities.
Cost: Implementation hosting fees: $15,300/month. Implementation Services Cost Savings as the result of implementation hosting: $10,000 per month for reductions to traveling consultant DBA/Admin.

Item 2: Post Implementation Hosting - Our second value added option includes production hosting and data center services for the production and non-production environments. Following the initial deployment go live, the foundation Financials applications' production environment will be hosted in our data center. Foundation HR/Payroll will be added to the hosted production environment following the second deployment Go-Live. Modules that increase the functionality of Financials/Procurement, HR/Payroll, and Budgeting will be added to the hosted production environment at the third deployment Go Live.
Our production hosting services include our full service level agreement (SLA) which provides for 100% of our hosting fees to be at risk for the system availability commitment and system performance. We will also provide full hot-site disaster recovery for all production environments. This solution relieves the State of the responsibility to provide the production servers, other data center facilities and services, and disaster recovery needs for the new ERP application. We currently provide production hosting services of our ERP applications for over 600 environments, for organizations ranging in size from 100 users to over 10,000 concurrent users and 50,000 employees.
The cost of production hosting is dependent on system sizing metrics. We have relied on those metrics provided in the RFP for concurrent users in calculating anticipated database sizes and number of environments required.
Cost: Production Hosting fees: $42,000/month once the first Phase goes live (includes impl hosting). $59,900/month once all phases are live. We will discuss options during Pre-Award activities, where deemed of interest.

Note: The next 3 value added options are focused on providing an alternative to applications that the State is utilizing and are designated as not being replaced by the new ERP application. The benefits of adding these applications into the overall project will allow the State to reduce additional applications that need to be integrated, supported, and act in a standalone fashion. The additional benefit of these applications is that they can be added within the current applications and server configurations.

Item 3: ERP Travel & Expense Module - Implement the fully integrated Travel & Expense module for expense reporting and travel reports. This product could be used to replace the State's current DATABASICS – Travel Expense Management System for expense reporting and would eliminate the need for developing integration between the module and the ERP system.
Cost: Software Cost: $169,000; Implementation Services: $250,000

Item 4: ERP Maintenance Management module - Implement the fully integrated maintenance management module for work orders and maintenance plans. This product could be used to replace the State's current Maximo system for work orders and related maintenance areas and would eliminate the need for developing integration between the module and the ERP system.
Cost: Software Cost: $221,000; Implementation Services: $500,000 – 900,000. More details would

PROJECT WORK PLAN

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

We have thoroughly reviewed all State provided materials in developing our recommended project scope, schedule, and costs in addition to a preliminary Microsoft (MS) Project-based work plan.. We've reviewed and commented on your preliminary Statement of Work (SOW) which will be reviewed and completed with the State in the Pre-award Phase. Once mutual agreement has been reached, the SOW becomes the benchmark against which scope will be managed. Adherence to the scope will be the responsibility of all team members, managed by the joint Project Management team. The team will follow a detailed scope management process, similar to the process outlined in Attachment K (Charter). All deviations from the scope contained in the SOW will be documented, even if there is no monetary impact, and will require State management approval to proceed. Recommendations are based on over 20 years of experience implementing our software solution and have been developed to specifically meet the State's requirements.

Our proposed implementation schedule is phased and will meet the State's priorities for system replacement. The baseline MS Project work plan includes a detailed work breakdown structure, resource assignments, task dependencies, and estimated task durations. Schedule management will be accomplished by working with each lead from the functional, technical, and change management/BPR teams. Each week, these resources will be responsible for assessing the status of assigned tasks and developing estimates to complete prior to updating the MS work plan.

Our team's Project Manager will co-manage the implementation project with the State's Project Manager following the disciplines of the Project Management Institute's (PMI) 5 process groups and 9 knowledge areas, each has been integrated into our methodology for packaged software implementations. Status reports as described in Attachment G will be provided to senior and executive State agency and division staff in addition to key State stakeholders. These reports will include the project's Technical Status, Resource Status, Schedule Status, Issues & Risks, proposed Change Control, updated MS work plan, and project health metrics. Recurring status meetings will be scheduled and supported.

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.

System Initialization & Installation – During the Pre-award Phase, we will conduct a formal technical infrastructure assessment to refine and solidify the architecture requirements provided in Exhibit E. This assessment will address the Hardware Specification and Application Architecture Documentation requested by the State. The software will then be installed and certified by our infrastructure team. Knowledge transfer will be provided to State staff throughout this process, as our staff will perform the installation tasks with assistance from State resources.

During the Pre-award Phase we will conduct concept workshops covering the in-scope business areas. Concept workshops are designed to give the State's project team an overview of key software concepts and functions so they can begin to make informed process design decisions and confirm the requirements and scope contained in our proposed SOW.

Business Process Design/Reengineering, System Configuration, System Tailoring – After project kickoff, as part of the initial deployment, the team will develop an overall solution blueprint. The blueprint will contain the to-be processes for all integrated functions inclusive of those to be implemented in latter project deployments. The creation of an overall solution blueprint minimizes any re-engineering or re-configuration effort during the execution of subsequent deployments and provides greater knowledge transfer to State team members by demonstrating enterprise wide business processes rather than silo driven departmental transactions. The solution blueprint also includes an inventory of technical development items including reports, interfaces, and conversions. A requirements traceability matrix will be developed to address the State's System Configuration Reports deliverable, and will be updated throughout the implementation lifecycle.

During subsequent process design activities, our teams will leverage a state government model to assist with fit/gap activities. The state government model is a version of our software that is preconfigured with public sector common data. It is based on leading state and local government business practices, gained through our years of executing similar projects. The State's solution blueprint is compared to our

state government model. When needed, our state government model can be tailored/configured to meet the State's requirements in an iterative process. This interactive approach encourages participation and input from State team members, while accelerating the change management effort. If a State requirement cannot be met by configuration, the gap will be documented.

Resolution of functionality gaps can be accomplished by changing the State's business processes or, when absolutely necessary, enhancing system functionality through technical development. All new or changed business processes will be captured and documented as business process modification recommendations. Change management impacts are also identified and incorporated into the change management and training plans. The confirmed requirements, approved resolutions to functionality gaps, and other technical development items are all updated in the requirements traceability matrix.

System Tailoring, Interface Design and Development, Data Conversion –Approved development tasks related to customizations, reports, interfaces, and data conversions will be assigned to the appropriate project team members and incorporated into the MS work plan. Functional and technical design specifications will be created for approved development items. Items that have been successfully unit tested will be migrated to a test environment for further integration, system, and acceptance testing.

Our system supports industry-leading, standards-based technologies, including web services and native file integration capabilities, to pass information quickly and reliably throughout the solution and to internal and external systems. Once specifications are created, approved interfaces will be developed and unit tested by our technical staff. With involvement from the State agencies, our technical staff will perform integration, system, and acceptance testing prior to migration to production.

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

Knowledge transfer begins during the Pre-award Phase with activities focused primarily on the State project team. The project team orientation and kickoff session includes activities which confirm the objectives for the project, increase awareness, and build enthusiasm. The concept workshops are then delivered. Post-award, we deliver project team training - a series of instructor-led or e-learning courses for the State resources that will actively participate in the design, configuration, and validation activities of the project. Ongoing education, which spans the life of the project, occurs through creating process documentation, performing hands-on configuration and testing, performing transactions side-by-side with the system implementer, and reviewing documentation that will be used in end-user training.

We use communication events identified in the Change Management Plan and formal training to facilitate knowledge transfer for end users. End-user training will incorporate a blended learning approach that combines traditional learning methods with e-Learning technology. We focus on five (5) core activities: 1) Training Strategy Development - This provides an overview of the direction, goals, and objectives of the end-user training program. 2) Design and Develop Training Curriculum and Supporting Materials - Training materials will be created in multiple learning formats, including process documents, class presentations, instructor guides, quick reference guides, and self-paced e-Learning. The development of training materials will be accelerated by our pre-built content by process area. We will work with the State's e-Learning developers to supplement and/or customize approximately 10-15% of the pre-built e-Learning content for end users. 3) Deliver a Train-the-Trainer Program (T3) - The T3 program is designed to teach State trainers the fundamentals of classroom management and includes a detailed review of the educational content that will be covered during end-user training classes. The T3 program also serves as pilot training to secure feedback from State users on content, allowing for final adjustments to be made prior to delivery to the larger population. 4) Support and Monitor End-User Training Delivery - Training classes provide users with an overview of the business process and hands-on exercises facilitate practice and learning. We mentor State trainers during the first delivery of each course and then the State delivers the remaining training. 5) Establish an Ongoing Training Plan - Our ongoing training plan includes working labs, where employees learn while performing actual work.

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

Performance will be monitored throughout the project by both our Project Management team and our Project Management Oversight team consisting of our Project Director and other executive leadership. During the Pre-award Phase, the Project Management team will establish governance tools in compliance with the State's IT standards per Attachment K. They will also perform project quality management in compliance with the PMI processes of plan quality, perform quality assurance, and perform quality control. The governance tools include a combination of the MS work plan, weekly status reports, and weekly status meetings. Our team will also establish a comprehensive quality management plan (QMP) for the project during the planning phase. The QMP will be continually monitored by our project management oversight team and will include processes for weekly risk reporting (WRR), satisfaction surveys, and other check point audits. Anticipated monitoring activities will include work product/deliverable validation and sign-off processes, project change control logs, issues and risks logs, project plan review, and status reporting including project progress and risk dashboards. The QMP will also include QA activities to be provided by the State's oversight resources.

RISK ASSESSMENT

Risk 1: Selecting an ERP product not specifically proven to support public sector requirements as reflected through dominant state and local government market share, commitment to continued product innovation and the strongest overall application and technology fit to State defined requirements.

Solution 1: Our proposed ERP solution provides the State with a mature product that has been successfully implemented, upgraded, supported and maintained by state, county, and city governments of different sizes. Our ERP solution has already been chosen by more than twenty states as their statewide solution to replace legacy systems and address common and unique state government business processes similar in nature to the State. These business processes include Financials, Procurement, Budgeting, Human Resources and Payroll. Our solution readily incorporates regulatory changes into the general releases through maintenance updates. These regulatory changes include such items as federal, state, and local tax changes; GAAP, GASB/FASB, and FHWA requirements. Our products are supported by an extensive user group in which the State can network with peers and other active ERP owners. This network of public sector clients also drives innovation in our products by specifying and testing innovative new functionality that incorporates industry best practices as they emerge. Our products and technology are enriched by more than $3 billion dollars in Research and Development (R&D) funds annually. Our significant investment in R&D makes our solution one that is designed to address the State's needs now and well into the future. Strong software fit to State requirements minimizes the need for custom solutions and provides rich "out of the box" solutions.

Risk 2: State selects an implementation vendor lacking the employee base, skills depth and experience to execute this project. The vendor has not properly factored into its solution the challenges that travel to a remote location may present for some project team members over the project's duration.

Solution 2: Our team is intentionally comprised of three organizations that focus on providing implementation services for the proposed software solution. The consortium of partners provide access to a comprehensive talent pool with the depth and breadth of resources to execute. This talent pool includes project management, technical, functional, and enterprise readiness professionals with broad public sector experience implementing our proposed solution. Our leads and key resources exemplify the strength of our talent pool. Since the consulting arm of the software vendor is part of the team, we have unfettered access to product development and support personnel for our solution. We have likewise built a project team that is a cultural fit for the State. This includes staff traveling from geographically desirable locations, individuals with a specific interest in working and/or relocating to Juneau and robust remote services options. Whenever possible, project staff performing remote tasks and activities will coincide with State personnel constraints including payroll cycles, legacy system year end processing, legislative session demands, and holidays.

Risk 3: The selected System Integrator's approach to the ERP project has not carefully considered the State's investment in ALDER and ASSET and how these remaining systems will impact the design of the State's new chart of accounts, reporting requirements, and consolidation of current, historical and inception to date information. The resulting project approach is not structured to incorporate all eventual system components leaving the State with multiple Chart of Accounts' structures, complex reporting schematics, and requires the State's end users to manually translate multiple data sets. The State's end users are faced with complex reporting requirements after the initial deployment and potentially on an ongoing basis whenever historical or inception to date information is required in a production report. In many cases, IT is required to design, program, and run reports

Solution 3. Our deployment approach takes a comprehensive view of the State's new ERP system by performing enterprise-wide design tasks starting with an overall solution blueprint designed during the initial phase of the project. In addition, we conduct cross-system requirements' confirmation sessions throughout the project. Our phased deployment approach includes check points to coordinate reporting of the ongoing historical and inception to date information maintained in ALDER, with the soon to be decommissioned systems such as AKPAY, and the soon to be deployed new applications. Our strategy is not a piecemeal approach and mitigates extensive rework and manual translations and crosswalks by the State's end users.

Risk 4: Developing an over aggressive project scope and schedule that stifles State adoption by

implementing all the comprehensive requirements in Exhibit F - Software Functionality and Technical Requirements too rapidly. Attempting to automate too many new business processes, while replacing the AKSAS and AKPAY financial and payroll systems, could create user adoption issues if the pace of change is too rapid or executed in an overly condensed project timeframe.

Solution 4: Our schedule contains a phased deployment of functionality that has been mapped to the existing automated functions performed by AKPAY and AKSAS and requirements from Exhibit F that are germane to these core processes and transactions. Our deployment approach allows for the complete decommission of AKSAS and then AKPAY, while simultaneously incorporating measured amounts of new functionality and redesigned business process flows, based on our prior experience with similar projects. As evidenced by the success of our prior payroll implementations, separating payroll into a discreet deployment provides for the focus on comprehensive testing, including parallel testing, that is mission critical in an organization with 13 collective bargaining units. This approach provides the foundation of the enterprise solution which will serve as the core system for the State to utilize, expand, and adjust as business process, organizational, and legislative changes occur.

Risk 5: To reduce project costs vendors have created an unrealistic project schedule, reduced project scope or increased State staffing and responsibilities. These actions will ultimately result in the State executing contract change orders to meet original project goals and unexpected project costs. It would also result in a strained working relationship between the State and the vendor as a lack of trust and administrative inefficiencies are counterproductive and can lead to project delays.

Solution 5: Our proposed scope is based on the information provided in the State's RFP including Exhibit F: Software Functionality and Technical Requirements and the three educational sessions. Our key management team (Director, Project Manager, Leads) has evaluated the recommended State approach against their combined experience implementing 10 different statewide ERP projects as it factors into scope, approach, schedule, and assumptions. Our proposed price reflects a 48 month project duration to replace AKSAS, AKPAY and ABS. The approach is a multi-phase deployment of foundation Financials and Procurement, followed by foundation HR/Payroll, followed then by the extended modules to increase the functionality of the Financials/Procurement and Human Resource/Payroll applications and Budget Development. Deployments have minimal overlaps each includes three (3) months of dedicated post implementation support after Go-Live. We have clearly defined a realistic joint staffing plan inclusive of roles and responsibilities. Our staffing plan reflects our LEAD role on most tasks and activities and the knowledge that State staff will have either a SUPPORT or PARTICIPANT role due to periodic availability constraints given cyclical events. We have also created a detailed project schedule, begun refinements of the State's Statement of Work contained in Attachment G, and documented our assumptions in preparing our response. We continue to prepare for the Pre-award Phase where we expect to perform validation of the State's requirements, create the project's requirements traceability matrix, and finalize a comprehensive Statement of Work, schedule, staffing plan, and team roles and responsibilities.

Risk 6: The State of Alaska, as client is unable or reluctant to change business processes when implementing a new system and, as a result, elects to customize the new system to reflect how employees are "used to doing business."

Solution 6: Our approach to the implementation of a vanilla system is based on iterations of Business Process Re-engineering, unique design techniques, and formal and informal training activities. Our approach begins with training. Concept workshops will provide the State with an orientation to the new system as a whole. Concept workshops are performed before any formal design activities occur. During project design, activities are performed in our "preconfigured" state government model containing public sector common data. This model is based on leading state and local government business practices. Use of the state government model provides a "Show Me" approach, with hands-on demonstrations of preconfigured workflows and processes as opposed to conceptual white-boarding of requirements and diagramming To Be processes. State project team members can immediately process transactions, execute delivered reports, and view inquiry screens that contain realistic information that is representative of public sector scenarios. We have found that the earlier a new user has hands-on system exposure entering transactions and running business processes using a "Do It" mode the more effective is the acceptance of the new system.

Risk 7: Poor employee adoption of the new system.
Solution 7: Our proposal includes a comprehensive change management approach that is a component of our Enterprise Readiness program. Our program is led by a Certified Change Management Professional and supported by a dedicated Enterprise Readiness team. Our Enterprise Readiness Team's purpose is to create awareness of the new system and the associated changes. Successful employee adoption incorporates cultural change management behaviors that focus on the State's organizational life and the basic assumptions that drive organizational behaviors.
Iterations of communication and training, executed over the project's duration, are instrumental to increasing employee adoption and facilitating knowledge transfer. Engaging executives, employees/end users and business owners leverages the core human desire of "feeling" involved in the process. Employee adoption is more achievable when sponsorship is visible and active, when front-line managers drive the desired employee behavior, and when there is a well-defined training strategy. To encourage involvement and employee adoption of the new system and business processes, we concentrate on stakeholder engagement, communications, and a change agent network across the State. Business process re-engineering and training are provided for both the project team and employee/end user communities.
Project team members begin their adoption process in the Pre-award Phase and continue to gain experience throughout the life of the project. Employees participate in events that are driven by a carefully planned, crafted and communication strategy and a training program. The program will be designed and developed by our training team. Our training has design experience in addition to hands on delivery experience focused on the application of learning theories in a variety of settings. The combination of these activities is influential in increasing employee adoption of the system and associated process changes.

Risk 8: A lack of training or excessive demands on State staff make it challenging for them to effectively take on ownership and support of the production system upon Go Live.
Solution 8: Our proposed solution mitigates this risk by providing formal and informal training, readiness check points and formal staff capacity and skills assessments in advance of Go Live. Our solution includes a variety of alternative post implementation support options that could supplement State personnel should any needs arise. These options include hosting, managed services, and on-site or remote technical and functional support packages. We have outlined more details about these solutions and how the State can utilize these quality services, in our Value-Add section.

Risk 9: Selecting a Software product and/or System Integrator that is not financially sound and whose solution may, therefore, not be supported in the future.
Solution 9: The prime implementation contractor has operated profitably since inception. . Operating profits have been invested to build managed service capabilities including infrastructure for ERP hosting and lab upgrades. FY2010 annual revenues approximate $130 million, about 30% of which comes from multi-year hosting and managed service agreements. The prime contractor has a diversified client base across public sector, higher education and commercial sectors. No single client represents more than 6% of annual revenue. The prime implementation contractors financial and working capital position, coupled with a history of performance, allows the company to undertake large-scale projects as the prime contractor. A copy of the most recent audited financial statement is available upon request
The proposed software solution is supported by one of the world's largest enterprise software companies. This software company develops, manufactures, markets, distributes and services database and middleware software, applications software and hardware systems, consisting primarily of computer server and storage products. The breadth of this product offering is designed to help customers manage and grow their business operations in an integrated fashion at their own pace. The software company's Public Sector Division is their #1 vertical industry in North America and therefore benefits greatly by over $3 billion in annual Research and Development invested to enhance and develop the product suite.

Risk 10: Lacking key personnel credentials and experience as a predictor of future success.
Solution 10: Our project director, key project managers and lead staff have successfully executed similar engagements, the best overall predictor of future project successes.

need to be gathered to determine how many agencies would utilize it, types of work orders would be utilized, level of detail for time break-out.

Item 5: ERP Recruiting module - Implement the fully integrated recruiting module for job openings, recruiting and new hires. This product could be used to replace the State's current Workplace Alaska system for recruiting and hiring and would eliminate the need for developing integration between the module and the ERP system.
Cost: Software Cost: $97,000; Implementation Services: $600,000.

Note: The next option covers additional software products and modules, in our suite of applications, that we recommend to the State to facilitate further improvements in productivity and process efficiencies.

Item 6: Imaging and Process Management/Document Capture - This application could be used for scanning and storing different document repositories (invoices, HR documents, contracts, photos and graphics, warranties, engineering documents and drawings, etc.). These images could then be easily retrieved directly from the ERP application business areas.
Cost: Price list. $80,000 per processor (estimated 6 processors); Implementation Cost:$400,000 – 800,000. More details are needed to refine estimates and evaluate the extent of business areas to be incorporated into imaging, integration into the transaction systems.

Note: The next 2 options describe opportunities for dramatic process improvement enabled by our ERP system. We will work with the State in each of these areas to assess the opportunity and further develop the implementation strategy in each area.

Item 7: Strategic Sourcing – In this value added option we will review the sourcing processes that are currently followed at the State and determine if improvement opportunities, enabled by our software solution, exist. These improvement opportunities will be measured by lower prices, better quality, and increased transparency. Outputs from the assessment will include an understanding of how the State is currently spending money for goods and services, a determination of the opportunity for savings, the ease of implementation (focus on big ticket, low hanging fruit first), and the strategy for implementation.
Cost: Implementation Services: $90,000

Item 8: Shared Services - This value added option includes the consolidation and redesign of business processes into cross-organizational "service centers" which perform administrative functions more efficiently. Given the integration and deep functionality within our software solution, numerous features and functions of the application suite will be utilized to enable this transformation. Implementing some shared service initiatives in conjunction with our software solution can result in dramatic cost savings for administrative functions in accounting, procurement, and human resources (as high as 30%). We will begin by evaluating any shared services already in place at the State, identify leading practices and lessons learned from those initiatives, evaluate the applicability for additional shared services (or expansion of existing shared services), determine the expected benefits from any new initiatives. Once the scope of new initiatives has been determined, we will develop an implementation strategy for the desirable new/expanded shared services. The implementation strategy will include the organization change management and educational aspects of the transformation (standardization and consolidation), as well as the risks included in the project.
Cost: Implementation Services: $90,000