



FLAIR and CMS Replacement Project

Requirements Presentation

September 27, 2002



Agenda

- Context
- Functional Requirements

The Functional Requirements define the financial and cash management features and functionality that the State requires for the ERP Application Software.
- Technical Requirements

The Technical Requirements define general system features the State requires for the ERP Application Software.
- Implementation Services Requirements

The Implementation Services Requirements define the services and deliverables that the State needs to get the ERP Application Software installed and operational.
- Terms and Conditions

The Terms and Conditions spell out important contractual provisions that the State requires.



Context

- The current set of requirements are a “work in process.” Left to do:
 - Finalize responses to comments from agencies.
 - Finish incorporating comments / finalize exact wording.
 - Prioritize: Mandatory, Desirable, Optional.
 - Provide a review opportunity for stakeholders.
- Requirements Characteristics:
 - Requirements describe what you are trying to buy – they define scope.
 - Requirements are important because they communicate a common understanding of scope.
 - Requirements are used to evaluate proposals, define deliverables, and to establish acceptance criteria.
 - Writing good requirements is tricky. It is difficult to balance between too general and too detailed.



Functional Requirements

The Functional Requirements define the financial and cash management features and functionality that the State requires for the ERP Application Software.

Functional Requirements Cover:

- Eight (8) Core Areas – Comprising 495 Detailed Requirements
- Four (4) Optional Areas – Comprising 381 Detailed Requirements



Functional Requirements

Core Functional Requirements (495):

- Software (57)
- Data Classification (52)
- Financial Accounting/Management (170)
- Cash Management/Treasury/Agency (99)
- Budget Control and Execution (32)
- Human Resources/Payroll (10)
- Project Management (23)
- Grant Management (52)

Optional Functional Requirements (381)



Software (57)

Addresses:

- On-line Help.
- On-line Inquiries – Summary with Drill-down to Detail.
- Enhanced Allocation of Costs (e.g., Grants, Projects, Activities).
- Automated Audit Trails.
- Enhanced Reporting for Non-programmers.
- Effective Dating for Transactions and Titles.
- Automated Workflows – Routing of Work to Appropriate Individuals Both Inside and Outside the Program and Agency Offices.

*Ensures that the system is fully integrated,
user friendly, and flexible.*



Data Classification (52)

Addresses the need for a Single Chart of Accounts / Account Code Structure that Provides for a Statewide and Agency View of the Following Elements:

- Organization
- Fund
- Strategic Program
- Appropriation
- General Ledger
- Object
- Grant
- Project
- Contract
- Activity
- Location


Codes are multi-level and consistently applied across all organizations and are capable of supporting Activity Based Budgeting / Costing.



Financial Accounting / Management (170)

Addresses:

- Elimination of Reconciliations such as Departmental to Central, Central to Treasury, etc.
- Enhanced Accounts Receivable Processing Including Support for:
 - Ability to Manage Prepaid Accounts;
 - Ability to Manage or Interface with Billings;
 - Enhanced Management of Aged Open Accounts; and
 - Automatically Calculated Late Fees and Interest.
- Enhanced Accounts Payable Processing Including Support for:
 - Multi-Funded Payments;
 - Recurring Payments;
 - Automatic Application of Credits to Payments; and
 - Enhanced Error Correction.



Financial Accounting / Management (170) - Continued

Addresses - Continued:

- Ability to Handle Backup Withholding.
- Effective Dating of Transactions for Open Prior and Future Periods.
- Enhanced Financial Reporting Including:
 - Improved and Faster CAFR Reporting;
 - Flexibility to Comply with GASB and GFOA Requirements;
 - Ability to Report on a Cash Basis, Modified Accrual Basis, and Full Accrual Basis; and
 - Eliminate Reconciliation of Interagency and Intra-agency Due To(s) / From(s) and Transfers.

Enhances the integrity, accuracy and timeliness of the State's financial reporting.



Cash Management / Treasury / Agency (99)

Addresses:

- Improved Cash Flow Forecasting to Increase Investment Earnings.
- Controlled Disbursements (Timing of Disbursements).
- Management and Interfacing with Bank Accounts.
- Automatic Bank Reconciliation.
- Improved Reporting Functionality for Cash Management Improvement Act (CMIA).

Provides seamless and enhanced cash management.



Budget Control and Execution (32)

Addresses:

- Automated Budget Posting.
- Improved Balance Checking.
- Ability to Accept, Manage and Report on Non-Financial Data.
- Ability to Set and Control at Multiple Levels.
- The Posting of Allotments/Releases into Specified Periods (e.g., Monthly, Quarterly and Annually).

Ensures the State's use of financial resources are monitored and controlled.



Human Resources / Payroll (10)

Addresses:

- Integration with the Human Resource System to Capture Labor Distribution Information.
- Ability to Distribute Labor Cost to the Following:
 - Strategic Program
 - Project
 - Grant
 - Contract
 - Activity

Allows the State to properly account for its labor costs.



Grant Accounting / Management (52)

Addresses:

- Ability to Establish Grants and Sub-Grants at a Statewide and Agency Level.
- Flexibility in Establishing Grant Periods, Grant Phases, and Grant Activities within the Grant.
- Ability to Manage Both Grant and Sub-Grantee Financial Information.
- Establish Pre-defined Allocations Among Grants for Transactions.
- Edit and Report CFDA and CSFA Financial Information on Grants.
- Ability to Establish and Control Grant Budgets at Multiple Levels, and Multiple Funds.
- Enhanced Financial Reporting for Grantor.
- Ability to Identify and Report Federal Reimbursable Costs on Grants.

Enhances the State's ability to properly monitor and manage grants.



Project Accounting / Management (23)

Addresses:

- Ability to Establish Projects at a Statewide and Agency Level.
- Ability to Classify Projects.
- Ability to Establish and Control Grant Budgets at Multiple Levels and for Multiple Funds.
- Establish Pre-defined Allocations Among Projects for Transactions.
- Ability to Manage Activities within a Project.
- Ability to Identify and Report Federal Reimbursable Costs on Projects.

Enhances the State's ability to properly monitor and manage projects.



Optional Requirements (381)

Addresses:

- Procurement Accounting (including e-Procurement and Contract Management) (256).
- Asset Management (60).
- Inventory Management (32).
- Travel (33).

Included to seamlessly integrate with other components of the State's enterprise vision.



Technical Requirements

The Technical Requirements define general system features the State requires for the ERP Application Software.

4 Major Areas:

- General Requirements (46)
 - Ex: Ability to process approx 100 million txns annually.
- System Security (37)
 - Ex: Ability to create a User-id with fixed expiration for non-employees required to access the system.
- End User Interface (19)
 - Ex: Allow for scrolling backwards or forwards.
- Data Extracts and Interfaces (25)
 - Ex: Ability to receive, send, and monitor EFTs.



Implementation Services Requirements

The Implementation Services Requirements define the services and deliverables that the State needs to get the ERP Application Software installed and operational.

- **Major areas of Implementation Services include:**
 - Installation and Configuration
 - Testing and Tuning
 - Data Conversion
 - Implementation Support
 - Post-Implementation Support
 - Quality Assurance
 - Training
 - User Support (Help Desk)
 - Organizational Change Management



Implementation Services Requirements (cont'd)

Installation and Configuration

- Installation of ERP Application Software in State's technical environment.
 - Could include changes/upgrades to current technical environment.
 - Required to provide a sample hardware configuration.
- Establish, maintain, and refresh database technical environments.



Implementation Services Requirements (cont'd)

Installation and Configuration (cont'd)

- **Configuration:**
 - Fit Analysis.
 - Business process re-engineering opportunities.
 - Establish ACS/COA.
 - Software configuration analysis and set-up.
 - The ITN emphasizes that the State has a strong preference against modifying the software, and would prefer to change/re-engineer business processes.



Implementation Services Requirements (cont'd)

Installation and Configuration (cont'd)

- **State Reporting Needs:**
 - "Standard Reports."
 - Design/develop/test high priority reports, such as the CAFR.
 - Designs for reports added to or modified from the baseline Standard Reports.
- **Interface Development:**
 - Payroll.
 - e-Procurement.
 - Budgeting.
 - Agency legacy systems.



Implementation Services Requirements (cont'd)

Testing and Tuning

- Requires a Software Problem Log to record and track software defects.
- Contractor responsible for unit testing, system testing, business function testing, regression testing, and volume/stress testing.
- Contractor responsible for supporting User Acceptance Testing (UAT).
- Detailed Testing Plan required.



Implementation Services Requirements (cont'd)

Data Conversion

- Configure/install recommended data conversion tools.
- Develop and test automated data conversion programs/code.
- Convert required legacy system data into new production environment.
- Detailed Data Conversion Plans required.



Implementation Services Requirements (cont'd)

Implementation Support

- Staging of all system components prior to “go live.”
- Detailed schedule of implementation activities leading up to “go live.”



Implementation Services Requirements (cont'd)

Post-Implementation Support

- The State may ask for Contractor personnel to perform post-implementation support for a period of time after the system is moved into production status.



Implementation Services Requirements (cont'd)

Quality Assurance

- The Proposer is asked to describe its internal quality assurance plan/process.
- Suggested minimum standards include:
 - For Written Deliverables, a thorough QA review by a senior team member prior to the submission to the State for acceptance.
 - For Software Deliverables, documentation of thorough testing is required prior to submission to the State for User Acceptance Testing.



Implementation Services Requirements (cont'd)

Training

- Detailed Training Plans due 180 days before scheduled implementation.
- Systematic training assessments.
- Hands-on computer-based training required.
- “Train the Trainer” concept.
- CBT modules required for certain areas. These could be web-enabled.
- Training evaluation.
- Coordination of training with other projects.
- Training registration and tracking system.



Implementation Services Requirements (cont'd)

User Support (Help Desk)

- Coordinate Help Desk with Training.
- Comprehensive Help Desk Plan required.
 - Work Plan and schedule.
 - Selection/installation of Help Desk support software.
 - Development and maintenance of a Help Desk knowledge base.



Implementation Services Requirements (cont'd)

Organizational Change Management

- Organizational analysis.
 - Determination of “change readiness” of agencies.
- Communications.
 - At both interpersonal and organizational levels.
- Organization Re-design.
 - Impact of the new system on the structure of relationships and information flow to achieve organizational objectives.
- Work Re-design.
 - Impact of new system on work assignments, roles, responsibilities, skill requirements, and workloads.



Terms and Conditions

The Terms and Conditions spell out important contractual provisions that the State requires.

- Many of the Terms and Conditions are standard “boilerplate” contractual provisions.
- Some are unique to this kind of project:
 - A software license agreement to be negotiated.
 - A formal process for deliverable acceptance:
 - Written Deliverables (documents).
 - Software Deliverables (testing).
 - Ownership of proprietary rights.
 - Warranty language is more complicated than normal.



Conclusion

- Questions?
- Discussion?