



STATE OF WASHINGTON

OFFICE OF FINANCIAL MANAGEMENT

Insurance Building, PO Box 43113 • Olympia, Washington 98504-3113 • (360) 902-0555

September 15, 2022

TO: Honorable Christine Rolfes, Chair
Honorable Lynda Wilson, Ranking Member
Senate Ways & Means Committee

Honorable Timm Ormsby, Chair
Honorable Drew Stokesbary, Ranking Member
House Appropriations Committee

Honorable Marko Liias, Chair
Honorable Curtis King, Ranking Member
Senate Transportation Committee

Honorable Jake Fey, Chair
Honorable Andrew Barkis, Ranking Member
House Transportation Committee

FROM: David Schumacher
Director

SUBJECT: ONE WASHINGTON'S QUARTERLY REPORT TO LEGISLATIVE FISCAL COMMITTEES (APRIL – JUNE 2022)

I am writing to transmit the quarterly report for the One Washington program that focuses on scope, schedule and budget. We are implementing Phase 1a (core financials) of the Workday cloud enterprise resource planning (ERP) system, also known as the Agency Financial Reporting System (AFRS) replacement.

One Washington was focused this quarter on the reassessment work known as “The Way Forward” to identify and reaffirm project goals, scope, deployment approach (how the project will be implemented), and schedule. This work was done with input from project subject matter experts, business owners, the executive steering committee, WaTech’s Office of the Chief Information Officer, quality assurance consultants, and other agencies.

Project scope

This report’s scope section has four principal updates. Two focus on the work completed by The Way Forward reassessment work. The remaining two include updates on One Washington’s design progress and vendor management process improvement.

The Way Forward: Phase 1a project scope

A redefined financial implementation project scope for Phase 1a was completed and adopted by the executive steering committee and posted to the One Washington [website](#) in May 2022. The program

reviewed the planned scope for Phase 1a and considered:

1. Whether a reduction of scope was feasible or beneficial in some way.
2. With the schedule necessarily extended, was it possible or beneficial to add scope to Phase 1a.

The executive steering committee approved the recommendation to retain the original scope for Phase 1a and add three elements of Phase 1b. These include the ability to:

1. Make and manage encumbrances
 - a. Encumbrance capability in Workday is part of the procurement module and was originally included in Phase 1b. However, maintaining encumbrances manually outside of the accounting system would significantly increase agency workload and impair the ability of agencies to forecast available spending balances.
2. Capture agency purchase authority information, and
3. Capture lower level of descriptive detail on items purchased.

The executive steering committee set conditions for adding this scope, including that it will not increase the length of time required to deliver the original Phase 1a scope. The committee requested the program complete a cost-benefit analysis on the additional scope by next quarter.

The Way Forward: Phase 1a project deployment approach

With agreement on the Phase 1a scope, the program shifted its focus to the deployment strategy. We worked with our The Way Forward partners to determine how the scope will be implemented across the enterprise. The discussions around deployment strategy had two primary components:

1. Deployment of Workday – Should the first implementation of Workday include all agencies¹ at the same time, in waves (different groups of agencies over a longer period), or some other approach?
2. Agency legacy system remediation (LSR) strategy – To what degree should agency legacy system remediation work be completed before Phase 1a go-live of Workday?

In June 2022, the executive steering committee approved the first part of the deployment strategy recommendation – a single deployment of Workday for the first financial implementation. The committee asked for additional information on agency system remediation and the use of crosswalks before making a final decision on the second part of the strategy deployment. We will include the outcome of that final decision in the July-September quarterly report.

Design completion and next steps

The baseline design of the Workday system is complete as of June 30, 2022. The next steps for this work include validation: we need to ensure that the design will work adequately for agency needs and requirements. This will include both internal One Washington validation with technical experts and a robust agency validation process scheduled to take place in the next two quarters. We will include status reports on design validation in our July-September and October-December quarterly reports.

¹ In this discussion “all agencies” means all agencies except WSDOT. The plan is to include all agencies that use AFRS in one implementation. (WSDOT uses TRAINS, a custom system.)

Vendor management

Through process improvement efforts and recommendations from WaTech’s OCIO, the program has evaluated the current vendor management plan and is making changes.

Updates are in the final round of review; however, the proposed updates include:

- More clearly documented processes for collaboration between contract managers and the vendor manager to work together within designated roles and responsibilities to address potential issues.
- Issues with deliverables will be routed to the vendor manager to track and to maintain the risks and issues log.

These details are new to One Washington. This process improvement provides a specific plan to follow and separates the responsibilities of the contract managers and the vendor manager as part of an ongoing effort to build a more robust vendor management process.

Project schedule

A re-baselined project schedule is in development, based upon scope and deployment decisions, and is the final building block of The Way Forward reassessment work. We will include a status update in the July-September quarterly report.

Project budget

The attachment outlines how we used our funding to deliver value for the quarter. This includes:

- Last quarter’s budget and next quarter’s projected spend
- Contract spending
- List of quantifiable deliverables and the related expenditures
- Financial performance metrics on 10 state agencies that includes monthly performance data
- One Washington technology pool, the agency OCM pool budget, and next quarter’s project spend.

For more information, please contact:

Cristie Fredrickson | 360-790-9602 | cristie.fredrickson@ofm.wa.gov
One Washington Executive Sponsor

Attachments (3)

cc: Susan Howson, Staff Coordinator, Senate Ways & Means Committee
Charlie Gavigan, Staff Coordinator, House Appropriations Committee
Kelly Simpson, Staff Coordinator, Senate Transportation Committee
Mark Matteson, Staff Coordinator, House Transportation Committee
Michael Mann, Administrator, Legislative Evaluation and Accountability Program Committee
Bill Kehoe, Chief Information Officer, Consolidated Technology Services
Tara Smith, Director, Department of Enterprise Services
Roger Millar, Secretary, WSDOT
Amy Scarton, Deputy Secretary, WSDOT
Doug Vaughn, Chief Financial Officer, WSDOT
Emily Beck, Deputy Director, OFM
Cristie Fredrickson, Executive Sponsor, One Washington Program, OFM