**King County**

**ABT PROGRAM**
Accountable Business Transformation

# ABT Program
# Fit/Gap Analysis Strategy and Plan

June, 2008

# Revision History

| Version | Prepared by | Date | Reviewed by | Approved by | Note |
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| Original v.1 | Steve Vowles-CIBER | May 6, 2008 | R. Bunkley | Manny Ovena | |
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# 1.0 Introduction

The primary purpose of this document is to describe CIBER's methodology for performing the business requirement fit/gap analysis (referred to as fit/gap) during the Accountable Business Transformation (ABT) implementation/migration.  Secondarily, to establish a planning baseline for the detailed fit/gap efforts in the ABT implementation plan.  Thirdly, to summarize the results of the Detailed Implementation Plan (DIP) engagement related to key decisions, changes or revisions to some of the open design items from High-level Business Design (HLBD).

The fit/gap analysis is a step in the implementation process to determine the appropriate "fit" of King County business requirements against the Oracle and PeopleSoft business applications and to determine a viable resolution for any "gaps".  For example, where the County's requirements fit the software's standard functionality, this results in a software configuration that will be modeled, iteratively tested and ultimately deployed.  On the other hand, where a requirement does not fit the software, the result is a gap that requires a resolution through a business process redesign and/or software modification.  Therefore, the overall objective of the fit/gap analysis is to ensure the majority of King County's requirements are met.

In developing the fit/gap strategy for King County, CIBER adheres to the following core principals:

- Use standard functionality in Oracle E-Business Suite (EBS) and PeopleSoft HCM applications and industry accepted leading practices wherever practically possible.  If standard functionality and/or leading practices will not reasonably satisfy the business requirements, then resolve first by re-designing business processes or second by modifying the software.

- Perform the fit/gap analysis for the entire County, during the early stage of the ABT implementation, which will develop a Countywide, detailed design that can be used as a foundation for all Agencies.

DIP activities and results establish the planning baseline and assumptions for future ABT implementation work effort, resources and cost, and will support the overall ABT detailed implementation plan.  Moreover, it is important to note that this fit/gap strategy supports, and is supported by, other ABT strategy documents developed in the DIP.

# 2.0 ABT Fit/Gap Analysis Methodology Overview

CIBER's fit/gap analysis strategy supports the activities, tools and resources required to ensure King County's business requirements are satisfied through the delivery of the Oracle EBS/PeopleSoft applications in the scope of ABT program.

CIBER proposes the following fit/gap analysis method for the ABT implementation:

1) Meet with King County process owners and subject matter experts, in groups of common business process areas, to conduct fit/gap work sessions for the purpose of collecting and reviewing information regarding current business requirements and business processes (including data, testing, training, reporting and interface requirements).

2) Ensure understanding through feedback loop (facilitator distributes meeting notes and attendees reply with exceptions).

3) Assess the relative fit of business requirements and processes against standard, vendor-supported functionality and industry leading practices, and determine gaps that require resolution.

4) Determine viable alternatives for resolving gaps consistent with ABT vision and goals, which may result in a re-design of current business processes, manual workarounds or technical solutions requiring software modifications.

5) Choose best alternative through analysis of ABT vision and goals alignment, cost/benefit trade-offs, issues, risks, process improvement and potential policy changes (if necessary - follow ABT governance approval and change control processes).

6) Deliver a full set of solution designs and processes that meet King County business requirements as a conceptual model for configuring and testing the Oracle EBS/PeopleSoft applications.

7) Deliver complete and supporting business and functional requirements for data conversions, interfaces, reporting, security and software modifications.

8) Finalize process designs & processes by the end of the design phase (prior to development).

## 3.0 Detailed Approach

### 3.1 Inputs

Documentation from the High-level Business Plan (HLBP), High-level Business Design (HLBD) and Detailed Implementation Planning (DIP) efforts will be used as a foundation of the fit/gap analysis. This information will accelerate the fit/gap process by allowing new project staff to ramp up quickly and provide initial support for fit/gap discussions, debates and decisions. Although many of the County's requirements and designs have been debated and settled in earlier ABT phases, the fit/gap analysis may require additional confirmation and/or handling of exceptions.

As mentioned above, the fit/gap activities occur in the early stage of the ABT implementation and will be conducted for the entire County, with an objective of capturing core business requirements in as much detail and as broadly as reasonably possible. This allows us to establish a stable Countywide foundation of business requirements and designs. We will then confirm agency-specific requirements and manage exceptions.

### 3.2 Process

It is crucial that the right people with adequate process knowledge and authority to make process decisions are included in the fit/gap sessions to support the collection of data, analysis and design decisions. CIBER will manage the fit/gap sessions with discipline and will optimize the work efforts to produce quality project deliverables on time and with the least amount of disruption to the business. Moreover, discipline is required to ensure decisions are made in the right sequence and by their due date to optimize the performance and efficiency of the overall ABT project plan.

The fit/gap process will follow these high-level steps:

1. Collect business requirements (start with HLBP, HLBD and DIP).
2. Document current-state business processes (start with HLBP, HLBD and DIP).
3. Analyze business requirements and processes against standard functionality and practices.
4. Determine gaps, assess options and chose best alternative to resolve gaps.
5. Develop conceptual designs for prototyping and testing.
6. Configure prototypes and unit test (basic stand-alone testing).
7. Identify and resolve issues.

8. Decide and approve key designs, modifications and business process redesigns.

9. Document decisions, gaps, issues, open items, configurations, etc.

10. Refine designs as necessary.

## 3.3 Business Process Re-engineering Tools & Strategy

Gap resolution generally results in business process re-engineering, manual work around or software modification.  Refer to the Business Process Redesign (BPR) Strategy Plan document for details regarding the BPR tools and strategy and refer to the Modification Strategy Plan document for details regarding modifications.  It is important to note that the fit/gap process leads to the business process re-engineering process and the two are tightly linked and managed.

## 3.4 Work Sessions

The fit/gap analysis process takes place in work sessions carefully planned and strategically scheduled by ABT Project Management Office (PMO) and project managers, conducted by EBS/PeopleSoft functional experts and result in documents formalizing the results of the work sessions.  Management representatives will attend work sessions covering controversial topics or when key decisions are required.  Work sessions will be organized by the following process groups.

**ABT Process Groups**

- Procure to Pay (AP, iExpenses, PO & iProcurement)

- Financial Accounting & Reporting (GL, FA, Inventory)

- Cost Accounting (Projects/Grants/LD)

- Order to Cash (OM & AR)

- Capital Budget Development

- Operating Budget Development

- Recruit to Hire

- Leave Administration

- Performance Management

- Position Management/Succession Planning

- Time & Labor

- Training Administration

- System Access

- Payroll

- Benefits

Note, refer to the Business Process Re-design Strategy document for more details about how ABT process groups relate to business processes, sub processes and activities, and, furthermore, how business process re-engineering will be managed.

### 3.4.1 Session Purpose

The fit/gap working sessions will:
- Identify/confirm business requirements and processes
- Identify requirement/process fit and conceptual configuration design
- Identify gaps between requirements and delivered functionality
- Identify alternatives and determine best solution for gaps
- Identify/confirm interface requirements
- Identify/confirm data conversion requirements
- Identify/confirm necessary software modifications or process re-designs
- Identify/confirm reporting requirements
- Identify/confirm security requirements
- Develop the base prototype model for Oracle EBS/PeopleSoft system configurations
- Develop testing requirements and test scenarios/scripts
- Develop training requirements
- Identify necessary external, third party products/vendors
- Identify open issues and steps for resolution

### 3.4.2 Session Schedule

We expect the work sessions to require several weeks of effort and have planned for some additional time, sessions or resources to completely resolve controversial or complex matters.  The fit/gap period is likely to require 4-6 months to complete.

We will schedule and organize the work sessions in the early phase of the ABT implementation project in order to properly sequence work sessions, accommodate people's busy schedules and ensure the right people can attend.

### 3.4.3 Resources

A cross section of the King County user community, process owners, subject matter experts, technical staff, and management will attend fit/gap sessions and conduct the analysis, including:

| Role / Resource | Responsibilities |
|---|---|
| King County Business Process Owners | • Responsible and authorized to make decisions about process designs and policy<br>• Participate in discussions regarding King County processes and policies<br>• Tie-breaker of design decision impasse |
| ABT Program Manager | • Responsible for ABT Program scope<br>• Ensure that ABT program objectives are met<br>• Escalate issues for prompt resolution<br>• Monitor progress and take corrective action as necessary |
| ABT Deputy Program Manager | • Responsible for systems implementation as identified in the Detailed Implementation Plan<br>• Ensure work sessions meet the ABT program objectives<br>• Escalate issues for prompt resolution<br>• Monitor progress and take corrective action as necessary |
| ABT Project Managers | • Organize and schedule fit/gap work sessions<br>• Ensure effective meeting agendas are established and followed<br>• Facilitate work sessions<br>• Communicate session results and solicit feedback |
| ABT Organizational Change Manager | • Participate in work sessions<br>• Understand, assess and manage implementation and organizational change impacts |
| King County Functional Leads | • Provide details of King County business requirements and processes<br>• Support the analysis of process and design discussions<br>• Support the analysis and decision making of options for processes and system designs |
| King County Functional Subject Matter Experts | • Provide details of King County business requirements and processes<br>• Support the analysis of process and design discussions |
| ABT Technical Leads | • Support fit/gap activities as required where technical requirements are concerned (infrastructure, database, data conversions, interfaces, reports or other custom development) |

| Role / Resource | Responsibilities |
|---|---|
| System Integrator Program Manager | • Organize and schedule fit/gap work sessions<br>• Ensure effective meeting agendas are established and followed<br>• Facilitate work sessions<br>• Communicate session results and solicit feedback<br>• Responsible for SI's scope |
| System Integrator Project Manager | • Organize and schedule fit/gap work sessions<br>• Ensure effective meeting agendas are established and followed<br>• Facilitate work sessions<br>• Communicate session results and solicit feedback<br>• Responsible for SI's scope |
| System Integrator Organizational Change Manager | • Participate in work sessions<br>• Understand, assess and manage implementation and organizational change impacts |
| System Integrator Functional Leads | • Provide details of Oracle/PeopleSoft software functionality and leading practices<br>• Support the analysis of process and design discussions<br>• Support the analysis and decision making of options for processes and system designs |
| System Integrator Development Leads | • Support fit/gap activities as required where technical requirements are concerned (data conversions, interfaces, reports or other custom development) |

Fit/gap resources will be a split of King County and System Integrator resources for the duration of the ABT implementation. Furthermore, these same resources will be shared across other ABT activities, e.g. business process re-engineering, system prototyping, change management, testing, training, etc.

### 3.4.3 Fit/Gap Deliverables

| Activity | Deliverable(s) |
|---|---|
| Conduct fit/gap analysis | • Fit/gap work plan (MS Projects)<br>• Organization chart and roles & responsibilities |

| Activity | Deliverable(s) |
|---|---|
| | • (Visio)<br>• Meeting agendas (Word)<br>• Meeting notes, actions and decisions (Word) |
| Define business requirements | • Detailed business requirements document (Word or Excel) (with requirement id for cross-reference to other ABT program processes) |
| Define future-state processes | • Future-state business process diagrams (Excel or Visio) (at sub-process level) |
| Define process re-design requirements | • Detailed process re-design requirements document (Word or Excel)<br>• Input to the BPR process… |
| Define work-around requirements | • Detailed work-around requirements document (Word or Excel)<br>• Detailed functional design document (Word) |
| Document prototype configurations | • Configuration document (Word, Excel, screen shots) |
| Define implementation impacts | • Detailed implementation requirements and impacts for scope or effort changes (required for ABT change control following ABT governance approval process) |
| Define data conversion requirements | • Detailed data conversion requirements document (Word or Excel)<br>• Detailed functional design document (Word) |
| Define system impact and interface requirements | • Detailed interface requirements document |

| Activity | Deliverable(s) |
|---|---|
| | (Word or Excel)<br>• Interface Control Document (ICD) (inputs, outputs, upstream/downstream processes, test cases, roles & responsibilities, security, data processing intervals, etc.)<br>• Detailed functional design document (Word) |
| Define modification requirements | • Detailed modification requirements document (Word or Excel)<br>• Detailed functional design document (Word) |
| Define reporting requirements | • Detailed reporting requirements document (Word or Excel)<br>• Detailed functional design document (Word) |
| Define user and data security requirements | • Detailed work-around requirements document (Word or Excel) |
| Define open issues and other required actions/decisions | • Detailed work-around requirements document (Word or Excel) |
| Establish configuration prototype for testing | • Configured Oracle EBS/PeopleSoft test environment |

## 3.5 ABT Program Resource Requirements, Schedule and Assumptions

- The fit/gap team will require applications experts (CIBER) and business process subject matter experts (King County) for all application and process areas.  (See Comprehensive ABT resource plan for additional details.)
- A comprehensive and detailed project plan will be developed by the DIP including all fit/gap activities.  Fit/gap activities (as described above) will be completed in the first half of the implementation project, terminating with a key milestone for completed designs prior to development.
- King County will have collected and documented the high-level business requirements prior to the start of the ABT implementation (e.g. through the HLBP, HLBD, DIP and other collection activities in months prior to the project start).
- King County will implement and manage an ABT governance process to ensure efficient and timely issue resolution, decision making and approval process for fit/gap activities and deliverables.
- King County will assign process ownership with responsibility and authority to make policy and process decisions.

# 4.0 Appendix A – DIP Key Decisions, Changes and Revisions

Within this section of the document, we describe key decisions, changes and scope items that are a product of DIP planning activities.

As defined in the DIP statement of work, there were several open design items coming out of the HLBD that required additional analysis in order to develop an effort-planning baseline for DIP.  Therefore, the DIP project team organized and conducted work sessions with the ABT team and key stakeholders to assess and select design options for these open items.  The following pages summarize the outcome of these work sessions.

Material developed during the High-level Business Plan (HLBP) and High-level Business Design (HLBD) was used as input to the DIP analysis and planning.  (Changes to HLBP/HLBD are noted.)  Material developed during the DIP work sessions (decisions and changes) were agreed to through a general majority of opinion by key ABT team and stakeholders.  These items may return, or new items may be uncovered, and require additional analysis and approval during the ABT implementation project, but is included here to record the discussions, decisions and assumptions made during the DIP planning activities.

Given that many of these topics share characteristics, there is some redundancy.

## 4.1 Key Decisions

### 4.1.1 Finance
- Migrate to a single source for financial management functions on a fully integrated system.
- Re-implement with a fresh install of Oracle EBS Release 12.  System configuration changes (i.e. chart of accounts structure), system organizational changes (i.e. new Departments/Agencies), data cleansing/consolidation issues and configuration flexibility are the primary reasons for the re-implementation approach rather than the IBIS upgrade approach.  (The Current IBIS Oracle EBS Release 11.5.10 will be retired).
- Define a chart of accounts (COA) structure as: fund, cost center, account, project, secondary fund, BARS function and TBD (for future use).  Cost center in Oracle EBS will match department ID in PeopleSoft.
- Oracle EBS will become the cash/GL system of record at King County.
- Implement Oracle EBS Projects/Grants in a project-centric model across all of King County. This model requires that all labor and expenditure transactions capture coding for project, organization, expenditure type, task and award (POETA; award if applicable).  Projects/Grants will be used for Capital, Grants Sponsored and

Operating projects (e.g. cost center projects). (Districts will not be projects-centric; districts will work with General Ledger accounts only.)

- Develop a custom labor distribution interface from PeopleSoft Time and Labor to Oracle Projects/Grants and provide labor-related information and reports.
- Implement National Institute of Governmental Purchasing (NIGP) 5-digit class item codes.
- Use Oracle Cash Management to reconcile bank statements for cash disbursements and receipts.
- Remove advanced procurement modules from ABT scope: Services Procurement, Sourcing and Procurement Contracts.

## 4.1.2 Human Resources, Benefits, Payroll and Time and Labor

- Re-implement PeopleSoft HCM with a fresh installation of release 9.0 that includes Human Resources, Benefits Administration, Payroll and Time & Labor (current PeopleSoft release 8.9 will be retired). Retain Training Administration modifications to carry forward existing functionality in release 9.0.
- Migrate to a single source HCM system for Human Resources Management, Benefits Administration, Payroll and Time & Labor activities across all Agencies and departments in King County.
- Implement Position Management in PeopleSoft and establish new business process rules.
- The initial implementation of PeopleSoft HCM 9.0 will make PeopleSoft the system of record Countywide for Human Resources and position data. A temporary interface will be created to pass Human Resources data to MSA in order to allow MSA to continue to process payroll for employees being paid semi-monthly.
- Agencies will be converted from the semi-monthly to bi-weekly payroll cycle using a phased approach as their labor contracts and other constraints allow. (Please refer to Functional and Organizational Phasing document for more details.)
- Implement eProfile Countywide (with business rules) to empower employees to review and/or update personal information such as Home Address, Phone Number(s), Emergency Contact(s), Marital Status, and Name Changes.
- Enable PeopleSoft workflow (where beneficial and appropriate) to provide Managers/Supervisors with auto-notification of employee changes thus allowing for more efficient manager and quicker turn-around approvals.

## 4.2 Changes to HLBD

### 4.2.1 Finance

**Labor Distribution**

High Level Business Design (HLBD) Recommended Process (summarized)*

The recommended design is to pass payroll transactions from PeopleSoft Time and Labor to the Oracle General Ledger (GL) summarized by GL code combination. If it is decided to keep MSA payroll mainframe processing in place, a custom bridge will need to be created to pass those labor transactions to the Oracle instance. A custom Labor Distribution Interface program will collect project/grant related payable time transactions from PeopleSoft (and MSA) and affix the POETA code to each transaction. The gross pay amounts will be summarized to the Employee, Pay Period, and Project, Organization, Expenditure Type, Task and Award (POETA) – project charge codes levels and then passed to Oracle Projects/Grants Accounting. In addition, a custom labor detail reporting database will collect pay details to be used for reporting purposes.

Change(s) to HLBD

Two changes to the HLBD:

- The transactions passed from the custom Labor Distribution Interface program will no longer need to go to Oracle GL as King County will become project-centric and all labor detail will be passed to the Oracle Project/Grants module and then to Oracle General Ledger through standard sub-ledger interface.

- Labor transactions must contain POETA (project, organization, expenditure type, task and award) and gross pay information. A rate, such as an hourly pay rate, is not usable by Project/Grants and is not required as originally planned.

**Procure to Pay**

HLBD Recommended Process (summarized)*

Oracle procurement applications will be used Countywide (including iProcurement, Payables and iExpenses) in order to streamline processes and provide consistent treatment of purchases across the County. Purchases subject to procurement rules

will be initiated in iProcurement and will be approved online, using Oracle Approvals Management (AME) as needed to route approvals. Procurement cards (P-Cards) will be used to pay for certain purchases, with iExpenses utilized to capture vendor payment information and distribute costs to the appropriate projects/grants and cost centers. Electronic payments to vendors will be utilized as much as possible. Oracle Procurement Contracts, Sourcing and iSupplier portal will be used to streamline business processes and increase visibility of the procurement processes. Daily Business Intelligence (DBI) for procurement will be implemented to monitor Key Performance Indicators (KPIs) and assist with managing the procurement processes.

Change(s) to HLBD

The following applications/functionality will be set up and utilized as part of the procure-to-pay process to help the County achieve its goals with the ABT program:

- Where appropriate and beneficial for ABT, utilize standard encumbrance functionality available with the Oracle E-Business Suite as planned. This functionality will assist the County with monitoring budget amounts and help provide more accurate budget to actual reporting, which will include encumbrances.

- Utilize the standard expense accrual and recognition functionality in Oracle Purchasing and Payables, which releases encumbrances and creates the actual expense automatically. This functionality will meet the County's needs. It will not require a lot of reconciliation time as long as the procurement processes are followed as designed, so that unmatched receipts are not accumulated over time and are cleared out through the normal invoice matching process. The standard process recognizes the actual expense when the invoice is matched to the PO and receipt or when the period end accrual process is submitted at month/year end to create the accrual from the unmatched receipts.

- Use the Payables electronic funds transfer (EFT) payment functionality to process electronic payments to suppliers wanting or requiring these types of payments. This functionality will require minimal technical support during the implementation for sending the file to the banks (ftp process) and ensuring the banks can process it correctly.

- Utilize the Payables Positive Pay functionality to inform the banks of warrants issued by the County and approved for redemption by the banks. This functionality is standard, again requiring minimal technical support during the implementation for sending the file to the banks (ftp process) and ensuring the banks can process it correctly.

- Use the Cash Management bank reconciliation functionality to reconcile all banks used by the system (receipts, disbursements, transfers, etc.).  This functionality is standard, but will require some technical support during the implementation for setting up the transmission file format and receiving files from the banks (ftp process).  In addition, the Cash Management functionality can be used to manually reconcile bank accounts not used by any of the Oracle applications.  This functionality will replace the current process using the County's TRH system, enabling the County to retire this system and streamline the bank reconciliation process.

- Utilize a limited setup of iSupplier Portal to allow suppliers to submit invoices over the Internet and view the payment status of invoices.

- King County has decided to use the National Institute of Governmental Purchasing (NIGP) 5 Digit Class-item Code for their Purchasing Item Category Code Values.

The 5-Digit class-item code is an expanded version of the 3-Digit class code.  Currently, it contains over 8,400 descriptions.   Example:

| Code Structure | Sample Code | Sample Description |
| --- | --- | --- |
| 5-Digit (Class-Item) Code | 620-80 | Pens: Ball Point, Nylon Tip, etc. |

- King County will use Business Intelligence (BI) Publisher for all purchasing documents, (standard purchase order, blanket purchase order, blanket release, contract purchase order, and requisitions) and for warrants.

The following is a change in scope of software for the ABT Program:

- Oracle Procurement Contracts, Sourcing and Services Procurement are removed from ABT scope, because we have determined that these modules do not meet King County's requirements, fit King County's operating model or core functionality (e.g. online bidding) is not allowed by State law.

  o Sourcing is the Oracle tool for online bidding.  Currently, King County cannot accept online bids per state law; as a result, the Sourcing module is out of scope pending a change in the state law.

  o Retainage and milestone payments functionality of R12 Services Procurement is not available without implementing Procurement

Contracts and Sourcing.  (Note, we plan to handle retainage accruals and tracking through a manual workaround using Oracle Payables and a custom report.)

**Financial Accounting and Reporting – General Ledger – Chart of Accounts**

HLBD Recommended Process (summarized)*

Proposed Chart of Accounts (COA) structure:

- Fund – Cost Center – Account – Activity – Project – Secondary Fund – BARS Function – To Be Determined (Future Use)

- The Project, Secondary Fund and BARS Function segments will be auto-populated based on Projects/Grants auto accounting rules, interfund balancing setups and cost center or project task values, respectively; the Future Use segment will default to zeroes.

Change(s) to HLBD

- Based on the decision to use Projects/Grants across all Agencies and Departments (go "project-centric"), we will eliminate the Activity segment from the structure as there will be no need for it.

- The following COA structure will be used by the County:
  - Fund – this segment will be the balancing segment
  - Cost Center – this segment will be the cost center segment
  - Account – this segment will be the natural account segment
  - Project – this segment will be filled automatically by all projects/grants-related transactions and manually for miscellaneous receipts or manual journal entries, as needed.  It may be zero-filled for certain transactions such as those coded to balance sheet accounts.
  - Secondary Fund – this segment will be the interfund balancing segment, will default to zero values, and will be auto-filled during the posting process by the interfund balancing setups and functionality, as needed.
  - BARS Function – this segment will be filled automatically by all projects/grants-related transactions, or through interfaces directly to the GL, to provide Washington State required reports.  Otherwise, it will default to zero values.

       o   To Be Determined – this segment is designated for future use and will default to zero values only until the County determines there is a need to use it.

**Financial Accounting and Reporting – General Ledger**

HLBD Recommended Process (summarized)*

Oracle GL will be implemented and used to post summarized transactions from other Oracle applications and external systems, as needed. The GL will also be used to initiate journal entries to reflect reclassifications, charges to other organizations, or other inter-organization or interfund transactions.

Change(s) to HLBD

Budgetary controls will be setup in the GL, as needed, to maintain controls overall and cover areas not using the funds checking functionality in Projects/Grants. The controls can and should be set up at a higher level than line level, such as summary of non-salary/benefits expenditures by fund and agency/department, to maintain controls but prevent having to make budget transfers/adjustments for transactions at the line level.

Based on the Projects/Grants-centric approach, all interagency billings and transfers are processed through Projects/Grants. Refer to the Interagency Billings section of this document for more information.

The County will utilize the interfund balancing and journal approval functionality, as recommended in the HLBD.

The County will use manual journal entries in the GL for accruals, year-end entries, fixed asset allocations for the Governmental Accounting Standards Board (GASB) 34 reporting solution, and other limited balance sheet-related entries that do not involve projects/grants. Any projects/grants-related adjustments, corrections, etc. should be initiated in the source applications or the Projects/Grants application directly and be transferred to the GL to ensure the appropriate projects/grants are updated in Projects/Grants module as needed.

**Financial Accounting and Reporting – Fixed Assets**

HLBD Recommended Process (summarized)*

Oracle Fixed Assets will be implemented using standard functionality and the GASB 34 bolt-on to maintain the integrity of the original budgetary expenditures.

Change(s) to HLBD

We will implement Fixed Assets using the standard functionality, as detailed in the HLBD. We will use Solbourne's GASB 34 reporting solution in place of the Oracle-provided bolt-on for GASB 34 reporting. This solution will be easier to implement and maintain, but does take advantage of some of the functionality of Oracle's bolt-on. Solbourne's solution uses GASB 34 reporting funds, rather than a separate set of books, eliminating the need to transfer transactions from one set of books to the other. This solution involves modifying the Fixed Asset Account Generator workflow, which can be done by a knowledgeable functional consultant or with minimal technical consulting work.

## Project and Grant Accounting

HLBD Recommended Process (summarized)*

Project/Grants Costing and Grants Billing functionality will be used for all grant funded and capital projects and for all projects billed to external customers. It will also be used for operating projects. Encumbrances will be used, and capital project budgets will be monitored in Projects. Salary charges will interface from PeopleSoft Time and Labor via a custom labor distribution process. Burden rates in Projects/Grants will be used to apply indirect costs.

Change(s) to HLBD

We will adopt a Project/Grants-Centric model as part of Phase 1. All cost and most revenue transactions will be coded with POETA. The GL account codes will be automatically generated from the POETA codes.

## Financial Accounting and Reporting – Interagency Billings

HLBD Recommended Process (summarized)*

No final design was proposed due to the complexity of the relationship of GL and project accounting. Recurring journal entries and mass allocations were discussed in the context of GL-only based solutions.

Change(s) to HLBD

Based on the projects centric approach, we will employ the usages and transfers functionality in Projects/Grants for certain types of interagency transactions. Adopting a project-centric design enables transfers from one project to another.

Entries can be made in the Projects/Grants module to charge back or transfer costs; these entries then will flow to General Ledger.

For other interagency transactions, such as Internal Service Fund charges for services, we will develop a custom table and form to enter the allocation information, create the allocation transactions/entries and rules, and interface the transactions to Projects/Grants. Another method that may be utilized for some types of interagency transactions is through Payables, using zero-balance invoices and distribution sets. This method requires that the allocation percentages or amounts do not change from one period to the next in order to achieve efficiencies and lessen the work load of the allocation/charge process. Also, this process requires that a payment batch be created for the zero-balance invoices to clear them off of the AP Trial Balance, even though no actual payment transaction will be created. This method will be tested during the fit/gap during the ABT implementation to determine if the Payables allocation method will provide a viable option for some of the interagency transactions.

## Inventory/Order Management

HLBD Recommended Process (summarized)*

The High Level Business Design was not completed for Inventory or Order Management.

Change(s) to HLBD

During the work sessions it was determined that Oracle Inventory will continue to be used by Warranty Administration for fleet maintenance, to track distribution and for sales of bus fare media. Waste Water Treatment and Transit Power and Facilities will use Oracle Inventory to cost, track and issue material to support work order and maintenance systems.

With the new chart of accounts approach discussed in the "Financial Accounting and Reporting – General Ledger – Chart of Accounts" section, Oracle will no longer contain a Project and Task segment in the account structure. With this change, inventory issues to projects will be made through a user defined transaction type that includes the full POET except for the award piece. The inventory module does not have an account generator (account generator builds the GL account code combination based on the entered POET). In a project-centric environment, an inventory account generator will have to be developed (customization).

## Accounts Receivable

HLBD Recommended Process (summarized)*

The High Level Business Design was not completed for Accounts Receivable.

Change(s) to HLBD

During the work sessions, it was determined that the Oracle Accounts Receivables module will be used to create all invoices, and record all monies received for the County, except for those areas that use specialized systems, such as the property tax system and the CLASS system. These systems use specific information and calculations to create the billings, as well as tracking specific information, which cannot be handled using standard Oracle Receivables functionality. All other Agencies that are creating their own invoices on side systems will now use the Oracle system. All collected monies will be logged in or interfaced to the Oracle Receivables module, which will interface to the General Ledger. There may be some situations where it makes the most sense to interface or enter the cash receipts directly in the General Ledger. The specific situations will be determined as part of the Discover and Design Phases of the implementation.

Receivables invoices and invoice receipts will be entered or interfaced into the Oracle Accounts Receivables application. The Accounts Receivable application will perform the proper accounting for General Ledger purposes. Please note there may be some situations where such transactions should be entered or interfaced directly to the General Ledger.

* Source: ABT High Level Business Design – Finance Processes

## 4.2.2 Human Resources, Benefits, Payroll and Time and Labor

HLBD Recommended Process (summarized)*

A key objective of the ABT Program is to migrate to a single Human Resources/Payroll System where the County will automate, integrate and consolidate business processes. The business processes identified in the HLBD were Recruiting/Hiring, Time and Labor, Payroll, Benefits, Position Management, Performance Management, Leave Administration and Training. Significant business decisions made during HLBD include:

- o The Candidate Gateway, Talent Acquisition Manager and eCompensation modules will be fully implemented to support recruiting and hiring activities.
- o The County will purchase the PeopleSoft ePerformance module and it will be configured on business rules defined by the EPAS Project and Superior Court.

- All third party "Time Capture Systems" will interface to the PeopleSoft Time and Labor module.
- PeopleSoft Time and Labor will interface to the proposed custom Labor Distribution module, the Oracle General Ledger and the PeopleSoft Payroll module.
- PeopleSoft Time and Labor will be system of record for all reported employee time.
- Position Management will be implemented Countywide and business rules will be developed to mange the process.

## Human Resources

Clarifications to HLBD

Based on the objectives of the ABT Program stated above the following functionality and business processes clarifications and/or changes are made by the primary work areas as described in the following sections. Additionally, a work group will be formed consisting of representatives from HRD, Benefits, Time and Labor and Payroll to design and develop end-to-end employee life-cycle business processes.

### Move All County Employees to PeopleSoft 9.0 in 2009

As part of the phasing strategy to migrate to a single Human Resources/Payroll System the ABT Program will move all County employees to PeopleSoft 9.0 in 2009. As part of the migration effort the ABT Program will complete the following activity:

- Implement Position Management for all employees
- Perform Foundation Table clean up work for Job Codes, Union Codes, Organizational Structure, Departments, Reports to Supervisor, etc. (Does not include KSA's).
- Establish a new business process for maintaining the organizational structure (department > division > section > unit > cost center) in PeopleSoft
- Establish new businesses process for creating and maintaining
  - position numbers,
  - position-to-employee relationships,
  - position-to-cost center(deptid) relationships and
  - supervisor relationships
- Implement Self Service Enhancements –
  - Enable employee updates to home address, phone number, emergency contacts, and email.
  - Retain view access to payroll information (paycheck history);

        o   Retain update and view access for Benefits Information

- o Redesign business processes so that all HR data is maintained in PeopleSoft. This includes:
  - o All new hires
  - o All personal information, including name changes, address, birth date, etc.
  - o Employee status changes, including long-term leaves
  - o Terminations
  - o FTE and pay rate (plan, grade or step) changes
  - o Position changes and transfers
  - o Job code changes
- o Review and solidify core foundation tables within Payroll and Time and Labor and identify changes that will need to be made as we continue with future ABT rollout phases.

**Position Management**

- o Position Management will be implemented with "Partial position management" enabled.
- o A working group consisting of HRD, the Budget Office, FBOD and ABT will develop strong business rules to ensure organizational needs are met.
- o HRD is the owner of Position Management and will manage the position management function staff.
- o For existing County employees, position numbers will be programmatically created and associated to employees during the implementation of PeopleSoft 9.0 from employee data stored on the JOB record in PeopleSoft 8.9.

Prior to the roll out of PeopleSoft 9.0, the following items will be resolved.

- o The responsibilities of the new role responsible for managing position data must be defined and staffed with internal resources.  The working group will identify the resources required for managing position data.
- o Identifying and documenting the reporting relationship of each employee to their manager for use in populating the "Reports To" field on the Position Data record.

- • **Recruitment (Candidate Gateway / Talent Acquisition Manager)**

  With the Countywide roll out of NeoGov scheduled to complete in June 2008, the roll-out of PeopleSoft Talent Acquisition Manager and Candidate Gateway will be deferred until years 4-5.  During years 4-5,  the County will reevaluate PeopleSoft functionality to determine if it meets County business requirements.

The following items will be addressed during years 1-3 to facilitate an efficient hiring process.

- o Business process review of current hire processes across all Agencies/Departments to ensure the timely data entry of new hires in PeopleSoft to accommodate timely on-boarding practices that impact other Agencies/Departments.
- o Enter open/vacant Position Numbers in NeoGov (field exists) which associate them with open Job Requisitions.

- **ePerformance**

  The County will purchase licenses for the PeopleSoft ePerformance module and implement the functionality based on the business rules defined by the Employee Performance and Accountability Program (EPAS) and Superior Court.

  In order to reduce the size and complexity of years 1-3:
  - o The County will continue the pilot group paper-based employee performance process. During year 1-3 ePerformance will be tested and evaluated for the pilot group.
  - o During years 4-5, the County will reevaluate PeopleSoft functionality to determine if it meets County business requirements.

- **Training and eDevelopment**
  - o The current Training Administration module (records, pages and reports) will be brought forward into HCM Release 9.0, with no loss of current functionality.
  - o eDevelopment will be re-implemented in PeopleSoft 9.0 for employees to view their training summary, enroll in courses, and update professional training (external) and other new functionality.
  - o Enterprise Learning Management (ELM**)** will be evaluated for implementation in years 4-5, with a decision to implement made at that time.

- **eProfile and eProfile Manager Desktop**
  - o PeopleSoft eProfile will be deployed (using business rules) to enable employees to review and/or update their Home Address, Phone Number(s), Emergency Contacts, Marital Status, and Name Changes.
  - o PeopleSoft eProfile Manager Desktop will be implemented to enable manager's to review employee information (name, address, phone, emergency contact) for their direct-reports, as well as take advantage of enhanced approval workflow of changes.

**Benefits**

HLBD Recommended Process (summarized)*

The current benefits administration process follows "Best Business Practices" and will be brought forward by the ABT Program. The ABT Program will implement consistent Benefits Administration business processes supported by business rules within one Human Resources/ Payroll (HR/Payroll) system.

Change(s) to HLBD

**Benefits Administration**

- o The current configuration of Benefits Administration will be optimized prior to or concurrent with moving forward to PeopleSoft Version 9.
- o Implement business process change for new hires that will allow for on-line benefits enrollment; new employee orientation registration and tracking; on-line wellness assessment.
- o Implement business process change to add/use codes to track terminations to help facilitate COBRA administration and Absence Management eligibility.

**Leave Administration**

Current Leave Administration environment identified during HLBD

The current County leave administration environment is challenging. Employees initiate leave requests and leave status changes through paper forms; employees do not always notify the County in a timely manner when they experience a change in their leave status and because of this, the County may continue to pay benefits it is not legally required to pay; employees do not have easy access to their leave information (balances or eligibility status); departments do not have easy access to leave data. These challenges (and others) make it difficult for the County to accurately maintain and monitor leave information and data for all employees. To begin to address the challenges cited the ABT Program will:

Clarifications to HLBD

**Leave Administration (Absence Management)**

- o During years 1-3 complete a business process analysis of current leave administration practices.

- o Implement business process changes to add/use codes to track terminations to help facilitate COBRA administration and leave eligibility for FMLA, KCFML, etc. and provide timely notification to employees.
- o During years 1-3 implement a "light" version of Absence Management that will assist in leave tracking and benefit eligibility. This light version will not integrate to Payroll or Time & Labor.
- o Fully implement Absence Management in years 4-5 of the project to coincide with the rollout of all Agencies/Departments using PeopleSoft Payroll and Time & Labor.

## Payroll / Time & Labor

HLBD Recommended Process (summarized)*

All County employees will be paid by PeopleSoft HCM and paid on common, bi-weekly pay cycle with a common Pay Period Ending Date. That PeopleSoft HCM will be the system of record for all County payroll administration processes. The ABT Program will manage the migration of County employees from the MSA payroll system to PeopleSoft in a phased agency by agency approach. Existing specialized "Time Capture Systems" that are meeting business needs in addition to Time Capture (HATSUS, RMS, Faster, etc.) will be interfaced to PeopleSoft Time and Labor. PeopleSoft Time and Labor will interface to the proposed custom Labor Distribution module, the Oracle General Ledger and the PeopleSoft Payroll module. PeopleSoft Time and Labor will be system of record for all reported employee time.

During implementation, the ABT Program will work with each agency to ensure that their essential business needs are accommodated by PeopleSoft. If required, ABT will work with each agency to modify their business process to achieve "Best Business Practices" as incorporated in PeopleSoft.

Change(s) to HLBD

In addition to the above, the following applications/functionality be setup and utilized as part of Payroll and Time & Labor to help the County achieve the goals with the ABT program.

**Payroll / Time & Labor**
- **Payroll**
  - o The initial HCM reimplementation to 9.0 will include only current bi-weekly paid employees.
  - o Implement all employee Self Service functionality (with business rules) to decentralized Time Entry and employee data changes and allow for greater access to payroll information.

o Implement Manager Self Service so that managers have online tools to carry out their responsibility for approving time, monitoring leaves and other workforce administration activities.
o PeopleSoft Time & Labor will be the system of record, whereas all external Time Tracking Systems will interface to Time & Labor, through a phased approach moving over to PeopleSoft Payroll on a bi-weekly basis.
o Where possible utilize PeopleSoft T&L as the time capture system.
o Review and optimize the Payroll and Time and Labor foundation tables prior to moving employees from MSA to PeopleSoft 9.0 by using "Best Business Practices" methodology in all tables and setups, and maximizing system-initiated routine processes. As part of the reimplementation, where possible, eliminate customized tables and setups and implement vanilla tables and processing routines in PeopleSoft in order to maximize system functionality and minimize system support requirements for fixes, patches, maintenance and upgrades.
o To the extent possible work with Payroll Operations and Labor Relations to optimize the payroll business processes prior to moving employees to PeopleSoft 9.0 payroll. This work would potentially include standardizing contract language in support of common business practices, so that one method for contract implementations and retro payment processing may be used.
o Implement the "Best Business Practices" of posting payroll accruals to the General Ledger each month to facilitate a timely close.
o The payroll organizational structure in PeopleSoft will be based upon organizational structure provided by the Oracle Chart of Accounts.
o A long term goal of the County is to standardize the FLSA work week for all employees.
o The ABT program will take advantage of PeopleSoft functionality to manage multiple work weeks with the common bi-weekly payroll cycle. All County Agencies will have a common Pay Period Ending Date.
o Implement a single biweekly Pay Period in which employees are paid for actual hours worked within the identified Pay Period.
o Position Management functionality will be used to extent possible to streamline and automate all HR, Payroll, Benefits and Time and Labor process.
o Leverage delivered system functionality including FLSA, transfers, retro checks, retro adjustments, garnishments, stop payments, manual checks, check reversals, terminations, retirement and deceased employee payouts.
o Implement a time collection process that captures all employee time for the Pay Period, including OT, Unpaid time, etc. and send that time to the payroll system in sufficient time to be paid within the established pay cycle. Discern type of time using a rule based engine (so that the employee keys in hours and the system determines the type of time).

- Implement a sufficient lag time to be able to pay employees for actual time worked, including OT (RCW allows for up to 13 days after the close of the Pay Period to issue pay for all services rendered).
- To the extent possible eliminate paper from the time collection process, optimizing Work Flow, electronic time capture and leveraging self-time entry.
- Pay all employees electronically via Direct Deposit or Pay Cards. (Requires policy changes).
- Strengthen internal controls over payroll processing and reporting.
- Implement the contingent worker functionality to capture "Persons of Interest" who may be employed by Agencies and not paid in PeopleSoft, or who may be volunteering in the County.

# Appendix B – Sample Business Requirements/Fit/Gap Matrix

| Req ID | Process Group | Sub-Process | Activity | Module | Requirement Description | Priority (A,B,C) | Gap (Y/N) | Gap ID | Re-Design Process (Y/N) | Custom Development (Y/N) | Design/ Develop Ref # | Status |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| 1.1 | Procure to Pay | Requisition to receipt | Enter requisitions | PO | Enter requisition | A | | | | | | |
| 1.11 | | | Enter requisitions | iProc. | Enter requisition | B | | | Y | | 1.1 | Open |
| 1.12 | | | | PO | Approve requisition | A | | | | | | |
| 1.13 | | | Issue PO | PO | Issue purchase order | A | | | | | | |
| 1.14 | | | | PO | Authorize purchase order | C | | | | | | |
| 1.15 | | | | PO | Distribute paper purchase order to supplier | A | | | | | | |
| 1.16 | | | | PO | Distribute electronic purchase order to supplier | B | Y | 1.1 | | Y | 2.1 | Open |
| 1.17 | | | Receive | INV/PO | Receive material from supplier | A | | | | | | |
| 1.18 | | | | INV | Put-away or deliver to buyer | A | | | | | | |
| 1.2 | Procure to Pay | Supplier invoice to payment | Manage supplier invoices | AP | Receive paper invoice | A | | | | | | |
| 1.21 | | | | AP | Receive electronic invoice | A | Y | 1.2 | Y | | 1.2 | Open |
| 1.22 | | | | AP/PO | Match invoice to purchase order, validated and approved | A | | | | | | |
| 1.23 | | | | AP | Manage recurring invoices | B | | | | | | |
| 1.24 | | | | AP | Manage evaluated receipts | B | | | | | | |
| 1.25 | | | | AP | Approve supplier invoices | B | | | | | | |
| 1.26 | | | | AP | Resolve invoice holds | A | | | | | | |
| 1.27 | | | | AP | Process (apply) supplier credit memos for returns or overpayment | A | | | | | | |
| 1.28 | | | | AP | Process supplier prepayments | A | | | | | | |
| 1.29 | | | | AP | Modify existing invoice accounting distributions or allocations | B | | | | | | |
| 1.3 | | | | AP | Create invoice batch and issue paper checks | A | | | | | | |
| 1.31 | | | | | Create invoice batch and issue wire transfers | B | | | | | | |
| 1.32 | | | | | Create invoice batch and issue EFT | A | Y | 1.3 | Y | | 1.3 | Open |
| 1.33 | | | Xfer to FA | AP/FA | Transfer asset information to Fixed Assets | A | | | | | | |
| 1.34 | | | Reconcile | AP/CE | Reconcile bank statement (requires custom bank statement interface) | A | | | | Y | 2.2 | Open |
| 1.35 | | | Post to GL | AP/GL | Post sub-ledger to General Ledger | A | | | | | | |