November 30, 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 (JULY – SEPTEMBER 2022)

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

One Washington continued its focus on the reassessment work, known as "The Way Forward" (TWF), to identify and reaffirm project goals, scope, deployment approach (how the project will be implemented in the enterprise), and schedule. The One Washington executive steering committee (ESC) approved the recommendation regarding the deployment approach of Workday and the program has focused on realigning the Phase 1A project schedule.

Project scope

This report's scope section has five principal updates. Two focus on work that we completed through TWF reassessment work. The remaining ones are updates on One Washington's design progress (including agency engagement with the design), vendor management process improvement, and findings from the annual security assessment. This report includes the key work relevant to the program's scope, schedule and budget, and does not include all of the work that occurred during the quarter.

The Way Forward: Phase 1A project deployment approach

In June, the ESC approved the first part of the deployment strategy recommendation – a single Workday deployment for the first financial implementation. It asked for additional information on agency legacy system remediation[1] (LSR) and the use of crosswalks[2] before making a final decision on the second part of the deployment strategy (the approach to agency legacy system remediation). See [The Way Forward Crosswalk Clarification](#) for further information.

On July 13, after the ESC received additional information on crosswalks and agency LSR, it approved the program's recommendation of an incremental approach to system remediation. This means some agency systems may be modified to be compatible with the Workday system as agencies and the program are ready, rather than requiring all modifications (remediation) to occur prior to Phase 1A go-live. LSR is a significant set of work intentionally spanning Phase 1A and Phase 1B. The approved deployment approach will only require full remediation of agency systems before the Phase 1A go-live if:

1. Those remediations are necessary to implement Workday, or
2. They are necessary to decommission AFRS.

The LSR team is working with agencies to define the systems that will be required for Phase 1A go-live. The systems we need to implement Workday (for the agency or for One Washington), or are necessary to decommission AFRS, will be required to be remediated before go-live. Systems not required for go-live can be crosswalked or remediated when the agency or One Washington can support it.

Baseline design validation

We need to complete various activities around business process designs to successfully transform and standardize design work. One is that we need to make sure what we configure will adequately work for agency needs and state requirements. Validation work includes internal One Washington validation with technical and business process experts *and* a robust agency validation process that the program has scheduled to take place in the next two quarters.

Internal One Washington validation activities are ongoing. They include:

1. *Design review sessions*

   a. Completed 21 of the 35 design reviews that included One Washington state staff, Deloitte and Workday. In these sessions we reviewed design documentation, validated design decisions made to date, solicited feedback on designs from product experts, considered future phase impacts, and resolved remaining questions.

2. *Baseline design validation unit testing*

   a. Cycle 1 is 84% complete. It will be completed on October 14.

      i. As of September 30, the pass rate was 78%, and the fail rate was 14%.

      ii. The remaining 8% of the Cycle 1 tests were not conducted this quarter because they are scheduled for end-to-end testing.

   b. Cycle 2 will begin on October 11.

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[1] The system modifications necessary to make an agency's computer system/application compatible with Workday using its associated FDM model, worktags and values.

[2] The actual usage of the mappings in support of technical requirements. The mappings provide the information to build a 'crosswalk' that can be used to systematically convert chart of accounts (COA) data to foundation data model (FDM) data and FDM data back to COA data, where possible.

Agency iterations of baseline design validation (BDV) started in September and will continue through February. These include:

1. *Foundation data model (FDM) review sessions*

   a. The FDM is the core of the entire Workday platform. It is a multidimensional structure of Workday accounting and financial reporting and the basis of all Workday organizations and worktags.[3]

   b. FDM sessions include a series of 40 one-on-one and targeted group sessions to review the FDM elements and values for each agency. Agency representatives can participate in dialogue and ask questions related to the FDM elements or values. The program will collect feedback to inform how we develop the next Workday tenant.

2. *Focus group sessions*

   Focus group sessions include a review of business process flows. This helps us educate agencies about the financial transformation and standardization work we are doing to adopt the Workday system. Agencies have the chance to identify potential gaps, receive answers to lingering questions related to design, discuss issues or concern that may inform new user stories, and receive integration and enterprise interface builders[4] (EIBs) specifications.

The program will include a review of the completed agency FDM sessions and a status update of the ongoing focus group sessions in our October-December report.

Vendor management

Through process improvement efforts and recommendations from WaTech's OCIO, One Washington has evaluated the current vendor management plan and made significant updates. Last quarter, we shared that the updates were in the final round of review and provided an overview of those updates. The plan has since been approved.

Annual security assessment

The Computer Incident Readiness Team from the state Office of Cybersecurity performed an annual security assessment of One Washington's assets and found no issues.

Project schedule

We are currently developing a re-baselined project schedule for Phase 1A. This is based on scope and deployment decisions and is the final building block of TWF reassessment work. We also have schedule revision efforts underway using a methodical approach to include 'lessons learned,' diverse stakeholder inputs and Workday implementation lifecycle stages.

The revision of the Phase 1A work plan includes the following:

1. Update the schedule management plan

   a. We have identified the need for additional scheduler resources to support the breadth and complexity of the work of Phase 1A. The contracts for two schedulers were approved in late September; they are expected to start next quarter.

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[3] UBC's account fields and subfields are broken down into separate Workday fields called worktags, a named attribute you can assign to events and objects to indicate their business purpose.

[4] The EIB is a standard Workday template developed by the One Washington program that will enable agencies to prepare a bulk data upload for simple inbound integrations. It replaces the current 'Financial Toolbox' and the TALS import template.

2. Build from existing 1A work plan baseline to ensure continual alignment with project management industry standards, Momentum Methodology Phases and Workday Lifecycle stages.

   a. Include agency remediation schedule

3. Build in resourcing through a breakdown of work tasks and milestones using a bottom-up estimation technique

   a. Project managers and schedulers are designating staffing resources per line in the schedule, and dependencies (predecessors/successors) have been fully linked, creating full logic to drive the critical path

4. Conduct a schedule risk assessment and incorporate risk mitigation plans

   a. The schedule team continues to work through a risk analysis to build a recommendation for where it should add contingency to the schedule

5. Seek feedback from all program staff, Business Transformation Board, quality assurance vendor, WaTech's OCIO and state agencies

   a. We received feedback from a focused feedback group (schedule advisory team, program staff, Business Transportation Board (BTB), and select agency managers) and agency support team (AST) leads within the agencies. Of 113 agencies we surveyed, 55 responded.

6. Incorporate feedback, where applicable

   a. We have incorporated over 150 lines of feedback into the schedule based on these efforts.

7. Document assumptions to build context

Project budget

We have attached the following documents that outline how we used funding to deliver value for the quarter. More detailed information has been shared with your staff.

- *One Washington Overview – Expenditure Report – July-September 2022*:
  - Last quarter's budget and next quarter's projected spend
  - Contract spending
  - List of quantifiable deliverables and the related expenditures

- *One Washington Performance Metrics Report – July-September 2022*
  (Financial performance metrics on 10 state agencies that include monthly performance data)

- *One Washington Technology Pool Report – July-September 2022*

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