Response to Questions on the FY 2014 Budget

Request By: Supervisor Frey

Question: Provide a summary of the Fairfax County Unified System (FOCUS) project funding and identify which phases are complete and which are remaining.

Response: Fairfax County purchased SAP software in 2009.   The County entered into a contract with SAP for Implementation services in 2010. Payment of $3.75 million has been made to SAP for the software, and to date $27.66 million has been paid for implementation services.   Fairfax has only made implementation services payments to SAP for functionality that has been successfully implemented and resulted in phase close out.

At the time of implementation services contract signing, the scope of the system included: General Ledger; Budget; Accounts Payable; Accounts Receivable; Fixed Assets; Grant Accounting; Project Accounting; Inventory; Purchasing; Treasury Management; Personnel Administration; Benefits Administration; Risk Management; Time and Attendance; Payroll; and Training Administration.

FOCUS was implemented in two major phases: replacing central financial and logistics (procurement functions) management "core" systems (FILO) functionality for Fairfax County Government and Fairfax County Public Schools (FCPS) in November 2011 and implementing the core human capital management (HCM) system for Fairfax County Government in June 2012.

The first major phase, FILO, has been closed out. It should be noted that during the course of the implementation, the Risk Management module was descoped based on the fact that SAP could not implement the functionality without additional software purchased by the County.

Advanced logistics functionality was a smaller, planned subsequent phase to FILO and was rolled out in 2012. Advanced logistics includes features such as catalog ordering (primarily for FCPS), electronic bidding and invoicing, and vendor self-service. Each of these features is intended to provide convenience, ease of use and access to both County users and the vendor community in the procurement process.   There is a small portion of that functionality still being addressed. As soon as those items are tested and in production, this phase will be closed out.

The second major phase included the core HCM functionality for Fairfax County Government. That functionality was rolled out in 2012. There are two items that require additional configuration and testing prior to being released to production and available to end-users, at which time the phase will be closed out.

There was a third phase planned for the Fairfax County Government non-core HCM functionality (which originally included e-recruiting, employee assessments, personnel functions, succession planning, and learning management), FCPS HCM functionality and budget functionality for both organizations. In April 2012, planning and blueprinting for that phase was completed and it was determined that to meet the functionality required,

the County would incur additional costs above what the vendor originally bid (deemed as beyond reasonable, thus unacceptable). Consequently, Fairfax suspended all work on that phase of the implementation and after a careful analysis the County and FCPS made the decision to cancel the phase of the contract. The County has taken this time to validate and stabilize those phases currently or scheduled for implementation and to evaluate cost and implementation alternatives for the remaining portions of the project. The County has a RFP process underway to select a vendor to deliver the remaining non-core HCM functionality needed immediately. Fairfax is investigating options for obtaining the required budget functionality. As part of that investigation it was determined Fairfax will need to upgrade the technical infrastructure of the system prior to implementation of the budget functionality. This additional informational will need to be considered as part of the investigation of options for implementation of budget functionality. It should be noted that FCPS will continue to use their existing HCM system, Lawson.

As part of the *FY 2012 Carryover Review*, rather than adding funding to complete the original project scope, funding was added only for the budget component, employee assessments, and e-recruiting functionality, and to upgrade and maintain the FCPS Lawson system through FY 2014. The first three components will be implemented following completion of an RFP process. At the same time, the Board also approved funding for a FOCUS Independent Verification and Validation (IV&V) study. The intent of this study is to ensure the system is properly configured to maximize efficient use by end-users, to validate business processes are aligned with the needs of the central business departments and to provide the framework for an on-going roadmap as the system matures. The results of the study will be available for review this spring.