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METROPOLITAN WATER DISTRICT OF SOUTHERN CALIFORNIA

*Karen E. Duff*  
EXECUTIVE SECRETARY

November 28, 1995

**To:** Board of Directors (Engineering and Operations Committee--Information)  
(Organization and Personnel Committee--Information)  
(Information Systems Ad Hoc Committee--Information)

**From:** General Manager

**Submitted by:** Lambertus Becker  
Chief Financial Officer

*JR Woodraska*  
*Orlando Christensen*  
for Bent Becker

**Subject:** Quarterly Status Report on Phase One of the Information Systems Strategic Plan  
-- Activities and Objectives through November 1995 and Financials for Quarter  
Ended September 30, 1995

## RECOMMENDATION(S)

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For information only

## EXECUTIVE SUMMARY

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On November 9, 1993, your Board authorized an increase in Capital Appropriation 634 to commence Phase One of the Information Systems Strategic Plan to implement 19 key business applications. The Board also approved an increase in continuing Appropriation 099 of \$2,100,000 for related operating equipment expenditures to support this program.

The program management structure for Phase One requires that quarterly status reports be submitted to your Board throughout the duration of the program. This letter contains program activities as of the date of this letter. The financial data in this report reflects activity from the Oracle Financials system through September 30, 1995.

Major milestones and activities since the last quarterly report include:

- The H/R project team successfully implemented the PeopleSoft Payroll system and issued paychecks and pay statements beginning on October 4, 1995. Cutover to the new Payroll system was very smooth — a reflection of the thorough parallel testing that was performed and the extensive communications program that kept all employees informed about the changes to their paychecks.
- The Health, Safety and Environmental (HSE) project team successfully implemented the Permits & Storage Tanks system into production in early July. At that time, the software product vendor, General Research Corp., announced a

delay in the release of their client/server products. After careful consideration, the HSE project team determined that their original plan to implement on the mainframe and later convert to client/server was too costly. Therefore, the remaining HSE project are on hold, pending the release of the vendor's client/server software. In the interim, the HSE project team is conducting a market survey to see if additional vendors now have offerings in the HSE software arena. Approximately, twenty market surveys were distributed and to date five vendors have responded. The HSE project team is analyzing this information.

- One of the strengths of the new Oracle Financials system is that it allows access to current on-line information. A pilot group of users from divisions throughout the district have been trained on accessing this data and creating their own ad-hoc reports so that each business unit can be more responsive to management's information requests. This flexibility in information access is facilitating the transition towards a more self-sufficient workforce.
- The stream-lined closing process implemented by the Finance Division in conjunction with quicker and more efficient access to financial data will allow the Phase One Program to present Quarterly Status Reports one month earlier. Our next presentation will be in February of 1996 for the quarter ended December 31, 1995.

Attachment "A" is the Program Cost Report, which shows the balance of the Capital Appropriation and program costs as of September 30, 1995.

Overall, the Phase One Program is tracking well against the appropriation. All activities are projected to complete under the total appropriation amount.

Attachment "B" is the Program Master Schedule reflecting the current project schedule.

## **DETAILED REPORT**

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### **I. PROGRESS HIGHLIGHTS IN THIS PERIOD**

Following the implementation of the new Payroll system, the Customer Support Center provided post-production support. The number of calls was very low, a reflection of the extensive District-wide communications effort by HR and the Program Office to prepare all employees for a smooth change-over to the new system.

In preparation for the implementation of the remaining PeopleSoft modules (Cycle 3 - Advanced HR functionality and Cycle 4 - Electronic Timekeeping), the HR project team is installing the upgrade to the next release of the PeopleSoft software. The HR project team is also evaluating the remaining implementation work and will submit a revised budget when their rescoping activities are completed.

The Finance project team continues to review the impacts of implementing Encumbrance Accounting functionality in the new Oracle Financials system prior to developing their roll-out plan.

## **II. MAJOR MILESTONES**

### **Completed this Period**

The Human Resources/Payroll project team successfully implemented the new Payroll system, issuing paychecks and pay statements beginning with the October 4, 1995 pay cycle.

The Finance project team completed post-production activities, including closing the General Ledger for the fiscal year 1994-1995. Training was completed on standard reports.

A pilot group of "super users" developed Ad-Hoc Reporting capabilities for the Oracle Financials System.

An analysis of the features, costs and benefits of upgrading to Oracle's newest release of their Financials applications (version 10) was completed. The recommendation is not to upgrade to version 10 at this time since the functionality gains of the upgrade do not justify the costs. However, Oracle will be releasing a *Windows*-like product in mid-1996 which promises additional productivity improvements. The recommendation is that the District re-visit the upgrade decision at that time.

### **In Progress**

The HSE project team implemented their Permits and Storage Tanks system in early July. Following the announcement by the software product vendor (GRC) of a delay in the release of their client/server products, HSE is re-evaluating their remaining implementation schedules. A market study is currently underway to determine what other software might be available to meet the District's needs.

The Phase One Program is conducting an assessment to determine the savings and benefits achieved since the April implementation of the Oracle systems. A formal report will be made to this committee when all tasks are completed.

## **III. OBJECTIVES FOR NEXT PERIOD**

Complete the planning activities for the remaining HR implementation projects (Cycle 3 - Advanced HR functionality and Cycle 4 - Electronic Timekeeping).

Complete an implementation plan for the Encumbrance Accounting functionality in the Oracle Financials system.

Develop new schedules and implementation plans for the HSE project.

Complete the Phase One Benefits Assessment and present the findings to the Board.

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Attachments  
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## ATTACHMENT "A"

## TABLE "A"

ISSP Program Status — as of September 30, 1995

ISSP APPROPRIATION SUMMARY		
	ISSP Capital Program (634)	Operating Equipment (099)
Original Appropriation (Phase Zero)	\$ 5,489,783	\$ 73,800
1st Revision - Phase Zero	\$ 200,000	--
2nd Revision - Phase One	\$ 21,100,000	\$ 2,100,000
<b>TOTAL ISSP FUNDING</b>	<b>\$ 26,789,783</b>	<b>\$ 2,173,800</b>
Total Program Costs through 9/30/95	\$ 21,291,611	\$ 2,092,215
<b>AVAILABLE BALANCE</b>	<b>\$ 5,498,172</b>	<b>\$ 81,585</b>

## TABLE "B"

## ISSP Capital Program Costs Summary

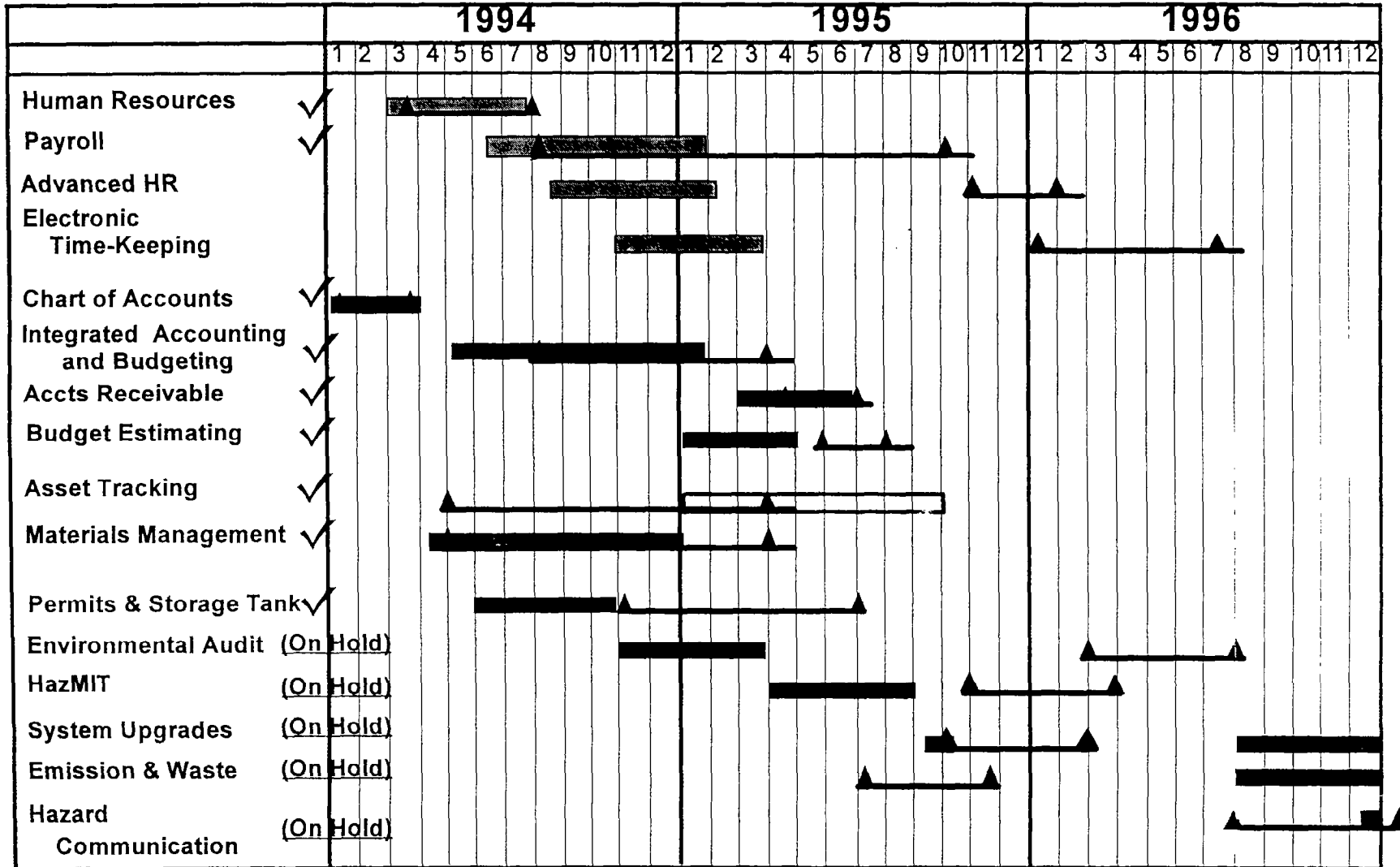
ISSP COST SUMMARY (Appropriation 634)					
	Final Phase Zero Costs	Phase One Costs			Total Program Costs
		Phase One Costs As Last Reported	Incurred During Quarter Ended 09/30/95	Total Phase One Cost to Date	Total Approp. Cost to Date
<b>Total ISSP Appropriation</b>					<b>\$ 26,789,783</b>
<b>Labor</b>	\$ 723,491	\$ 2,046,103	\$ 205,924	\$ 2,252,027	<b>\$ 2,975,518</b>
<b>Materials, Supplies, Interest &amp; Incidentals (incl. Software)</b>	\$ 759,822	\$ 4,399,082	\$ 6,407	\$ 4,405,489	<b>\$ 5,165,311</b>
<b>Professional Services</b>	\$ 4,203,632	\$ 7,908,612	\$ 1,038,538	\$ 8,947,150	<b>\$ 13,150,782</b>
<b>Combined Totals</b>	<b>\$ 5,686,945</b>	<b>\$ 14,353,797</b>	<b>\$ 1,250,869</b>	<b>\$ 15,604,666</b>	<b>\$ 21,291,611</b>
<b>Available Balance</b>					<b>\$ 5,498,172</b>

# MASTER SCHEDULE

**Legend: Original Project Schedule**

HR	Finance	Asset Track.	Materials	HSE

Revised Projection



(as of September 30, 1995) ✓ = Complete