

February 12, 1999

**To:** Board of Directors (Engineering and Operations Committee--Information)

**From:** General Manager \_\_\_\_\_

**Submitted by:** David C. Edwards \_\_\_\_\_  
Director, Information Technology

**Subject:** Status Report on Phase One of the Information Systems Strategic Plan ("ISSP")  
as of December 31, 1998

**RECOMMENDATION(S)**

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For information only.

**EXECUTIVE SUMMARY**

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On November 9, 1993, the Board authorized an increase in Appropriation No. 634 to commence Phase One of the Information Systems Strategic Plan (ISSP) to implement 19 key business applications. The Board also approved an increase to Appropriation No. 099 for related operating equipment expenditures. While the bulk of the core Phase One business systems was implemented in April 1995, development has continued on certain applications since that date. Oversight of the Phase One Program was provided by the ISSP Steering Committee.

On August 20, 1996, the Steering Committee met for the final time. At that time, it was decided that any future activity reports or status updates for the ongoing Phase One Program activities (including the Human Resources and Health, Safety & Environmental system upgrade projects) would be reported to the Board's Information Systems Ad Hoc Committee after review by the internally staffed Information Technology Committee (ITC). The ITC was recently replaced by the newly created Information Technology Governance Council (ITGC) in June 1998.

The program management structure for Phase One requires that periodic status reports be submitted to your Board throughout the duration of the program. These reports contain activities and financial data covering the first two quarters of Fiscal Year 1998/99.

During this period, key accomplishments included implementation of the PeopleSoft Benefits Administration module; implementation of the group security features for PeopleSoft Time & Labor; and completion of the project requirements definition, system configuration, user documentation and unit testing for the Permits and Training modules.

Attachment "A" is the **Program Cost Report** which shows the balance of the capital appropriation and program costs as of December 31, 1998.

Attachment "B" is the **Project Cost Report** which shows project balances as of December 31, 1998. The original budget for HS&E has been reduced; this adjustment will be reflected in the next status report.

## **DETAILED REPORT**

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### **I. Progress Highlights In This Period**

The Health, Safety and Environmental (HSE) Project Team successfully concluded the testing and acceptance of the EHS Suite™ software in October 1998. Project requirements definition, system configuration, user documentation and unit testing of the Permits and Training modules commenced during second quarter FY98/99.

### **II. Major Milestones**

#### **Completed This Period**

##### **Health, Safety and Environmental Systems:**

Out-of-the-box testing of the purchased EHS Suite™ was successful. EHS Suite™ will be replacing the PeopleSoft training module. The requirements for the EHS Suite™ training module were jointly defined by the project team and the MWD Trainers Network. The requirements for the air permit segment have been established.

##### **Human Resources Systems:**

The Benefits Administration module was implemented and the business processes are now being modified to make proper use of the system.

The group security features were added to the PeopleSoft Time and Labor system during September. This feature restricts recorders and approvers from entering or approving time for employees other than those who are assigned to their respective group(s).

#### **In Process**

##### **Health, Safety and Environmental Systems:**

Data conversion and configuration of the Training and Permits modules are well underway. The requirements definition for Waste Water, OSHA, Tanks and Pressure Vessel Permits is being finalized.

##### **Human Resources Systems:**

The PeopleSoft Staffing and Planning module is now 95% complete, with final testing and implementation to take place by May 1999.

The cost to complete this project is less than \$10,000.

### **III. Future Objectives**

#### **Health, Safety and Environmental Systems:**

The project team anticipates full implementation of the Permits and Training modules during the 4<sup>th</sup> quarter Fiscal Year 98/99. Full implementation of EHS Suite™ is anticipated during the 3<sup>rd</sup> quarter Fiscal Year 99/00.

#### **Human Resources Systems:**

Implementation of PeopleSoft Staffing & Planning module is expected to be completed by May 1999.

RL/VS/GW

**Attachment 10-7A**

**Attachment 10-7B**

## Attachment 10-7A

TABLE 1 -- ISSP Program Status as of December 31, 1998

<b>ISSP APPROPRIATION SUMMARY</b>		
	<b>ISSP Capital Program (634)</b>	<b>Operating Equipment (099)</b>
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 12/31/98	\$24,055,691	\$2,173,800
<b>AVAILABLE BALANCE</b>	<b>\$2,734,092</b>	<b>\$ 0</b>

TABLE 2 -- ISSP Capital Program Costs Summary

<b>ISSP COST SUMMARY (Appropriation 634)</b>					
		<b>Phase One Costs</b>			<b>Total Program Costs</b>
	<b>Final Phase Zero Costs</b>	<b>Phase One Costs Thru 6/30/98</b>	<b>Incurred During Quarter Ended 12/31/98</b>	<b>Total Phase One Costs To Date</b>	<b>Total Appropriation Costs To Date</b>
<b>Total ISSP Appropriation</b>					<b>\$26,789,783</b>
<b>Labor</b>	\$524,519	\$2,761,597	\$9,681	\$2,771,278	<b>\$3,295,797</b>
<b>Materials, Supplies, Interest &amp; Incidentals (incl. Software)</b>	\$551,303	\$5,031,591	\$10,806	\$5,042,397	<b>\$5,593,707</b>
<b>Professional Services</b>	\$4,583,521	\$10,150,867	\$431,799	\$10,582,666	<b>\$15,166,187</b>
<b>Combined Totals</b>	\$5,659,343	\$17,944,055	\$452,286	\$18,396,341	<b>\$24,055,691</b>
<b>Available Balance</b>					<b>\$2,734,092</b>

Attachment 10-7B

ISSP PHASE ONE PROJECT STATUS REPORT

<b>PROJECT Appropriation 634 (Phase 1 only)</b>	<b>ORIGINAL BUDGET</b>	<b>ACTUALS TO DATE (*)</b>	<b>STATUS</b>
Program Office	\$ 3,900,000	\$ 3,602,915	<b>ONGOING</b>
Software	\$ 3,985,000	\$ 4,196,987	<b>COMPLETE</b>
Technology	\$ 2,100,000	\$ 2,005,043	<b>COMPLETE</b>
HS&E	\$ 2,831,000	\$ 723,534	<b>ONGOING</b>
Materials Management	\$ 2,278,000	\$ 1,434,418	<b>COMPLETE</b>
H/R, Payroll & Medical	\$ 2,580,000	\$ 3,531,434	<b>ONGOING</b>
Finance	\$ 3,106,000	\$ 2,270,756	<b>COMPLETE</b>
Asset Tracking	\$ 320,000	\$ 631,253	<b>COMPLETE</b>
<b><i>APPROPRIATION 634 SUB-TOTAL:</i></b>	<b><i>\$21,100,000</i></b>	<b><i>\$18,396,340</i></b>	
<b>Appropriation 099 (Phase 1 only)</b>			
Hardware	\$ 2,100,000	\$ 2,100,000	
<b><i>TOTAL:</i></b>			
	<b><i>\$23,200,000</i></b>	<b><i>\$20,496,340</i></b>	

(\*Actuals as of December 31, 1998)