April 30, 2018

TO: Honorable Steve Hobbs, Chair
Honorable Curtis King, Ranking Member
Senate Transportation Committee

Honorable Judy Clibborn, Chair
Honorable Ed Orcutt, Ranking Member
House Transportation Committee

FROM: David Schumacher
Director

SUBJECT: **ONE WASHINGTON QUARTERLY REPORT (JANUARY–MARCH 2018) TO LEGISLATIVE TRANSPORTATION COMMITTEES**

Pursuant to the 2017-19 transportation budget (Section 103, Chapter 313, Laws of 2017), I am transmitting the third quarterly report on One Washington's work with the Washington State Department of Transportation (WSDOT) to assess WSDOT's ability to integrate the current transportation reporting and accounting information system, or its successor system, with the One Washington project.

Background. One Washington is an enterprise program that first received funding in 2013 to begin the work of transforming business processes common across state government. It is tasked with modernizing and improving the aging IT systems that support the state's business functions in finance, procurement, human resources/payroll, and budget. Funding was provided in the 2017-19 operating budget to conduct business warehouse planning, system integration planning, strategic partner contracts, and design of the long-term program blueprint.

Below is a summary of the progress achieved in the third quarter of the biennium.

Program blueprint. The program blueprint is an eight-year plan for a comprehensive business transformation. It details the technology and non-technology initiatives needed to implement each project phase. The creation of this program blueprint was set up in three phases.

Program blueprint version 1 was completed in September 2017 to support our supplemental budget request for fiscal year 2019. Program blueprint version 2 was completed in December 2017 and includes a Change Management Strategy. This last quarter we have been working on the third and final version, which will be published in June 2018. This version will include additional components on performance measures, risk mitigation, and business intelligence and financing strategies, as well as further refinements on master data management and agency wave assignments for deployment of the integrated finance/procurement system.

Integration strategy and plan. The first phase, the integration strategy, is complete and posted on our website with the program blueprint version 2. The second phase, the integration plan, will be published in June 2018. This will include an inventory of agency systems to be replaced or that require an updated interface. It will provide a schedule of system integration changes to align with the implementation schedule of the new enterprise system. The team met with more than 40 agencies and completed more than 200 system impact analyses this quarter.

WSDOT readiness. WSDOT needs to upgrade its aging financial system in the next five years, primarily due to technical obsolescence. WSDOT and OFM have concluded that it continues to be in the state's best interest for WSDOT to remain a part of the One Washington project. Based on a high-level analysis of WSDOT-specific business requirements, WSDOT and OFM agree that the state has a tremendous opportunity to implement one financial system for the entire state. We are moving forward with the assumption that WSDOT will decommission TRAINS and make use of One Washington's statewide ERP.

WSDOT has completed the following organizational change management activities in the last quarter:

- Completed a full-scope readiness assessment, interviewing more than 50 internal key stakeholders and reviewing data for core financial systems related to users, programs and work performed.
- Identified an initial organizational change management strategy.
- Developed a draft project communication and engagement plan.

WSDOT also completed the following business analysis activities:

- Cataloged use cases for unique characteristics of its current accounting system (TRAINS).
- Met with nine business units to identify how they use WSDOT's core financial systems.
- Reviewed 41 of 111 application interfaces to and from core financial systems.
- Created a list of various data marts, data sources and core data elements.
- Worked with Accenture, One Washington's strategic partner, to document requirements related to work order (cost accounting) business process flows.

The other WSDOT readiness activity completed in the third quarter includes creation of the interagency agreement between One Washington and WSDOT for funding provided in the 2018 supplemental budget.

For more information, please contact Stacey Scott, One Washington Program Director, at 360-725-3864 or stacey.scott@ofm.wa.gov, or Doug Vaughn, WSDOT Chief Financial Officer, at 360-705-7401 or vaughnd@wsdot.wa.gov.

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