



COMMONWEALTH of VIRGINIA

Office of the Governor

Memorandum

Nancy Rodrigues
Secretary of Administration

TO: The Honorable Terry McAuliffe
The Honorable Walter A. Stosch, Co-Chairman, Senate Finance Committee
The Honorable Charles J. Colgan, Co-Chairman, Senate Finance Committee
The Honorable S. Chris Jones, Chairman, House Appropriations Committee

FROM: The Honorable Nancy Rodrigues, Secretary of Administration *NR*
The Honorable Ric Brown, Secretary of Finance *RB*

DATE: February 17, 2015

SUBJECT: 2014 APPROPRIATION ACT - ITEM 76.C.2

Chapter 2 of the Virginia Acts of Assembly approved June 23, 1014 requires the Secretaries of Administration and Finance to submit a final timeline for the integration of eVA and Cardinal to the Governor and Chairmen of the House Appropriations and Senate Finance Committees, see Chapter 2, Item 76 C.2 below:

“2. The Department of General Services, in consultation with the Department of Accounts, shall develop an implementation timetable, scope, and cost for real time integration between eVA and the statewide financial management system known as Cardinal, with the objective that the integration be completed within one year of the Cardinal Wave I rollout. The Secretaries of Administration and Finance shall submit a final timetable, no later than January 1, 2015, to the Governor and the Chairmen of the House Appropriations and Senate Finance Committees. The Department of General Services is authorized to fund all approved costs of the integration, including associated integration costs incurred by the Department of Accounts’ Cardinal project team. All approved integration costs are to be paid from the existing eVA special fund balances. No integration costs shall be paid from eVA fees collected after July 1, 2014. The Department of General Services is authorized, where necessary, to procure all integration services required for this integration project by the Department of General Services and the Department of Accounts to fulfill the requirements of this subsection. The Department of General Services and the Department of Accounts shall work collaboratively to implement and complete the integration in accordance with the Secretaries of Administration and Finance approved timetable. The Department of General Services and the Department of Accounts shall jointly submit quarterly implementation progress reports to the Secretaries of Administration and Finance for

submission to the Governor and Chairmen of the House Appropriations and Senate Finance Committees.”

Enclosed, please find the eVA and Cardinal Implementation timetable required by Chapter 2. This timetable was prepared collaboratively by eVA and Cardinal integration project staff from the Department of General Services and Department of Accounts. The timetable provides for a completion of the eVA and Cardinal Integration by February 2017, which is after the completion of Cardinal Wave 2 implementation.

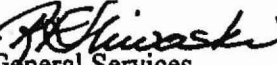
Should you have any questions, please don't hesitate to contact the office of the Secretary of Administration or Secretary of Finance.

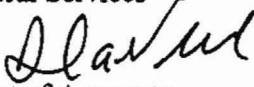
NR/cmh

Enclosure: eVA and Cardinal Implementation Timetable

To: The Honorable Nancy Rodrigues
Secretary of Administration

The Honorable Richard Brown
Secretary of Finance

From: Richard F. Sliwoski, P. E. 
Director, Department of General Services

David A. Von Moll 
State Comptroller, Department of Accounts

Date: February 4, 2015

Re: Cardinal Integration

The Department of General Services (DGS) and the Department of Accounts (DOA) are pleased to provide the first quarterly implementation progress report and timetable to the Secretaries of Administration and Finance for submission to the Governor and Chairmen of the House Appropriations and Senate Finance Committees on the integration of eVA and Cardinal as required by the 2014 Acts of Assembly, Chapter 3, Item 76.C.2.

Background:

In 2009 the General Assembly added § 2.2-1115.1 requiring Department of General Services, the Virginia Information Technologies Agency, and the State Comptroller to develop and maintain standard accounting information for use by all agencies and institutions for payments and purchases.

In 2012 the McDonnell Administration contracted with Forrester Research, Inc. to conduct a study and make a recommendation on a Procure-to-Pay Solution for the Commonwealth of Virginia.

In 2013 the General Assembly amended § 2.2-1115.1 adding the requirement that the Department of General Services and the State Comptroller shall adhere to adopted data standards and match all purchases of goods, commodities, and other services to the related payment activity and make the matched information available on the Auditor of Public Accounts' Commonwealth Data Point website

Further, Chapter 493 of the 2013 Acts of Assembly required that by July 15, 2013, the Governor shall direct the Department of General Services and the State Comptroller to take the steps necessary to modify their systems (eVA and Cardinal) to fully implement the provisions of subsection C of § 2.2-1115.1.

In August of 2013 Forrester Research, Inc. Group presented their updated report titled: "Choosing the Right Procure-to-Pay Solution for the Commonwealth of Virginia." Forrester Research, Inc. recommended that the Commonwealth continue with eVA as the Commonwealth's statewide procurement system, and make investments to provide full real-time integration between eVA and all the Cardinal and non-Cardinal ERP systems in the Commonwealth.

Progress:

Moving forward to satisfy the requirements of the 2013 Acts of Assembly and towards the recommendations as presented by Forrester Research, Inc. report, representative from DGS and DOA have met to develop a timetable and identify key tasks. In doing so, DGS and DOA both acknowledge that first there can be no impact to the deployment of DOA's Cardinal Wave 2 rollout and the ultimate retirement of CARS. In addition, both DGS and DOA are committed to eVA as the Commonwealth's procurement solution to be integrated with Cardinal.

Currently, Cardinal Wave 2 roll out is scheduled for February 2016, with approximately a four month stabilization period after that. DGS and DOA have acknowledged that staff resources are limited with competing day-to-day mission priorities and DOA's need to commit its resources to the Cardinal Wave 2 rollout. As a result, the developed timeline has taken into consideration this resource limitation.

DGS, in consultation with DOA, has successfully loaded the new Cardinal chart of account data in eVA for use by Cardinal agencies. This data is used by agencies to support proper approvals and appropriate accounting when processing payment. This is an important first step in the integration process, when fully integrated agencies will gain efficiencies and will not have to rekey the data into Cardinal.

Integration planning between DGS and DOA has begun and the first activities will be a review of the current data elements in both systems to make any needed changes to accomplish successful integration and compliance with 2.2-1115.1.C providing the transparency of orders and payments. Data elements identified for review include:

- Purchase order number on vouchers
- Procurement vendor and fiscal vendor records
- Receipt records.

DGS and DOA have prepared a timeline to continue the progress described above moving towards eVA and Cardinal integration, but doing so in a manner that respects the critical importance of a successful implementation of Cardinal, together with the essential procurement and contract management requirements of the Commonwealth. Therefore, the following

timeline and milestones are presented based on current known and anticipated priorities. The timeline will be updated by DGS and DOA as eVA and Cardinal integration analysis continues and Cardinal Wave 2 goals are accomplished.

January 2015 through June 2015

- 1) Complete business process and data elements review
- 2) Draft Integration scope of work developed
- 3) Amend Budget language to reflect timeline

July 2015 through December 2015

- 1) Decision briefs and scope of work and cost developed for any changes required to eVA and Cardinal
- 2) Integration draft scope of work and project plan submitted to VITA for review and approval

January 2016 through June 2016

- 1) Integration design and development
- 2) Procurement and Fiscal Vendor Data Standards revised, if needed

July 2016 through December 2016

- 1) Integration testing and implementation
- 2) Transition the project team to a an executive steering committee that will provide continual support of integration issues and updates

February 2017

- 1) Integration rollout complete

To support the presented timeline, and document the mutual recognition that the DOA Cardinal Wave 2 initiative must first be successful prior to implementing the eVA and Cardinal integration, DGS and DOA agree that the an amendment to Chapter 493 of the 2013 Acts of Assembly be made as follows:

Requested language:

2. The Department of General Services, in consultation with the Department of Accounts, shall develop an implementation timetable, scope, and cost for real time integration between eVA and the statewide financial management system known as Cardinal, with the objective that the integration be completed within one year of the Cardinal Wave 1 2 rollout, *no later than February 2017*. The Secretaries of Administration and Finance shall submit a final timetable, no later than *July 1, 2015*, to the Governor and the Chairmen of the House Appropriations and Senate Finance Committees. The Department of General Services is authorized to fund all approved costs of the integration, including associated integration costs incurred by the Department of Accounts' Cardinal project team. All approved integration costs are to be paid from the existing eVA special fund balances. No integration costs shall be paid from eVA fees collected after July 1, 2014. The Department of General Services and *the Department of Accounts are* is authorized, where necessary, to procure all integration services required for this integration project by the Department of General Services and the Department of Accounts to

fulfill the requirements of this subsection. *Department of Accounts costs for integration services it procures must be approved by the Department of General Services prior to issuing a purchase order or incurring such costs, as the Department of General Services is expected to pay those costs.* The Department of General Services and the Department of Accounts shall work collaboratively to implement and complete the integration in accordance with the Secretaries of Administration and Finance approved timetable. The Department of General Services and the Department of Accounts shall jointly submit quarterly implementation progress reports to the Secretaries of Administration and Finance for submission to the Governor and Chairmen of the House Appropriations and Senate Finance Committees.