

# **ADMINISTRATIVE SYSTEMS**

**American Rescue Plan Act (ARPA) State and Local Fiscal Recovery Fund (SLFRF)**



3/31/2022

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## **Report Mandate**

Chapter 1 Enactment Clause 1, paragraph B.2.P.7., of the amended 2021 Acts of Assembly states, “The department shall communicate a detailed plan and implementation schedule to the Governor, the Chairs of the House Appropriations and Senate Finance and Appropriations Committees, and the Director of the Department of Planning and Budget by September 30, 2021. Additionally, the department shall report quarterly to the Governor, the Chairs of the House Appropriations and Senate Finance and Appropriations Committees, and the Director of the Department of Planning and Budget on progress made, with the first progress report to be delivered not later than December 31, 2021.”

## **Context for ARPA Initiatives**

The Virginia Department of Health (VDH) is excited about the opportunity presented by the appropriation of ARPA State Fiscal Funds in the August 2021 Special Session II of the General Assembly to improve public health in Virginia. VDH views this investment as a once in a generation opportunity and will work diligently to maximize use of funds to create and sustain these initiatives. Simultaneously, VDH remains fully engaged in responding to COVID-19 and protecting the health of Virginians. Currently, VDH is creating project plans to minimize the impacts of the public health emergency on local health departments in the first year and will maintain flexibility as a priority for the duration of the public health emergency. Modifications to VDH’s plans will be reflected in future quarterly reports.

## **Executive Summary**

VDH is transforming and updating the Department’s core administrative systems and processes to increase efficiencies and modernize the Department. The COVID-19 pandemic resulted in a significant pressure on the VDH’s outdated administrative processes and systems. These outdated processes and systems rely on manual workarounds and have created challenges to VDH’s ability to effectively react and respond to the pandemic.

VDH will improve operational efficiencies and effectiveness over the next three years through updates in business systems, IT Service Management (ITSM), IT Asset management (ITAM), Product Suite, Financial and Accounting systems, and the introduction of Robotic Process Automation, as appropriate. These modernized systems will enable new capabilities and increase productivity and decrease manual processes, thus mitigating errors and increasing VDH’s readiness to respond to future public health emergencies.

Over the last three months, VDH has initiated the procurement process for a service request solution and has assessed the current processes and opportunities for ITSM, ITAM, and security incident requests as the initial focus areas for service request platform. As part of VDH’s efforts to automate where possible, a Robotic Process Automation (RPA) project is underway to identify manual processes that are good candidates for automation. Additionally, the team has developed an RPA solution called ROT (Redundant, Obsolete, Trivial) Bot to remove electronic files to free up and reduce costs for the shared drives.

These activities are planned to continue into the next quarter, with an expected focus of designing future state processes and preparing for the implementation of the service request solution; further developing the vision and roadmap for VDH's service management; and further refining the overall initiative roadmap, project selection, and sequencing. The Administrative Systems Initiative is on track to successfully meet the objectives within the three-year ARPA SLFRF funding window.

## **Objective(s)**

VDH aims to assess, upgrade, and/or develop Service Management, Grants Management, Budget Management, and other agency systems to:

- Increase the functionality of existing back-office administrative systems to improve customer service while increasing operational efficiencies
- Connect existing systems to streamline workflow processes and reduce duplicative efforts
- Develop new automated systems to replace manual processes through new technologies and Robotic Process Automation
- Implement a Product Suite package to address VDH needs for daily communications, document management, and content sharing

## **Overview of Quarterly Progress (January – March 2022)**

Since the submission of the December 31, 2021 quarterly status report, VDH has accomplished the below activities associated with the Administrative Systems Initiative. The activities completed have been important components in preparing for the Phase 1 implementation of a service request system, developing the department's overall service management vision, continuing efforts to increase automation through ongoing RPA projects, selecting a product suite, refining the initiative's overall roadmap, and continuing efforts to increase automation through ongoing RPA projects.

### ***Service Request Solution Activities***

- Service Request Solution
  - Initiated process to procure agency wide service request solution (with the Phase 1 of implementation covering ITSM, ITAM, and security incident requests)
  - Coordinated system security assessment via VITA's ECOS approval process to ensure that the proposed ServiceNow system complies with all Virginia security requirements
  - Began gathering business and technical requirements necessary for the successful Phase 1 implementation (ITSM, ITAM, and security incident requests) of a service request system in the following quarter

- Began developing a longer-term service management vision and roadmap, which will inform future service management solution phases, service offerings, and integration with other systems across the department
- IT Service Management (ITSM) and Security Incident Request Analysis
  - Developed a catalogue of service requests that are being processed via email, the existing Submit a Technology Request Now (SATRN) system, and the SBS Tracking Logging and Reporting (STLAR) system
  - Analyzed the agency's IT service requests to document the current processes for request fulfillment
  - Identified ITSM and security incident stakeholders to engage them in decision making and future state design, as well as ongoing project communications
  - Began identifying broader service categories that will be included in the subsequent phases of the service request platform implementation
- IT Asset Management (ITAM) Analysis
  - Identified the agency's asset management stakeholders to engage them throughout the project
  - Gathered information and created the current asset management processes, including:
    - Process diagrams mapping the step-by-step process for managing assets from procurement through retirement
    - Maturity assessment that compares the current state of ITAM processes with industry standards to identify short-term and long-term improvement opportunities
    - List of findings and pain points related to ITAM strategy, and corresponding considerations for each

### ***Robotic Process Automation (RPA) Activities***

- Continued automation project for a Redundant, Obsolete, Trivial (ROT) Bot to analyze and clean VDH's legacy digital file storage
- Continued conducting a feasibility study to identify opportunities for future automation projects

### ***Product Suite***

- Began assessing potential product suites with VITA, basing the assessment upon existing department uses, product suite pricing, and expected future needs

### ***Initiative Roadmap Refinement***

- Reviewed department priorities and existing roadmap to begin developing a refined project selection and prioritization to maximize impact while minimizing resource strain on the department when implementing projects
- Identified a Grants Management System, Budget Management System, and Travel Reimbursement System as the next set of priority projects for the next 12 months

### ***Comments on Alignment to Quarterly Report Submitted in Dec 2021***

In alignment with the anticipated activities for this past quarter as outlined in the December 2021 Quarterly Report, VDH has conducted and finalized current state assessments and discovery documenting existing IT Service Requests (inside and outside of existing systems such as SATRN and STLAR) and Asset Management Requests, initiated the procurement process for a service request system and initiated a VITA cybersecurity assessment of the system, selected a product suite, and began developing a service management vision to integrate VDH's service management vision across existing systems.

## **Anticipated Next Quarter Activities (April – June 2022)**

The following outlines the activities and tasks planned from April through June 2022:

### ***Service Request Solution Implementation Activities***

- Procure Service Request Solution
- Establish a working group with stakeholders involved in the implementation of Service Request Solution implementation, including VITA
- Complete high-level service request design to improve service request management across VDH
- IT Asset Management (ITAM)
  - Develop ITAM implementation roadmap, detailing the asset types and categories to be tracked in different system rollout phases
  - Complete ITAM business and technical requirements
  - Begin data cleanup effort to prepare for ServiceNow implementation
  - Design and implement future state processes and procedures
  - Develop Concept of Operations for future state
- IT Service Management (ITSM)

- Develop ITSM implementation roadmap, detailing the ITSM request types and categories to be included in different system rollout phases
- Complete ITSM business and technical requirements
- Begin data cleanup effort to prepare for ServiceNow implementation
- Design and implement future state processes and procedures
- Develop Concept of Operations for future state
- Security Incident Requests
  - Develop Security Incident Requests implementation roadmap
  - Complete Security Incident Requests business and technical requirements
  - Begin data cleanup effort to prepare for ServiceNow implementation
  - Design and implement future state processes and procedures
  - Develop Concept of Operations for future state
- Further develop longer-term service management vision and roadmap, identifying additional services and capabilities to roll out in subsequent phases

### ***Robotic Process Automation (RPA) Activities***

- Operationalize ROT Bot to begin cleaning file drives
- Complete pipeline feasibility RPA study to identify potential opportunities for automation using RPA at VDH

### ***Product Suite***

- Finalize a product suite selection and begin developing the change management and implementation strategy for the new messaging suite offered by VITA

### ***Initiative Roadmap Refinement***

- Conduct working sessions with VDH leadership to refine the selection and prioritization of subsequent projects under the Administrative Systems Initiative to ensure alignment on scope, consideration for project dependencies, and availability of resources when beginning future projects

## **Risks and Risk Management**

- **Risk 1:** Alignment on scope and priorities of projects is important in refining and further detailing the multi-year Administrative Systems Initiative roadmap

- **Mitigation Strategy:** Preparing to conduct visioning session to align on the overall vision, priorities, and timeline for the administrative systems initiative while considering resource constraints and other dependencies
- **Risk 2:** Broadband upgrades to provide sufficient bandwidth are required for the successful operation of the upgraded administration systems may be impacted
  - **Mitigation Strategy:** Develop accurate project schedules with sufficient detail to track initiative progress. Identify critical dates from other initiatives to ensure broadband upgrades are complete in time. Upgrades will also need to be incorporated without interference of day-to-day operations within the specified schedule. Communication with VITA to align on the implementation schedule of Verizon technology tools will also be necessary to ensure proper security and operation of VDH administrative systems.
- **Risk 3:** Resource constraints on the department's technical staff may impact ability to have sufficient personnel to architect and develop the administrative systems updates discussed
  - **Mitigation Strategy:** Proactively coordinate resource needs and expected delivery timelines for proposed solutions requiring VDH technical staff resources. Any short-term fixes must be evaluated against long-term system replacements. Additionally, align the initiative roadmap with resource availability
- **Risk 4:** Hardware infrastructure (cloud storage, processing power) may not meet the needs of the proposed software upgrades and additions
  - **Mitigation Strategy:** A variety of hardware infrastructure options will be considered and software upgrade options will be analyzed and with the technical requirements - API connections, browser compatibility, storage, etc. The VDH technical team will be a critical stakeholder in the evaluation process for any potential software upgrades.
- **Risk 5:** Staff may be slow to adopt the new set of systems and processes for many of their day-to-day tasks
  - **Mitigation Strategy:** A change management communication plan will be created for each Administrative System. The plan will incorporate anticipated training, education, and communication materials to ease transition into new business processes and digital platforms.
- **Risk 6:** VITA's approval for infrastructure (such as ECOS approval) is needed to support the implementation timeline
  - **Mitigation Strategy:** VITA approval will be a critical component of software development/integration timelines. VDH and Commonwealth cybersecurity requirements and VITA approval must be included in solicitation language for potential procurements and the approval process will be initiated as soon as procurements have closed, and responses opened. VDH has involved VITA and initiated the ECOS approval process for the service request platform.



- **Risk 7:** Project risks, actions, issues, and decisions (RAID) will be documented, assessed, and assigned on a bi-weekly basis
  - **Mitigation Strategy:** RAID will be escalated to stakeholders and product owners for awareness through status reporting and regularly scheduled meetings. RAID meetings will be planned without overlapping with or impacting current systems operations.
- **Risk 8:** Governance meetings will be conducted to review: impact, urgency, priority, likelihood, and mitigation plans
  - **Mitigation Strategy:** Governance meetings will be planned without overlapping with or impacting current systems operations. Any concerns will be escalated as necessary.
- **Risk 9:** Hardware infrastructure (cloud storage, processing power) may not meet the needs of the proposed software upgrades and additions
  - **Mitigation Strategy:** A variety of hardware infrastructure options will be provided for alternatives. All software upgrade options must be analyzed and presented with technical requirements - API connections, browser compatibility, storage, etc. The VDH technical team will be a critical stakeholder in the evaluation process for any potential software upgrades.

## Change Management Considerations

VDH understands that successful transformation initiatives rely on more than just the right technology, processes, and resources. They also depend on effective change management, engagement, and training strategies to equip impacted stakeholders with the information and guidance that they need to support the changes being implemented.

In developing and executing a robust Organizational Change Management (OCM) Strategy and Plan, VDH will prepare stakeholders to adopt new administrative systems by helping them understand the changes taking place, the impact of these changes, and the resources and information available to prepare. This in turn will accelerate the adoption of new processes while enhancing the capabilities of offices across VDH, minimizing disruptions to daily operations, and reducing the risk of project delays. As indicated in the overview of quarterly progress above, the agency has begun to develop the necessary resources – including an initial analysis of initiative stakeholders – that will serve as the foundation for the OCM plan. VDH is also currently developing a “Case for Change” that will equip VDH Leaders with a clear and compelling narrative to effectively communicate with and engage stakeholders on the importance of the change. Additional activities may include a change readiness assessment, Change Champion network, communication/engagement strategy, and training plan to guide VDH in its efforts to prepare stakeholders for adoption of the new systems.

## Project Budget

*The following appropriation is broken down by the project categories defined in the work plans submitted on 9/30/2021. Please refer to this documentation for further clarification.*

**Total Appropriation:** \$50,000,000

**FY22 Appropriation:** \$10,000,000

### **Cumulative Actuals, Obligations, and Appropriations, through March 14,2022**

Project Group	Current Period Actuals	FY22 YTD Actuals	FY22 YTD Obligations	FY22 Allocations
Business Systems	\$128,000	\$128,000	\$185,000	\$6,775,000
Web F&A Modernization	\$185,000	\$185,000	\$242,000	\$1,675,000
Product Suite	\$128,000	\$128,000	\$185,000	\$435,000
Other Initiatives	\$128,000	\$128,000	\$352,000	\$370,000
IT Service Management	\$128,000	\$128,000	\$185,000	\$745,000
<b>Total</b>	<b>\$697,000</b>	<b>\$697,000</b>	<b>\$1,149,000</b>	<b>\$10,000,000</b>

\*Actuals represent transactions that have posted in Cardinal Web F&A as of 3/14/2022