

# **ADMINISTRATIVE SYSTEMS**

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



9/30/2022

## Table of Contents

Report Mandate.....	3
Context for ARPA Initiatives.....	3
Executive Summary.....	3
Objective(s).....	4
Overview of Quarterly Progress (July – September 2022).....	4
Anticipated Next Quarter Activities (October – December 2022).....	5
Risks and Risk Management .....	6
Change Management Considerations.....	6
Project Budget .....	7

## **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. 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 The COVID-19 pandemic resulted in significant pressure on VDH’s outdated administrative processes and systems. These outdated processes and systems rely on manual workarounds and have created challenges in VDH’s ability to effectively react and respond to the pandemic.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), Financial and Accounting systems, and the introduction of Robotic Process Automation (RPA) as appropriate. These modernized systems will enable new capabilities and increase productivity while decreasing manual processes, thus mitigating errors, and increasing VDH’s readiness to respond to future public health emergencies.

Over the last three months, VDH has procured a service request solution (ServiceNow), begun implementation, and completed analysis on the current state of IT Service Management and IT Asset Management to inform the ServiceNow configuration. VDH continues to work on RPA projects both to remove unneeded electronic files across the department, and to assess existing manual processes to identify candidates for automation. VDH has also continued to refine the overall initiative roadmap to make sure the initiative is addressing the department’s most pressing needs and can maximize the agency-wide impact of the funding.

These activities are planned to continue into the next quarter, with an expected focus on configuring and rolling out the ServiceNow system across the department, identifying and prioritizing additional opportunities for RPA, completing a current state analysis for grants management, beginning the procurement process for a grants management system, and performing a gap analysis on existing financial management capabilities. 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, Financial Management, and other agency systems to:

- Increase VDH efficiencies with back-office systems to improve experience for customers
- Reduce duplication of effort and streamline business workflows by integrating existing system
- Implement new tools and workflows to automate manual administrative processes
- Use the best available tools to meet the Department's needs

## Overview of Quarterly Progress (July – September 2022)

Since the submission of the June quarterly status report, VDH has accomplished the below activities associated with the Administrative Systems Initiative. The activities completed have been important components in modernizing and streamlining the administrative functions of the agency.

### **Key Activities and Accomplishments:**

- **Overall Initiative Roadmap**
  - Refined and reviewed initiative roadmap and priority projects based on evolving agency needs, ongoing administrative system work, and resource constraints
  - Continued refinement of spend plan for each project through State Fiscal Year 2024 to track progress and verify proper dollar allocation and budget adherence
- **Service Request System (ServiceNow)**
  - Completed Go Live of the Minimum Viable Product for Asset Management, Discovery, Configuration Management Database, Core IT Service Management & Service Catalog/Service Requests
  - Began tracking and processing some VDH IT service requests through ServiceNow
  - Developed agile timeline for additional technical configurations of services
  - Created training materials and began training sessions for VDH employees to familiarize personnel with ServiceNow and how to submit service requests
- **Robotic Process Automation (RPA)**
  - Completed Pipeline Feasibility Analysis, identifying potential opportunities for automation at VDH using RPA
  - Programmed ROT Bot to clean file drives of Redundant, Obsolete, and Trivial files and store specific files for retention within the Office of Information Management (OIM)
  - Began deployment of ROT Bot in the Office of Epidemiology to support Electronic Lab Reporting to purge old unused files and increase data storage

- Created an RPA proof of concept for the ARPA Records Management initiative
- **Grants Management**
  - Conducted requirements validation session with key stakeholders to finalize requirements needed for “Statement of Request” preparation
- **Other Initiatives**
  - Compiled market research and industry-leading practices to support functional capabilities and requirements scoping for additional technology initiatives prioritized in the roadmap
  - Launched new contractor time keeping system; continuing to migrate new contractors to the system

## Anticipated Next Quarter Activities (October – December 2022)

The following outlines the activities and tasks planned from October through December 2022:

- **Overall Initiative Roadmap**
  - Continue to review initiative roadmap and refine list of priority projects based on evolving agency needs, ongoing administrative system work, and resource constraints
- **Service Request System (ServiceNow)**
  - Complete Operational Go Live for Asset Management, Discovery, Configuration Management Database, Core IT Service Management & Service Catalog/Service Requests
  - Develop phase 2 enhancements roadmap of technical capabilities as additional services are identified
- **Robotic Process Automation (RPA)**
  - Continue to deploy ROT Bot across other agency offices to clean file drives and free up storage space
  - Use results from the Feasibility Analysis to prioritize, plan, and launch additional RPA initiatives
- **Grants Management**
  - Release a Statement of Requirements (SOR)
  - Begin reviewing Statements of Work submitted by vendors to identify a solution that meets the needs of VDH
- **Other Initiatives**
  - Identify business requirements for Financial Management and Human Resources Information System

- Begin review of current state financial management capabilities, conduct a gap analysis, and create a future state operating roadmap

## Risks and Risk Management

- **Risk 1:** If adoption of ServiceNow is low, then the expected efficiencies of VDH's IT asset management and service delivery may not be realized.
  - **Mitigation Strategy:** Continue to develop and deliver strategic communications and tailored training across the organization to better transition the VDH team away from legacy processes and towards a more sustainable and streamlined process
- **Risk 2:** If the procurement process (SOR/Request for Proposal, contract negotiations, etc.) is delayed, then VDH will have limited time for implementation before ARPA funds must be used obligated.
  - **Mitigation Strategy:** VDH plans to develop a work plan to track progress and identify risks to the timeline
- **Risk 3:** If key personnel are not available due to conflicting priorities, then priority area solutions may not progress.
  - **Mitigation Strategy:** VDH plans to prioritize projects based on set criteria and assign resources to support these initiatives

## 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 for the transition. 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. 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 plans to guide VDH in its efforts to prepare stakeholders for adoption of the new systems.

## Project Budget

*Budget, Obligations, and Actuals as of September 2022*

<b>Total Appropriation</b>	\$50,000,000	<b>Total Obligations (To Date)</b>	\$6,295,000	<b>Total Expenditures (To Date)</b>	\$2,096,000
--------------------------------	--------------	--	-------------	---	-------------