Project Charter for Phases I and II - FINAL

Los Angeles County Office of Education

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<th>Project Name</th>
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This document should be completed and presented to administration for approval. It is an executive overview intended to facilitate discussion, and to provide formal authorization to proceed. This entire document should require between two and four pages when complete. It is not a detailed planning document. Information will likely be limited in terms of reliability and completeness. Budgeting and scheduling information is preliminary in nature and will be determined in the planning phase.

Problem or Purpose Statement

Describe in one or two sentences the overall problem the project is trying to solve or the purpose of the project. Be sure to identify the problem to be solved. This should not be a simple list of things to do or deliverables to be produced. Focus on why this needs to be done and what will be accomplished.

The Los Angeles County Office of Education’s (LACOE) core business systems are comprised of PeopleSoft Financials (Version 7.52 for Education & Government), as well as a legacy Human Resource System (HRS), which primarily includes payroll processing. The systems are considered out-of-date, cumbersome to use, inefficient, and in the case of the PeopleSoft Financials application, unsupported by the vendor. The 2011 Fiscal Crisis & Management Assistance Team (FCMAT) Report further recommended researching the feasibility of replacing the current systems with a fully integrated system that can provide accounting, position control, payroll, budgeting, and reporting used by LACOE and the agencies it serves.

Consistent with the FCMAT report, the purpose of the Business Enhancement Systems Transformation (BEST) Project is to methodically plan for the replacement of the aforementioned systems and then execute the new systems implementation and their subsequent deployment to LACOE and the agencies. The project will be divided into three phases: Phases I and II include planning, business process flowcharting, and requirements definition, as well as preparing LACOE and the agencies for the systems replacement. Phase III will be comprised of the actual systems implementation and its deployment. Phases I and II are critical, as they establish the planning foundation for a successful systems implementation and define the business case justification and implementation roadmap to be executed during Phase III.

In summary, the focus of this Project Charter is primarily on Phases I and II planning and preparation tasks up to the commencement of the systems implementation (i.e., Phase III). Upon conclusion of Phases I and II, the Project Charter will be revised as a formal detailed business case justification which will be completed prior to the commencement of Phase III systems implementation scope and timeline.
Educational Justification and Benefits

Describe how this affects student learning and/or achievement. Justification might include the desire for reduced costs, increased productivity, or conformance to regulations.

Overall, the justification for the BEST Project is based upon the fundamental need to transform the outdated LACOE core business systems into a modern and up-to-date integrated system. In general, the anticipated benefits of modernizing the financial systems include all of the following:

- Ease of use;
- More timely and accurate information and data, particularly in the hands of the districts/agencies and employees;
- Supportability of the system by vendor(s);
- The ability to adapt to organizational and regulatory changes;
- Improvement in financial monitoring, forecasting, and data analysis;
- Increase in organization effectiveness; and
- Improvement in business processes through the use of the latest application technology.

Phases I and II are required in order to properly plan, scope, organize, allocate resources, and then execute the Phase III system implementation. Phases I and II involves project planning, which provides the benefit of mitigating risk during the delivery phase (i.e., Phase III).

Key Objectives

Describe the most important objectives (schedule, quality, financial, technical, educational, etc.).

Phases I and II key objectives include all of the following:

- Establish the Project Organization;
- Establish Communication Plan;
- Define detailed business processes through flowcharting (Levels 1,2,3,4) and system requirements from ten Pilot Sites;
- Pilots and Non-Pilots validation of detailed system requirements;
- Define the Implementation Roadmap: scope, priorities, and risk mitigation strategies;
- Business Case development;
- Define overall project strategy;
- Generate and score the Request for Proposal for an Integrated System and Implementation Services, select vendor(s), and negotiate contract(s).
General Strategy

Describe in no more than three or four paragraphs the overall approach (not specific tactics or activities) for achieving project objectives. Potential topics: whether the deliverables will be implemented in phases; whether contractors / subcontractors will be used; whether a “pilot project” or prototypes will be used.

As previously mentioned, the overall project is divided into three phases: Phases I and II, comprised of planning, requirements definition, preparation steps, and Phase III, which includes the integrated system implementation.

Phases I and II require several major efforts occur simultaneously in order to meet timeline objectives. An initial Phase I deliverable includes LACOE and agency business processes and system requirements definition, which is the key pre-requisite to complete the Integrated Financial and Human Resources System and Implementation Services Request for Proposal (RFP). The approach to complete this work is to enlist agencies or “pilots” comprised of seven K-12 school districts (Alhambra, Downey, Glendale, Hacienda La Puente, Lynwood, Redondo Beach, and Santa Monica Malibu) one community college (Cerritos College), one charter school (Palisades Charter High School) and LACOE for a total of ten pilots. The work product is divided by deliverable type as follows: Level 1 – Flowchart High-Level Organizations, Level 2 – Flowchart High-Level Major Business Processes, Level 3 – Flowchart Detailed Business Processes, and Level 4 – Document Detailed System Requirements. Levels 1 – 4 will be completed for all pilot agencies.

Once Level 4 Detailed System Requirements are defined and reviewed with the pilots, system requirements will in-turn be validated with the non-pilot agencies to ensure what has been captured is thorough and comprehensive. Pilots’ detailed system requirements will be validated during Non-Pilot Regional Requirements Validation Meetings.

The Strategy Development work effort will occur concurrently with the pilot and non-pilot work mentioned above. Strategy firm(s), specializing in large-scale ERP business process reengineering and strategy development will be contracted for this work, which will include: future technology landscape, total cost of ownership analysis, business case development, access LACOE’s readiness for ERP implementation, overall strategy including organizational change management strategy with communications, mobile technology strategy, assistance with ERP Vendor Demos, RFP format recommendation, system requirements validation, and implementation strategy roadmap.

Finally, the Integrated Systems and Implementation Services RFP will be developed generally after the above work efforts are complete. A contract strategy vendor resource may assist with certain aspects of the RFP content and review, but the vast majority of work will be performed by LACOE and BEST Project Resources.
The timeline calls for Phases I and II being completed by the end of the 2016 calendar year. The below Milestone Schedule shows major work efforts scheduled through calendar year 2016.

As part of Phase II, working with a Strategy Vendor, LACOE will prepare an initial, comprehensive implementation scope and timeline for Phase III, Systems Implementation and Deployment. The implementation scope and timeline for Phase III will be incorporated into the RFP for the new financial system and implementation services because vendors will require this information in order to make informed bids/offers for their services in response to the RFP. Phase III, which is scheduled to start in calendar year 2017, is currently anticipated to last at least three to five years.
Financial Estimates

Identify the estimated cost of the overall project or the next phase. This is likely to be an order of magnitude estimate in the early planning phase, as compared to a firm (budget) estimate. Financial estimates should be within 25% of actual. These costs could include anything that requires a Purchase Requisition such as external training, consultants, travel, stipends, etc.

See attached file titled “Budget Report – Location 5515,” which shows the BEST Project Budget in the amount of $4,067,244 for Fiscal Year 2014-15. The budget for the BEST project will be prepared on an annual basis, as part of LACOE’s annual developmental budget process. The total costs for the BEST Project are not known or projected at this time, as all of the following variables, many of which are not known or cannot be reasonably estimated, will each and cumulatively have a material effect on the total cost of the project:

- Districts/agencies that will ultimately use the new system as their primary financial, human resources, and/or payroll system;
- Which modules/software will ultimately be included/licensed as part of the new system;
- Initial software license fees and annual maintenance costs for the new ERP system;
- Implementation services costs to be paid to the system implementer, as part of Phase III of the project; and
- The platform (i.e., hardware and software) that will be utilized to support the new ERP system and whether this platform will substantially remain internal, supported by internal/LACOE staff, supported via a hosted environment, or a combination of thereof.

Note: Phases I and II include planning and strategy tasks to address the unknowns listed above and develop a comprehensive, multi-year budget for the project. Additionally, estimated costs for the several of the above project costs (e.g., software license fees, annual maintenance costs, implementation services) will be known after LACOE issues the Request for Proposal (RFP) for the new ERP System and Implementation Services, the vendors have responded with proposed costs, and LACOE has negotiated with the selected vendor(s).
Resources

List all necessary internal resources – equipment, departments, software and people. This should be broken out by functional teams (i.e.: financial programmer, Operations, Networking group, desktop support).

The Enterprise Business Systems - BEST Project Organization consists of 17 full-time equivalents/employees (FTEs), which are budgeted for Fiscal Year 2014-15 and reflected in the Financial Estimates section of this document. A breakout by functional team, role, and applicable resource numbers is as follows:

Enterprise Business Systems (EBS) by Sub-teams: (17 FTEs)

Project Management Team (4 FTEs):
- Project Director: 1
- Project Coordinator: 2
- Administrative Analyst: 1

Implementation Experts Team (5 FTEs):
- Implementation Expert – Human Resources: 1
- Implementation Expert – Payroll: 1
- Implementation Expert – Technical: 1
- Implementation Expert – Financials: 2

Process Engineering Team (5 FTEs):
- Process Engineer – Human Resources: 1
- Process Engineer – Payroll: 1
- Process Engineer – Technical: 1
- Process Engineer – Financials: 2

Change Management Team (3 FTEs):
- Change Management Coordinators: 3

At the conclusion of Phases I and II, EBS resource requirements will be revisited for Phase III approval, as the implementation plan for Phase III will impact the required resources. For example, the planned implementation/roll-out of the new financial system may or may not require an additional project coordinator.

Initial Assumptions

Identify any high-level assumptions that may be relevant to understanding this document. Assumptions might address the availability of funding, resources, or new technologies, expected growth in enrollment, etc.

After the 2011 FCMAT Report and its recommendations were issued, LACOE initiated a Request For Information (RFI) to the software vendor community and marketplace on its intent to undertake the project and seek feedback and advice. The RFI replies provided cost ranges (on average approximately $54 million), staffing resources, and time involved to undertake an initiative of this size. While Phases I and II continue with the objective of obtaining more accurate projections of project scope, cost requirements, approach,
resource involvement, and timeline, all of the following assumptions are made:

- The BEST Project will receive and maintain full LACOE Executive Sponsorship;
- An Executive Steering Team and project governance model will be established to drive the executive level support needed for the project and facilitate quick issue resolution when needed;
- Management decisions will be made in a timely manner consistent with project needs;
- Project objectives are documented, communicated, understood, and aligned within LACOE and the agency organizations throughout the project life cycle;
- There is a willingness by LACOE and agencies, management and (system users), to adopt best practices (i.e., adopt new technology and change business processes, if needed);
- LACOE and agency resources will be made available, with acceptable notice, consistent with project requirements, scope, and objectives;
- Funding will be made available in a timely manner consistent with project requirements and timeline; and
- LACOE and agency time periods of high internal activity (time constraints) will be factored into the detailed project schedule.

## Initial Constraints

*Identify anything that significantly limits the project team’s options in planning and executing project activities. These might include applicable laws and regulations, mandated target dates, financial limitations, resource limitations, etc.*

Given the immediate need to begin and continue uninterrupted of the project through completion, the main project constraint is time (i.e., meeting project schedule milestones).

## Major Risks

*Identify significant risk events (high-probability and/or high estimated impact) that are relevant in terms of authorizing this project or upcoming planning activities. Be sure to include the risk of not doing the project.*

The following are high probability and or high impact risks identified:

- Maintaining the current out dated technology over the long term will compound problems and may lead to additional agencies migrating from LACOE systems to other third-party systems;
- The scope of applications to be replaced is large while time is limited;
- Resistance to business process changes at LACOE and within districts/end-user community may lead to project timeline delays;
- The project may require significant business process changes and reorganization across LACOE and/or districts/agencies to meet project objectives;
- Competing priorities (e.g., support and use of the existing PeopleSoft Financial System and Human Resource System) may lead to resource constraints;
- During the project, maintaining the current legacy systems and the new ERP system (in parallel during the phased implementation/deployment) may lead to resource constraints.

*Note: Phase II of the BEST Project includes procuring the services of strategy vendor(s) to identify project risks and develop a risk mitigation plan, which will address several of the Major Risks identified in this Project Charter.*

### Out of Scope

Identify specific related items that will not be included in this project (training, products, documentation, software features, and upgrades).

One of the key objectives of Phases I and II is to provide an implementation roadmap, which establishes scope and priority of implementation or (scope) delivery, given constraints. The chart on the next page depicts current LACOE system offerings and potential system offerings. In addition, strategy solution needs are outlined for the listed areas below. In Summary, at this time, initial (out of scope) system applications include:

- Student Information Systems (SISs)*
- Special Education Information Systems (SEISs)*
- Student Bus Routing and Transportation Systems (e.g., EDULOG)
- Substitute Teacher Systems (e.g., AESOP, Sub-Finder)*

*The implementation of these systems is out of scope for the new financial system. Identifying and determining whether there are any applicable inbound/outbound interfaces with these systems and the integrated financial system is within scope of Phases I and II for the BEST Project.

At this time, the scope of the BEST Project is shown on the chart on the next page.
Stakeholders

Please list all stakeholders and their interest in this project.

The BEST Project has numerous Stakeholders. Most prominent are users from the over 125 agencies, which utilize the PeopleSoft Financial System and/or Human Resource System supported by LACOE. These agencies include: LACOE, K-12 school districts, community colleges, charter schools, and joint power authorities throughout Los Angeles County. Specifically, the stakeholders are agency management and staff, who are responsible supporting their agencies’ operations and the education of over 1.7 million students in Los Angeles County.
Completion Criteria

Please list the items/events that will signify that this project is complete.

The BEST Project has developed a project plan for Phases I and II of the project. Phases I and II completion criteria are as follows:

- PILOT Flowcharting and Systems Requirements Definition (Levels 1,2,3,4) with applicable approvals from Pilot stakeholders / “owners”
- Systems Requirements Validation (Non-PILOT) Regional Workshops
- Project Strategy Deliverables
- Issue an RFP for the new Integrated Financial Systems, score proposals received in response to the RFP, select software/implementation vendor, negotiate/finalize contracts for the new system and related implementation services, and obtain approved budget and possible additional staffing for subsequent phase(s).

Organization Structure – Project Governance - Communication

Identify the Project Org. Structure with Governance Hierarchy.

The BEST Project Organization with governance hierarchy is depicted on the following page. The highest management level is directed by Dr. Arturo Delgado, Superintendent, and the Executive Steering Team, which consists of the Deputy Superintendent, the Chief Financial Officer and the Chief Technology Officer. Paul Landry, the BEST Project Director, reports to the Chief Technology Officer and works with the Executive Steering Team on project status and matters requiring escalation. The project Working Groups resources are focused on project execution and divided by major functional area. The Project Advisory Team (PAT) advises based upon topic and need. The Core Advisory Teams (CATs) are comprised of agency (i.e., school districts, community colleges) representatives that receive project status from the BEST Project Team and serve in an advisory capacity to the BEST Project Team throughout the project.
Communication Plan:

The BEST Project Communication Plan encompasses short-term and mid-term needs. Specific media plans or events will be developed to meet the specific communication needs of the project. Consistent with this approach, key messages have been developed and will continue to be developed as the need arises and as project progress reports become available. Further, BEST Project Status Reports will be published on a regular basis to the Executive Steering Committee.

The Communication Plan will also develop an overall brand for the BEST Project, which may include a unique project logo. The intent of the Communication Plan is to inform various project stakeholders of progress, events, challenges, garner support, solicit feedback for continuous improvement, and ensure LACOE receives appropriate credit.

The following is an outline of anticipated project communication audiences (listed alphabetically):

- Charter Schools Administration and Staff
- Chief Business Officials (CBOs)
- Community College Superintendents/Presidents, Vice Presidents, and Staff
- Core Advisory Teams (CATs)
- District Advisory Committee (DAC)
- LACOE Board of Education
- LACOE Staff
- Los Angeles County Board of Supervisors (BOS)
- School District Assistant Superintendents
- School District Superintendents
- School District Fiscal, Purchasing and I.T. Directors
- School District Staff

The following is an outline of planned communication materials developed by LACOE Technology Services with editing support provided by the LACOE Communications Department; they include:

- Regular District (Agency) updates
- CBO Briefings
- BEST Project Web Page on LACOE Internet Site
- One-page summary of project status
- Project Branding
- Project Launch article for entire LACOE Staff
- Video Presentations for project events
- Q&A Summaries
- Media Advisory updates for project summary status or events
Ongoing Support

Please list all those that have a role in ongoing support after project completion.

At the conclusion of Phases I and II, an implementation roadmap proposal will be delivered and consequently the scope and timing of maintaining two major environments, (legacy and new) during the deployment and post deployments periods, will be known. It is expected the LACOE organizations and personnel currently responsible for ongoing support in its current configuration will continue in their same roles during the actual system implementation or Phase III as well as possibly assisting with the migration to a new system.

Conditions for Approval

This section should identify any conditions that are required BEFORE the project can go forward, assuming all approvals are obtained. Examples might be, the project is conditional upon finishing project xyz; or conditional upon obtaining one FTE to assist with the additional support requirements, or conditional upon obtaining the funding for the project, or conditional upon acceptance of reduction of support in other areas (areas to be identified).

Funding for Phase I and II, personnel listed in the Resources Section, and operational budget, has already been approved; therefore, it is not an impediment for the project going forward. Funding for the strategy vendor and related work defined in the General Strategy Section is also already budgeted for Fiscal Year 2014-15. Funding for Phase III of the project will be required for the project to proceed.
BEST Project
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Approvals
Minimally, this document should be signed by the Project Initiator, Functional Managers and Director. It may be advisable to include providers of key resources (lead technical staff, for example) and/or key stakeholders.

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Gregory Lindner – Chief Technology Officer, Technology Services

Date: 8-6-14