

One Washington announcement on scope of phase 1a Workday implementation: May 2022

Summary: In December of 2021, the program made the determination that an October 2022 go-live date was not feasible and began replanning efforts. The OCIO recommended the program, as part of these efforts, take a broader, more comprehensive look at the objectives (goals), scope, deployment approach, and schedule of the first financial phase of the Workday implementation. This led the program to establish a short-term project named “The Way Forward” charged with completing the comprehensive replanning efforts for the program. In April, the executive steering committee approved updated financial transformation goals. After consulting with agency partners, expert partners, and state subject matter experts, the program recommended, and the executive steering committee approved the addition of limited requisition to pay functionality to the scope of the phase 1a implementation of Workday.

Background: On May 16, One Washington leadership presented the program’s official recommendation for the scope of the initial financial implementation to the executive steering committee. The program evaluated a range of functionalities for possible inclusion in phase 1a implementation.

Functionalities that were evaluated:

- Expanded cost allocations – not added
- Grants – not added
- Projects – not added
- Project billing – not added
- Work orders/cost accounting – not added
- Consumable inventory- not added
- Requisition to pay – add limited functionality

Decision talking points:

The program has learned much over the last three years about the classifications of Workday functionalities¹. While requisition to pay was initially classified as a procurement functionality, we have learned that, for some agencies, critical requisition to pay functions will be disrupted when AFRS is retired under phase 1a.² To ensure this functionality will not be lost, the program recommended, and the ESC approved (with constraints) the addition of limited requisition to pay functionality.

What does limited requisition to pay functionality mean, why is it important to add it, and what are the constraints to the ESC’s approval?

- One of the core functions of AFRS is to help agencies pay bills for goods and services received.

¹ It should be noted that the determination of the phase classifications was originally crafted prior to the selection of the Workday system.

² Requisition to pay is the full process of documenting the authority to make purchases, committing funds and then making payments after goods or services are received.

- AFRS currently supports some portions of the requisition to pay process
- While One Washington classified the requisition to pay process as procurement functionality for project phasing, it is a process that will be disrupted by replacing AFRS.
- By disrupting the requisition to pay process, we also risk missing opportunities for significant improvements in payment processes and the collection of critical data on state spend.
- Adding requisition to pay functionality to phase 1a on a limited basis will help ensure critical functionality is not lost by the replacement of AFRS and that new benefits are gained. Program staff are evaluating which portions of the requisition to pay function need to be added. This includes:
 - o Support for encumbrances³ – losing this capability would create a significant hardship for a number of agencies.
 - o Collecting critical procurement authority information that:
 - Will save agencies hundreds of hours in producing statutorily required contract spend reports.
 - Is critical to support state efforts around contracting equity and supplier diversity.
 - Will provide valuable information for improving master contracts.
 - o Whether to include purchase order functionality and, if so, at what level of detail.
- The exact functionality to be added in each of these areas is subject to more analysis. We anticipate this analysis to take several weeks. If the analysis shows a net negative financial impact to the state, then the functionality will not be added. In addition, the analysis must consider the additional constraints set out by the ESC. These constraints are the following
 - o Implementation of this functionality will **not** occur if it:
 - Increases the length of the project beyond the length required to deliver currently scoped functionality for our first implementation.
 - Requires the full supervisory organizational structure or significant additional complexity to our currently contemplated HRMS integration.
 - Requires agencies that currently have their own requisition to pay systems to decommission those systems and use Workday.
- The following types of requisition to pay functionalities remain out of scope for the first financial implementation:
 - o Processes that support shopping and purchasing from a vendor
 - o Contract management
 - o Consumable inventory

³ An encumbrance is a type of accounting transaction that shows an outstanding commitment on the financial record of an agency for a certain activity. It is used by agencies to ensure that budgeted funds that have been committed for an expense are not spent elsewhere.