



## I/3 Update

February 15, 2005

### Implementation

- What is the I/3 system and what does it do?** The *Integrated Information for Iowa* or I/3 system is a web-based enterprise resource planning system with a single entry point for state budget, finance, e-procurement, human resources, payroll and benefits information. When all modules of the system are operating, I/3 will replace the old IFAS, budget, HRIS/payroll and benefits systems, eliminating many redundant systems and manual processes. For the first time, the state will have real time access to financial information. I/3 also supports a paperless processing approach that has not yet been implemented. It was purchased through a competitive procurement from CGI-AMS.
- How far along are we?** I/3 implementation is charted below. Lighter gray shows old systems; darker gray shows I/3 modules.

Fall 03	JUne 04	Summer 04	Fall 05	WINTER 05
Parallel Budget Modules	I/3 Financial	FY 06 Budgets Entered in I/3	I/3 HR/Payroll	Full I/3 implementation
<b>Old Budget</b>				
<b>Old Finance</b>				
<b>Old HR/Payroll</b>				
<b>New Budget</b>				
	<b>New Finance</b>			
			<b>New HR/Payroll</b>	

### Financing I/3

- How much has been appropriated for I/3 to date?** These amounts have been paid from appropriated Tobacco Settlement Funds:

FY	Project	OPERATIONAL
FY03	\$ 4,400,000	
FY04	\$ 6,131,075	
FY05	\$ 3,115,116	\$2,934,168
<i>Total</i>	\$13,646,191	\$2,934,168

4. **How much will the state pay to CGI-AMS under the current contract?** We have contracted with CGI-AMS for software, services and five years of software maintenance. The original contract value was \$9,447,678; amendments have increased that amount to \$11,583,786 at this time.
  
5. **How much of the appropriated amount has been spent?** Approximately \$8.7 million has been spent thus far on the project between payments to CGI-AMS, hardware and software, and personnel expenses.
  
6. **What funding is requested for FY 2006?** DAS has requested \$2.7 million from Pooled Technology Funds. If that request is not funded, an Innovation Fund loan will be requested. Innovation Loan funding would require DAS to increase customer rates for FY 2007 and future years to cover repayment costs of the loan.

Pooled Technology Request	Amount
Capital to complete HR/Payroll implementation	\$ 2,000,000
FY06 Operational Costs	\$ 700,000
<i>Total</i>	\$ 2,700,000

7. **Why have the costs for this project changed?** The project costs have changed primarily due to increases in hardware expenditures. Other changes were required when implementation of the HR/Payroll subsystems was delayed 90 days, a response to user requests.
  
8. **What is the estimated total operational cost for FY 2006?** The forecasted total expenditures for FY2006 are \$4.6 million. Approximately \$2.3 million of this amount will be funded through billings to customers, and \$1.6 million will be carried forward from the FY 2005 operational appropriation, corresponding to implementation delays. The remainder will be funded through the Pooled Technology Funding or an Innovation Fund loan.