



State of West Virginia
 Department of Administration
 Purchasing Division
 2019 Washington Street East
 Post Office Box 50130
 Charleston, WV 25305-0130

Request for Quotation

RFQ NUMBER
 FAR106065

PAGE
 1

ADDRESS CORRESPONDENCE TO ATTENTION OF
 KRISTA FERRELL
 304-558-2596

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VENDOR

GFOA
 203 N. LaSalle
 Suite 2700
 Chicago, IL 60601

SHIP TO

DEPARTMENT OF ADMINISTRATION
 FINANCIAL ACCOUNTING AND
 REPORTING SECTION
 2101 WASHINGTON ST E
 CHARLESTON, WV
 25305-1510 304-558-4083

DATE PRINTED	TERMS OF SALE	SHIP VIA	P.O.#	FREIGHT TERMS
11/23/2009				

BID OPENING DATE: 12/30/2009 BID OPENING TIME 01:30PM

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0001	1	LS		906-29		
<p>SOFTWARE ENGINEERING SERVICES FOR ERP</p> <p>EXPRESSION OF INTEREST (EOI)</p> <p>THE WEST VIRGINIA DIVISION OF PURCHASING FOR THE AGENCY, THE WEST VIRGINIA DIVISION OF ADMINISTRATION'S DIVISION OF FINANCE IS SOLICITING EXPRESSIONS OF INTEREST FOR SOFTWARE ENGINEERING, CONSULTING, AND PROJECT MANAGEMENT SERVICES FOR AN ENTERPRISE RESOURCE PLANNING SYSTEM PER THE ATTACHED.</p> <p>TECHNICAL QUESTIONS CONCERNING THIS EXPRESSION OF INTEREST MUST BE SUBMITTED IN WRITING TO KRISTA FERRELL IN THE WEST VIRGINIA STATE PURCHASING DIVISION VIA MAIL AT THE ADDRESS SHOWN IN THE BODY OF THIS EOI, VIA FAX AT 304-558-4115, OR VIA EMAIL AT KRISTA.S.FERRELL@WV.GOV. DEADLINE FOR ALL TECHNICAL QUESTIONS IS MONDAY, DECEMBER 14, 2009 AT THE CLOSE OF BUSINESS. ALL TECHNICAL QUESTIONS RECEIVED, IF ANY, WILL BE ANSWERED BY ADDENDUM AFTER THE DEADLINE HAS LAPSED.</p> <p>QUESTIONS CONCERNING THE PROCESS BY WHICH A VENDOR MAY SUBMIT AN EXPRESSION OF INTEREST TO THE STATE OF WEST VIRGINIA ARE NOT CONSIDERED TO BE TECHNICAL QUESTIONS AND MAY BE SUBMITTED AT ANY TIME PRIOR TO THE EOI OPENING AND IN ANY FORMAT.</p>						

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2009 DEC 29 A 10:14

PURCHASING DIVISION
 STATE OF WV

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ADDENDUM ACKNOWLEDGEMENT						
I HEREBY ACKNOWLEDGE RECEIPT OF THE FOLLOWING CHECKED ADDENDUM(S) AND HAVE MADE THE NECESSARY REVISIONS TO MY PROPOSAL, PLANS AND/OR SPECIFICATION, ETC.						
ADDENDUM NO. S:						
NO. 1						
NO. 2						
NO. 3						
NO. 4						
NO. 5						
I UNDERSTAND THAT FAILURE TO CONFIRM THE RECEIPT OF THE ADDENDUM(S) MAY BE CAUSE FOR REJECTION OF EOIS.						
VENDOR MUST CLEARLY UNDERSTAND THAT ANY VERBAL REPRESENTATION MADE OR ASSUMED TO BE MADE DURING ANY ORAL DISCUSSION HELD BETWEEN VENDOR'S REPRESENTATIVES AND ANY STATE PERSONNEL IS NOT BINDING. ONLY THE INFORMATION ISSUED IN WRITING AND ADDED TO THE SPECIFICATIONS BY AN OFFICIAL ADDENDUM IS BINDING.						
				SIGNATURE		

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 Chicago, IL 60601

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11/23/2009				

BID OPENING DATE: **12/30/2009** BID OPENING TIME: **01:30PM**

LINE	QUANTITY	UOP	CAT NO	ITEM NUMBER	UNIT PRICE	AMOUNT
Government Finance Officers Association COMPANY ... December 28, 2009 ... DATE						
NOTE: THIS ADDENDUM ACKNOWLEDGEMENT SHOULD BE SUBMITTED WITH THE EOI. REV. 09/21/2009 BANKRUPTCY: IN THE EVENT THE VENDOR/CONTRACTOR FILES FOR BANKRUPTCY PROTECTION, THE STATE MAY DEEM THE CONTRACT NULL AND VOID, AND TERMINATE SUCH CONTRACT WITHOUT FURTHER ORDER. NOTICE A SIGNED EOI MUST BE SUBMITTED TO: DEPARTMENT OF ADMINISTRATION PURCHASING DIVISION BUILDING 15 2019 WASHINGTON STREET, EAST CHARLESTON, WV 25305-0130 THE EOI SHOULD CONTAIN THIS INFORMATION ON THE FACE OF THE ENVELOPE OR THE EOI MAY NOT BE CONSIDERED: SEALED EOI						

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LINE	QUANTITY	UOP	CAT NO	ITEM NUMBER	UNIT PRICE	AMOUNT
BUYER:				KRISTA FERRELL-FILE 21		
EOI. NO.:				FAR106065		
EOI OPENING DATE:				12/30/2009		
EOI OPENING TIME:				1:30 PM		
PLEASE PROVIDE A FAX NUMBER IN CASE IT IS NECESSARY TO CONTACT YOU REGARDING YOUR EOI:						
312-977-4806						

CONTACT PERSON (PLEASE PRINT CLEARLY):						
David Melbye						

***** THIS IS THE END OF RFQ FAR106065 ***** TOTAL:						

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STATE OF WEST VIRGINIA
Purchasing Division

PURCHASING AFFIDAVIT

VENDOR OWING A DEBT TO THE STATE:

West Virginia Code §5A-3-10a provides that: No contract or renewal of any contract may be awarded by the state or any of its political subdivisions to any vendor or prospective vendor when the vendor or prospective vendor or a related party to the vendor or prospective vendor is a debtor and the debt owed is an amount greater than one thousand dollars in the aggregate.

PUBLIC IMPROVEMENT CONTRACTS & DRUG-FREE WORKPLACE ACT:

If this is a solicitation for a public improvement construction contract, the vendor, by its signature below, affirms that it has a written plan for a drug-free workplace policy in compliance with Article 1D, Chapter 21 of the *West Virginia Code*. The vendor must make said affirmation with its bid submission. Further, public improvement construction contract may not be awarded to a vendor who does not have a written plan for a drug-free workplace policy in compliance with Article 1D, Chapter 21 of the *West Virginia Code* and who has not submitted that plan to the appropriate contracting authority in timely fashion. For a vendor who is a subcontractor, compliance with Section 5, Article 1D, Chapter 21 of the *West Virginia Code* may take place before their work on the public improvement is begun.

ANTITRUST:

In submitting a bid to any agency for the state of West Virginia, the bidder offers and agrees that if the bid is accepted the bidder will convey, sell, assign or transfer to the state of West Virginia all rights, title and interest in and to all causes of action it may now or hereafter acquire under the antitrust laws of the United States and the state of West Virginia for price fixing and/or unreasonable restraints of trade relating to the particular commodities or services purchased or acquired by the state of West Virginia. Such assignment shall be made and become effective at the time the purchasing agency tenders the initial payment to the bidder.

I certify that this bid is made without prior understanding, agreement, or connection with any corporation, firm, limited liability company, partnership or person or entity submitting a bid for the same materials, supplies, equipment or services and is in all respects fair and without collusion or fraud. I further certify that I am authorized to sign the certification on behalf of the bidder or this bid.

LICENSING:

Vendors must be licensed and in good standing in accordance with any and all state and local laws and requirements by any state or local agency of West Virginia, including, but not limited to, the West Virginia Secretary of State's Office, the West Virginia Tax Department, West Virginia Insurance Commission, or any other state agencies or political subdivision. Furthermore, the vendor must provide all necessary releases to obtain information to enable the Director or spending unit to verify that the vendor is licensed and in good standing with the above entities.

CONFIDENTIALITY:

The vendor agrees that he or she will not disclose to anyone, directly or indirectly, any such personally identifiable information or other confidential information gained from the agency, unless the individual who is the subject of the information consents to the disclosure in writing or the disclosure is made pursuant to the agency's policies, procedures and rules. Vendor further agrees to comply with the Confidentiality Policies and Information Security Accountability Requirements, set forth in <http://www.state.wv.us/admin/purchase/privacy/noticeConfidentiality.pdf>.

Under penalty of law for false swearing (*West Virginia Code* §61-5-3), it is hereby certified that the vendor affirms and acknowledges the information in this affidavit and is in compliance with the requirements as stated.

Vendor's Name: GPOA
Authorized Signature: [Signature] Date: 12-28-09



THE RESEARCH AND CONSULTING CENTER
GOVERNMENT FINANCE OFFICERS ASSOCIATION

Expression of Interest
Consultant for Software Engineering Services for ERP

RFQ FAR106065

December 30, 2009
1:30 PM Eastern Standard Time

Government Finance Officers Association
203 N. LaSalle Street
Suite 2700
Chicago, Illinois 60601

Note: *This proposal and description of GFOA methodologies is for the State of West Virginia only. All information herein is confidential and proprietary to GFOA. Upon request by GFOA, all materials submitted as part of this proposal must be returned or destroyed.*



Consulting Engineering Services and Project Management



The Research and Consulting Center
Government Finance Officers Association

December 30, 2009

Department of Administration
Purchasing Division
Building 15
2019 Washington Street, East
Charleston, WV 25305-0130

Dear Sir or Madam:

The Government Finance Officers Association (GFOA) is pleased to present this proposal to the State of West Virginia in response to its request for ERP consulting. GFOA staff have extensive experience providing needs assessments, RFP development, software selection, contract negotiation and implementation advisory services for large state and local governments across the US and Canada. We thank you for the opportunity to propose these services in response to your request.

GFOA brings the expertise gained from our work with over 125 public sector organizations. We combine this with a facilitative methodology that will enable us to work with the State in evaluating the current and future state of financial, HR/Payroll, Procurement, Treasury and other operations, then assisting with all phases of the ERP software procurement process. Our assessment and selection efforts reflect the organizational, functional, technical, staffing and service questions that such a project must address. Combined with our deep understanding of public sector nuances that can make ERP projects a challenge, GFOA's assessment and selection services are second to none.

We are a nonprofit, professional membership organization dedicated to promoting the professional management of state and local government. Our offices are located at 203 N. LaSalle Street, Suite 2700, Chicago, Illinois 60601. Our office phone number is (312) 977-9700, our office fax number is (312) 977-4806, and our website is www.gfoa.org.

We very much look forward to the opportunity to work with the State on its ERP project. If there are any questions, please contact: Dave Melbye, Consulting Solutions Manager, at (312) 890-8523, or by email at dmelbye@gfoa.org.

Respectfully Submitted,

Jeffrey L. Esser
Executive Director/CEO
Government Finance Officers Association

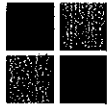


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Executive Summary

Established in 1906, the **Government Finance Officers Association (GFOA)** is the national association dedicated to promoting the professional management of state and local governments. Our membership consists of over 17,000 finance and management professionals in cities, counties, school districts, special districts, and state governments across the United States and Canada. GFOA has not merged with, acquired or been acquired by any other entity. There is no pending litigation against GFOA, and we have not been involved in bankruptcy or insolvency proceedings of any type.

We are an independent provider of educational and consulting services, with no ties to any software or hardware providers. GFOA is also independent of any implementation firms, and although we provide independent validation and verification services, we do not implement software. As such, you can be assured that our opinions and deliverables will be completely independent and in the best interests of the State of West Virginia.

As a non-profit, GFOA's mission is to enhance and promote the professional management of governments for the public benefit. GFOA accomplishes this mission by identifying and developing financial policies and practices and promoting them through education, training and leadership.

The GFOA is made up of five centers of which the Research and Consulting Center, the respondent for this proposal, is one. The other four centers are the Federal Liaison Center, Professional Development Center, Technical Services Center and the Administration, Finance and Operations Center. There are sixty (60) total employees at the GFOA, including twenty (20) assigned to the Research and Consulting Center.

The Research and Consulting Center of the GFOA provides both technology and management consulting services. Technology services offered include:

- System needs assessments and business case analysis
- Change management
- Requirements definition and RFP development
- Software selection
- Contract negotiations
- Software implementation quality assurance and oversight.

Management consulting services include:

- Long-term financial planning
- Shared services
- Strategic business planning and performance measurement

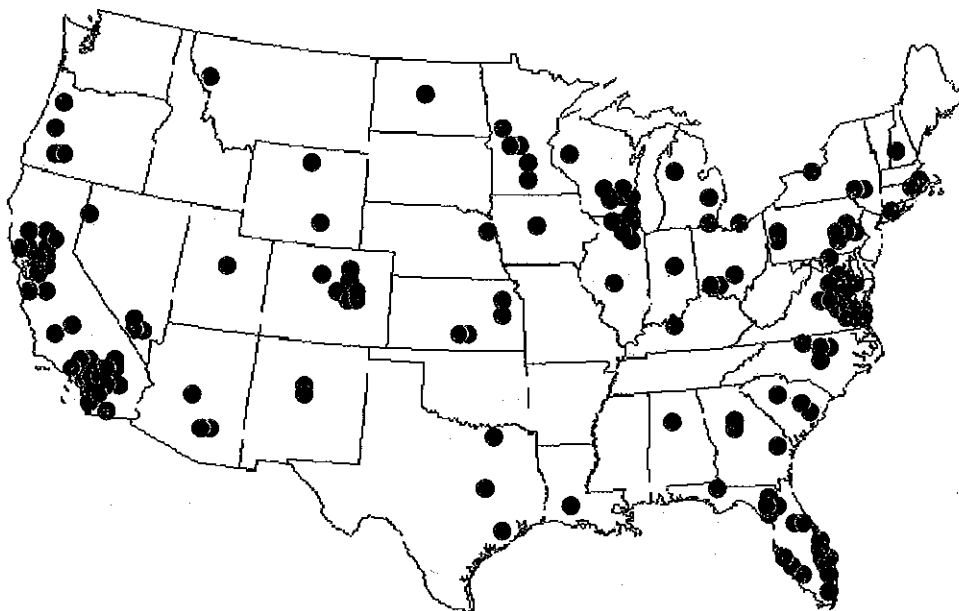
Based on demands for independent and objective consulting services in the technology area, GFOA has developed a practice focused on the assessment of legacy technology systems, and the procurement of integrated enterprise systems. GFOA approaches technology and management consulting projects with the experience, knowledge, and resources required to provide our government clients with sound advisory services.



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As shown on the map below, GFOA has performed technology consulting services to over 125 public sector organizations across the US, including several local governments in the Washington D.C. area. We are proud of the leadership role we have in public sector technology projects, and we look forward to adding the State of West Virginia to our list of clients.

With this experience, GFOA is able to take advantage and pass on lessons learned and best practices from past clients to current ones. While over time, GFOA's approach has evolved and the scope of each project is slightly different, GFOA's professionalism, attention to detail, objective advice, and ability to represent the best interests of our client are constant.



Input from members and clients has enabled us to tailor our service offerings to meet the changing needs of state and local government. As such, we have developed an approach to needs analysis and software procurement that is a direct reflection of state and local government objectives. Our methodology and approach have been, and continue to be, strongly influenced by public sector needs and goals. We hope to bring that public sector experience and technical skill to the State of West Virginia, and allow you to take advantage of the skills and background of our members as well as our consultants.

We understand that the State of West Virginia is looking for consulting assistance to complete a needs assessment for financial management technology, and then to continue with RFP development, software selection and procurement for an ERP software solution. Specifically, the State is looking to replace its custom-developed West Virginia Financial Information Management System (WVFIMS), first deployed some fifteen years ago. The State's vision is that the new systems will do more than simply replace existing technology. The expectation is that the new systems will enhance and extend business processes, provide better decision-making tools, and provide a more flexible solution for the future.



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With an operating budget in excess of \$12 billion and more than 39,000 employees, the functional scope for this project is large, encompassing core financial processes, HR, payroll and related functions, cash management functions, and data warehousing and business intelligence needs. As with most large projects, there are a number of key success factors as discussed in the Project Management Approach section of our proposal. In our experience, these are perhaps the most critical:

Project Sponsorship – Any large, enterprise wide effort must have committed support from one or more key executives. However, expressions of verbal support are not enough. Executives must take part in the governance structure of the project, commit resources where needed, and be ready to make key decisions about the project as it moves forward.

Change Management and communications – Because the number of personnel impacted by the project will be large, it will be very important that the project team not only communicate status regularly, but involve stakeholders, end users, middle management, and other groups in the project as much as possible. This will help ensure that any new technology has the highest degree of acceptance possible, and helps mitigate resistance to new processes.

Project Management – The day to day guidance of an ERP project requires experience, communication and motivational skills, an understanding of both technical and functional issues, and a host of other skills. Without dedicated project management resources, an ERP project can quickly experience budget problems, scope change, and other issues.

Resources – ERP projects are large investments, and governments that have determined their funding sources early on are generally more successful as they can focus on selection and implementation. In terms of human capital, ERP selection and implementation projects are labor-intensive. Many governments have difficulty finding and assigning dedicated resources for long stretches of time, but jurisdictions that can do so are generally more successful.

Our approach is a proven one, having been successfully used by state and local governments across the US and Canada for over ten years. This approach is continually enhanced by feedback from the hundreds of public sector clients that we work with, our own staff experience, and the vendor community. As a result, the State of West Virginia can be assured that our approach is tailored specifically for state government.

We use a five-step approach on our software projects, beginning with a project initiation phase that provides the planning and framework necessary for a successful project. Our second phase incorporates two important components – business process mapping and change management. Business process mapping enables us to define current processes in a graphical format that allows the team to develop improvements and subsequently define requirements. Our change management approach recognizes that there is a people side to technology projects, and ensures that the State has a plan to recognize and respond to the impact of new systems on staff and the operational environment.

The third phase of our approach involves functional requirements definition and RFP development. Our expertise in both business systems and the software market provides assurance that the RFP is not only complete and accurately represents your needs, but ensures quality responses and a highly competitive environment. Phase four is the selection process itself, which provides an objective means of elevating vendors through a series of stages until one is selected for contract negotiations. The final phase of our



Consulting Engineering Services and Project Management

approach is contract negotiations, where we use our expertise to ensure that State receives not only the best possible terms, but is legally and financially protected during the critical implementation project.

Of course, all software engagements require the proper blend of technical skills and communication/facilitation skills to ensure a thorough approach. GFOA is proposing a highly experienced team to the State with just this blend of capabilities. Ninety percent of our staff have relevant prior experience in the public sector – a claim that no other firm can make. As a result, GFOA brings not only excellent functional and technical skills in its ERP practice, but practical knowledge of the resources, constraints, and often competing public service goals that are unique to our municipal clients. Many firms can help select appropriate software, but only GFOA can make sure that the process realistically and completely reflects the unique needs of your management, staff, and citizens of West Virginia who rely on their services.



GFOA Contact Information and Staff

GFOA's highly qualified professionals represent the most comprehensive knowledge and experience for this type of work in the public sector. The project team proposed has extensive experience in guiding cities and counties in their systems analysis and planning and procurement of integrated enterprise systems. Team members have conducted research related to enterprise resource planning systems, written extensively on the subject for national journals and periodicals, and provided consulting to over 200 public sector organizations across the nation and Canada.

Ninety percent of our staff have prior public sector experience. We motivate our staff by ensuring they have ample opportunities to conduct research and publish their experiences in our journal, the *Government Finance Review*. Staff also participate in developing our annual conference sessions, conduct training in areas such as ERP project management, software acquisition strategies, budgeting, performance measurement, and other areas. This well-rounded approach keeps our staff motivated and engaged, but also ensures that they are abreast of leading technologies and best practices.

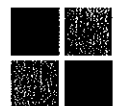
GFOA will assign a team of highly qualified individuals to work with the State. **Barry McMeekin**, Consulting Practice Manager, would act as Engagement Manager and provide Quality Assurance. Mr. McMeekin worked in several capacities for the City of Pittsburgh, and while with GFOA has large government experience with Los Angeles County, California, Pinellas County, Florida, Cook County, Illinois, and many others.

Shelley Fulla, a Senior Manager, will serve as the project manager for this engagement. She has extensive experience in all phases of the work proposed, and is familiar with large local governments including Fairfax County, Virginia, Montgomery County, Maryland, Broward County, Florida, and Pima County, Arizona.

GFOA will assign members of its staff to the state based on scope, functional priorities, deliverable timeframes and other factors as documented in any mutually agreed upon statement of work. Resumes for project management and staff are included later in this proposal. Based on the information provided in the State's RFP, GFOA does not anticipate subcontracting. However, once project scope is defined in more detail, GFOA may elect to bring in subcontractors for specialized areas where needed. These staff may include:

Gary Rowe – an independent contractor and project manager with experience in financial operations in water, wastewater and utilities, as well as public works.

Spencer Stern – an independent contractor and project manager with experience in citizen relationship management systems, 311 systems, and information technology planning.



Technical Information

Project Approach Overview

Needs Assessment

As public sector advisors, educators, and consultants, GFOA understands the need for state and local governments to build a solid business case for any technology project, and especially when such a project has the potential to affect so many core operational processes. The needs assessment phase of our approach is intended to do exactly that – analyze the current operational environment, develop alternatives for the future, and then recommend an alternative that is the best fit for the State's goals and objectives. If the business case shows that an ERP solution is the best route for the State to meet those goals and objectives, then our approach shifts to procurement.

Our needs assessment projects are straightforward yet effective in developing a business case for ERP technology. We begin by helping the State develop a high level vision of its desired operational environment, and evaluate the ability of the current environment to meet that vision. Gaps are identified, and alternatives are developed to bridge those gaps. Finally, one alternative is recommended along with estimated costs and work effort, and anticipated benefits.

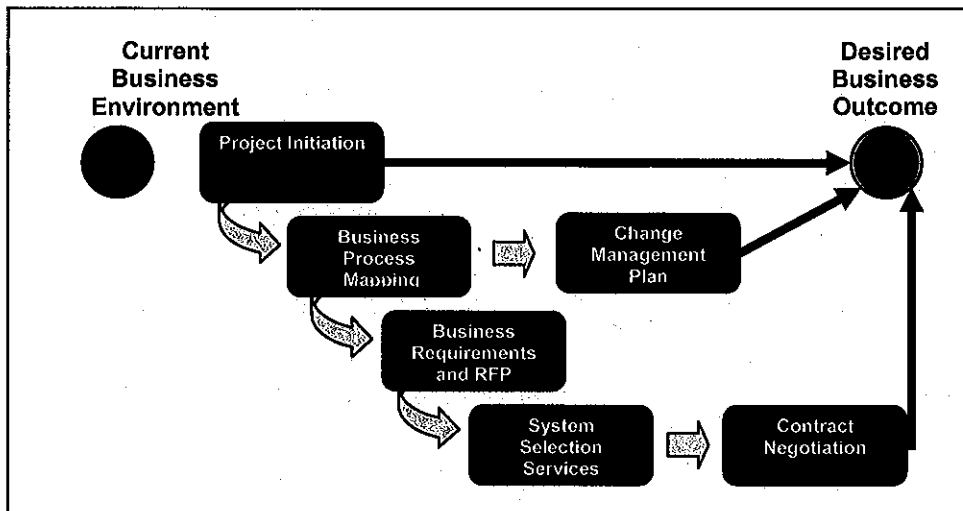
Specific work phases in our needs assessment approach include:

- Project Planning, Kickoff, and Executive Visioning
- Functional and Technical Needs Evaluation and Assessment
- Best Practice and Software Market Research
- Business Case Preparation

Procurement

GFOA procurement methodology, designed over 10 years ago exclusively for public sector technology is proven, having been successfully used by over 125 state and local governments across the United States and Canada over the last ten years. Understanding that that no two governments are the same, GFOA's methodology relies on principles of fairness, attention to detail, and competition, yet remains flexible to adopt to local procurement laws or other unique situations. In addition, the approach is continually enhanced by feedback from the hundreds of public sector clients that we work with, our own staff experience, and the vendor community. As a result, the State of West Virginia can be assured that our approach is current, and will facilitate the selection and successful contract negotiation with a qualified firm. That success sets the stage for what will become a successful implementation and achievement of the State's business outcome goals.

We use a five step approach to technology procurement that focuses on achieving business outcomes. Many firms provide assistance in developing RFPs, but GFOA understands that the RFP is not the end outcome, it is only one step on the way to achieving business outcomes. For that reason, GFOA approaches the RFP and all other tasks in preparing an organization for an ERP implementation with those desired business outcomes in mind.



Each of the five phases is more thoroughly described below. Although phases are listed sequentially, in reality some tasks will overlap so multiple phases may occur at once. For example, once change management has begun, it occurs throughout the remainder of the project.

Implementation Advisory Services

Once the contracts are negotiated, GFOA is often asked to assist its clients with implementation of the selected software. While we do not install or implement software as a core competency, we do offer significant value-added services once your implementation has begun. The assistance GFOA offers helps offset the demands that governments face to keep the project on-track while managing their normal business activities as well. Typically, the services GFOA can provide include:

- Contract compliance monitoring
- Ongoing change management consulting
- Reviews of deliverables provided by the implementer which require the State's approval.
- Change order reviews and recommendations
- Monitoring of milestones and invoice billings
- Project management assistance and governing body reporting

GFOA can also assist with some implementation activities directly. If we are selected to work with you on this project, we will prepare a separate proposal for these services once the software and implementation contracts are nearing completion.



Phase I: Needs Assessment and Business Case Development.

GFOA will work with the State to document and evaluate its needs in the current financial systems, and evaluate the current systems themselves. We will identify alternatives for the State, and provide a report that includes viable options based upon its analysis. The specific approach and methodology that GFOA will utilize is based on the tasks described below.

GFOA will survey and conduct interviews with stakeholders/staff within the project scope in order to:

- (a) Identify the current systems and applications being used to support State financial processes – this analysis also includes side or shadow systems that are typically used and maintained outside of the main “system of record”
- (b) Ascertain the major strengths/weaknesses of the current system(s) – including brief discussions about the processes associated with each of the major systems to ascertain whether deficiencies (and inefficiencies in providing service to constituents) exist due to technology (e.g. systems), process design, or policy and procedure limitations;
- (c) Identify the major functionality needs of the State; and
- (d) Determine the extent to which those needs are being met by the current system(s), as well as how they may be met by an enterprise system.

GFOA will conduct observations of the current system to clarify and validate information obtained through surveys and interviews. Further, GFOA will develop an inventory of stand alone/shadow systems (e.g., manual processes, spreadsheets, databases, and/or third-party software packages) that are used for the functionality within the scope of this project.

GFOA will conduct market research on software solutions that are likely to meet the systems functionality and technology requirements of the State. The software solutions will likely include third party applications for some of the functions the State needs which are “non-core” ERP such as Pension Management, Forecasting or Risk Management. In addition, GFOA will identify governments that are of similar complexity to that of the State, and provide information on their IT organization and financial systems and solutions and the perceived degree of success for those solutions. This task will be completed with the development of an outline of high-level benefits and major best practice features of modern financial systems available to the State.

GFOA will identify viable options for the State to consider and provide the advantages and disadvantages of each option. Additionally, GFOA will identify the costs, implications, and risk factors of each viable option to enable the State to see how each option affects its budget and business operations.

GFOA will provide the State with a summary report based on the information/tasks outlined above. The State will have an opportunity to review the findings included in the report. Based on the decision that is made by the State, GFOA has scoped work effort for supplemental analysis in order to finalize the report. That analysis could include the following:

- Identify the costs and implications of maintaining the current systems.
- Provide a cost estimate for a new financial system, including software, implementation services, State staff effort, and on-going maintenance/support.



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- Assess the potential benefits of an enterprise strategy from both a system-wide and function-specific perspective. Benefits will be communicated in terms of overall efficiency gains; a time and motion study is not scoped for this engagement.
- Identify options and evaluate them to reach a recommended case for action.
- Analyze and evaluate the major risk factors associated with system projects.
- Provide the State with a summary report based on the information/tasks outlined above. The report will focus on evaluating the business case for a new system. Included in the proposal costs is a trip to present the Needs Assessment findings to an audience of the State's discretion.

Phase I Tasks, Deliverables and Roles

Key Tasks	GFOA Lead	State Lead
1) Organize and initiate project		✓
Deliverable: Develop Project Plan	✓	
2) Conduct Needs Evaluation and Assessment	✓	
3) Conduct analysis and prepare recommendations	✓	
4) Review Draft Report		✓
5) Deliver Final Report	✓	
Deliverable: Needs Assessment Report	✓	
6) Determine whether to proceed with procurement		✓



Phase II: Project Kick-off / Executive Visioning Workshop.

As part of the kickoff process, GFOA will facilitate an initial project kickoff/strategy workshop with the identified State owners groups. GFOA will facilitate the workshop, which will be used to identify executive management needs and future enterprise system goals. The workshop will also be used to educate executives about the major differences in terms of features, functions, and philosophy between

the current (legacy) systems and modern ERP systems, while also discussing the nuts and bolts of ERP planning, procurement, and implementation.

ERP 101 Sample Topics

- Introduction
- About the State's Project
- How ERP Software Works
- How to Assemble a Business Process Map
- How to Assemble and Validate Functional Requirements
- What are my duties during the project?
- Next Steps

ERP 101 Education Session(s). To assist the State in preparing the organization for the type of changes new enterprise systems bring, GFOA will conduct a series of two-hour educational session for State stakeholders. This session will be used to educate stakeholders on modern ERP systems, describe the project process, and identify how stakeholders will participate and contribute throughout the project. The number of attendees

for this activity is at the discretion of the State.

Phase II Tasks, Deliverables and Roles

Phase II Key Tasks	GFOA Lead	State Lead
1) Identify Project Manager and participants for initial kick off meetings		✓
Deliverable: Update Project Plan	✓	
Deliverable: Procurement Kick-Off – ERP 101 training	✓	
2) Review and provide comments		✓
3) Develop project charter, indicators of success, and identify project team	✓	✓



Phase III: Business Process Mapping and Change Management Strategy

During Phase III, GFOA and the State's project team begin to prepare the organization for transition to a new system. Critical to a successful transition is an understanding of current processes, and an organized change management approach. Phase III has two major components – business process mapping and development of a change management strategy. These are described below.

Business Process Mapping

GFOA will work with the State's project team to create an inventory of current 'as is' business processes with a high level description of each. Processes chosen for mapping should be those that are not well understood, are complex, or are candidates for improvement. GFOA will then facilitate focus groups to help map current processes in both a graphical and narrative format. Understanding current processes is important to identify potential areas for improvement, begin preparations for improve processes, and start change management activities.

GFOA will review and validate the business process maps with State stakeholders and provide the State with a set of processes that depict current State business activity. This document will also be used in the development of functional requirements in the next phase of the project. We typically map about 12 to 20 high level business processes such as the ones listed below.

FUNCTION	PROCESS
Financials	
Accounts Payable	<input type="checkbox"/> Invoice to Payment Process <input type="checkbox"/> 1099 Process (Tracking to Reporting)
Accounts Receivable	<input type="checkbox"/> Invoice to Receipt Process <input type="checkbox"/> Dunning Process <input type="checkbox"/> Cashiering Process
Budgeting	<input type="checkbox"/> Operating Budget Preparation Process <input type="checkbox"/> Capital Budget Preparation Process <input type="checkbox"/> Operating Budget Amendment Process <input type="checkbox"/> Capital Budget Amendment Process
Fixed Assets	<input type="checkbox"/> Acquisition Process <input type="checkbox"/> Tracking Process <input type="checkbox"/> Retirement Process
General Ledger	<input type="checkbox"/> Period End Closing Process <input type="checkbox"/> Year-End Closing Process <input type="checkbox"/> CAFR or Other Financial Reporting Processes
Grants	<input type="checkbox"/> Grant Project Set-Up Process <input type="checkbox"/> Grant Billing Process <input type="checkbox"/> Grant Reporting Process
Projects	<input type="checkbox"/> Project Set-Up Process <input type="checkbox"/> Project Tracking Process (Labor and Equipment Cost tracking) <input type="checkbox"/> Indirect Cost Allocation Process
Operations/Facilities Management	
Inventory	<input type="checkbox"/> Receiving Process <input type="checkbox"/> Issuance Process <input type="checkbox"/> Physical Count Process



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FUNCTION	PROCESS
Purchasing	<input type="checkbox"/> Requisition to Purchase Order Process (All Purchasing Thresholds) <input type="checkbox"/> Receiving Process <input type="checkbox"/> Bidding Process (All Purchasing Thresholds)
Work Orders	<input type="checkbox"/> Work Order Request Issuance to Closing Process
Human Resources	
Applicant Tracking	<input type="checkbox"/> New Applicant Process <input type="checkbox"/> Training/Certification Verification
Benefits Administration	<input type="checkbox"/> Benefits Enrollment Process <input type="checkbox"/> Benefits Change Process
Personnel Administration	<input type="checkbox"/> New Hire Process <input type="checkbox"/> Transfer Process <input type="checkbox"/> Separation Process
Personnel Tracking	<input type="checkbox"/> Performance Evaluation Process <input type="checkbox"/> Discipline Process
Payroll	
Time and Attendance	<input type="checkbox"/> Time Entry Process
Payroll	<input type="checkbox"/> Time Processing to Employee Check Process <input type="checkbox"/> Off-Cycle Pay Process
Cash, Debt and Treasury	
Investment Accounting	<input type="checkbox"/> Investment Results Reporting <input type="checkbox"/> Internal Controls
Treasury	<input type="checkbox"/> Cash Management <input type="checkbox"/> Cash Flow Forecasting <input type="checkbox"/> Banking <input type="checkbox"/> Fund Management
Debt Management	<input type="checkbox"/> Debt and Risk Analysis <input type="checkbox"/> Credit Management <input type="checkbox"/> Debt Service Forecasting

Change Management Strategy

Organizational change management is an indispensable part of project success. At its heart, software selection is a business improvement project that hinges on alignment of the people of an organization with a business solution – achieving this alignment requires that the organization address the needs of the people during the organizational transition. Often, the issues that impact the success of a business improvement project are organizational and structural in nature, so strategies to address those issues should commence before the software selection project is underway.

Unfortunately, change management activities are often started after the project has already begun. Yet, because of the nature of organizational change issues, this can often be too late, and the organizational issues that hinder project success can often begin long before the project. Ultimately, delaying change management activities until the start of the software’s technical implementation limits the opportunity to address cultural and organizational challenges. Therefore, GFOA helps its clients start change



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management efforts earlier, in order to take advantage of early opportunities for successful change and to create a better foundation for further business process improvements activities during the system implementation.

The change management strategy must:

- ❖ Based on analysis of data gathered from across the organization, describe aspects of the current business environment that may present obstacles to change
- ❖ Assess the potential impact change on the organization and its employees, and assess the ability of both to absorb those changes
- ❖ Define strategies to help meet those challenges, including governance structures and communications strategies.

Impacting our ability to accomplish these objectives is a number of variables including the scope of the change, number of people, the amount of change and the organization’s capability to accept change. Given the identified transitions required of employees, the change management plan should identify appropriate project sponsorship, governing structure, and membership of various teams that will be required during implementation.

It is important to note that change management work will continue through the remainder of the selection and implementation projects, and the change management strategy established in this phase should be considered a “living” document that is continually referred to and updated throughout the life of the project. GFOA will provide a Change Management Plan Template for the State’s use through the remainder of the project. The State of West Virginia should plan to continue change management during post-implementation support, as new employees and current employees who change roles will need to be trained and acclimated to new processes.

Phase III Tasks, Deliverable and Roles

Phase III Key Tasks	GFOA Lead	State Lead
1) Prepare meeting agendas and set up meeting facilities	✓	✓
Deliverable: Facilitate business process mapping sessions	✓	
2) Attend and participate in business process mapping sessions		✓
3) Prepare readiness (change management) survey	✓	
Deliverable: Prepare draft and final change management strategy	✓	



Phase IV: Requirements Definition and RFP Development

During Phase IV of procurement, the State will begin to identify needs of the new system. GFOA will work with the State to develop a set of functional requirements that describe actions, calculations, tasks, and information that the new system must handle to meet the State's needs. Requirements serve three important roles:

- 1) Communicate the State's needs to ERP vendors through a competitive RFP
- 2) Act as a warranty after go-live. Requirements are attached to the eventual software and implementation agreement and vendors warrant each requirement
- 3) Guide during implementation design to ensure that all objectives are met and the scope of the project does not unintentionally get cut down.

GFOA uses a streamlined process for developing requirements that has evolved based on the collective experience of working with more than 200 governments. Requirements are developed using an iterative process leverages GFOA experience by starting with a "base" set of requirements that is prepared by GFOA consultants prior to the first requirements session. GFOA estimates that approximately 80% of all requirements are common to every government. By getting these out of the way, the State can focus on the State's unique requirements in requirement gathering sessions with GFOA to ensure that requirements are documented and identified to a high level of detail.

Due to the integrated design of ERP systems, GFOA develops requirements by functional area, not department. Therefore, in each meeting, there will be representatives from across the organization. For this engagement, GFOA expects the State to evaluate proposals covering the functional scope listed below. Therefore, GFOA will dedicate sessions with a cross section of State staff to validate requirements for each functional area that were gathered in the Needs Assessment phase.

Functional Scope

Financials:

- ❖ General Ledger
- ❖ Budgeting
- ❖ Grants
- ❖ Accounts Receivable
- ❖ Accounts Payable
- ❖ Fixed Assets/Asset Management
- ❖ Capital Project Management
- ❖ Banking

Long Term Financial Planning

Procurement:

- ❖ Requisitions
- ❖ Purchase Orders
- ❖ Asset Disposal

Human Resources, Payroll and Benefits:

- ❖ Payroll Processing
- ❖ Workforce Compensation
- ❖ Benefits Administration
- ❖ Pension Administration
- ❖ Recruitment Management
- ❖ Risk Management
- ❖ Union Contracts administration
- ❖ Time and Attendance

Other:

- ❖ Work Order Processing
- ❖ Inventory
- ❖ Materials Management
- ❖ Transportation Project Billing
- ❖ Cash Flow, Investment and Debt Mgmt
- ❖ Financial Data Warehouse and Reporting



While GFOA is validating requirements for a new system, work will also be done to develop an RFP. The RFP will communicate to the vendor community the State's expectations, scope, technical standards, preferred implementation approach, and procurement process and will also solicit an organized proposal that both GFOA staff and State staff will evaluate. Because of GFOA's experience with public sector ERP procurement projects, vendors are familiar with GFOA processes, which create advantages for the State in the form of more detailed proposals, more competitive proposals, and proposals that focus on differentiators among vendors. GFOA develops each RFP to be as fair and vendor neutral as possible while at the same time minimizing the amount of marketing information that vendors provide. The detailed work that goes into the RFP is directly related to the development of a more detailed statement of work (discussed later in this proposal) and a more success of implementation that achieves the State's business objectives.

In developing an RFP, GFOA will need to work closely with the State's project team as well as its purchasing department and legal staff to structure the procurement consistent with local purchasing regulations or policies.

In addition to requirements and RFP work, the State will use the Change Management Strategy developed earlier to build its detailed Change Management Plan. GFOA will provide the State with a template for such a plan, and will review the results of the planning effort to provide additional guidance.

Phase IV Tasks, Deliverables and Roles

Phase IV Key Tasks	GFOA Lead	State Lead
1) Prepare meeting agendas and set up meeting facilities	✓	✓
Deliverable Prepare draft functional requirements	✓	
2) Facilitate detailed requirements gathering sessions	✓	
3) Review draft requirements and participate in detailed requirements gathering sessions		✓
4) Develop RFP	✓	
5) Contribute necessary information that will be included in the RFP		✓
Deliverable: Finalize Requirements and RFP	✓	
Deliverable: Prepare Final Change Management Plan		✓
6) Distribute RFP to ERP vendors		✓



Phase V: System Selection

GFOA's methodology during System Selection is one of elevation rather than elimination. Through 3 defined steps, vendors will be evaluated and scored according to pre-defined criteria with the top vendors moving on to compete at the next step. GFOA's standard evaluation process includes four steps in the table below.

Step	Vendors
Written Proposals	Unlimited
Software Demonstrations	3
Discovery	2
Final Contract Negotiations	1

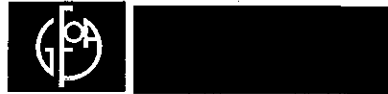
To prepare for system selection GFOA will work with the State to prepare a System Procurement Plan that outlines the procurement process and acts as a guide for the State and project team to understand the process and how to properly evaluate ERP proposals. To come up with the System Procurement Plan, GFOA will also be working with the State to define evaluation criteria at each step. Throughout the selection process, GFOA will act as the State's advisor to identify differentiators, identify risks, and ensure the State is making a decision with knowledge of all information. **To remain completely independent and continue to offer objective guidance in the best interests of our clients, GFOA does not recommend software and will not be advising the State on which ERP system to elevate at each step.**

Written Proposal Evaluation

Upon receiving the written proposals from vendors, both GFOA's team and the State's project team will begin a detail assessment and analysis. However, each will have a slightly different focus. GFOA will focus on identifying risks and highlighting shortcomings with each proposal. GFOA will also use its extensive experience to compare each proposal to industry standards. All findings will be documented in a detailed proposal assessment report. The State's responsibility will be to evaluate proposals to determine which proposal is the best fit to meet the State's needs. After the State conducts its own assessment and reviews the GFOA report, the State will select up to three vendors to bring on-site for software demonstrations.

Software Demonstrations

Software demonstrations provide an opportunity for State staff to view how the ERP system will work. Generally, software demonstrations last approximately 3 days per vendor. To facilitate comparison between vendors, GFOA staff will develop detailed demo scripts for each vendor and facilitate the demo sessions to guarantee that vendors stay on task and demonstrate essential features of the software, not marketing material or "bells and whistles." Throughout the demos, GFOA staff will document any issues for future clarification. During this step, GFOA staff will also conduct detailed reference checks for all of the vendors' provided references. At the conclusion of all three software demonstrations, the State will select two vendors to elevate to Discovery.



Discovery

Discovery acts as the State's last chance to get any unresolved issues clarified before it makes its final elevation. Prior to discovery, each vendor receives a request for clarification letter outlining any remaining issues that the vendor will provide written responses to. Then, during discovery, each remaining vendor is invited back on-site for one more day of presentation. During this discovery presentation, any remaining issues with software functionality, implementation approach, data conversion, or scope is clarified and vendors are asked to make any necessary revisions to their proposal. Discovery functions as an opportunity for the vendor and State to become more familiar with each other. By clarifying assumptions and understanding the State more clearly, the vendor is able to provide a more detailed final proposal. Additionally, by clarifying outstanding issues at discovery development of the statement of work becomes easier. At the conclusion of discovery, the State will enter contract negotiations with one vendor.

Phase V Tasks, Deliverables and Roles

Phase V Key Tasks	GFOA Lead	State Lead
1) Prepare System Procurement Plan	✓	✓
2) Conduct detailed proposal assessment	✓	✓
Deliverable: Proposal Assessment Report	✓	
3) Elevate 3 vendors to software demonstrations		✓
4) Prepare Demonstration Scripts	✓	
Deliverable: Demonstration Scripts	✓	
5) Facilitate Demonstrations	✓	
Deliverable: Facilitated Vendor Demonstrations	✓	
6) Elevate 2 vendors to discovery		✓
7) Document any remaining issues from vendor proposals	✓	✓
8) Prepare Request for Clarification (RFC) Letters	✓	
Deliverable: RFC Letters	✓	
9) Facilitate Discovery Sessions	✓	



Phase VI Key Tasks	GFOA Lead	State Lead
Deliverable: Facilitated Discovery Sessions	✓	
10) Elevate finalist vendor to contract negotiations		✓

Phase VI: Contract Negotiation

One of the most valuable services that GFOA provides its clients is the negotiation of software contract and implementation service agreements. Too often, governments are pitted against software vendors that have negotiated contracts many times before. Understandably, software vendors and their implementation partners want to maximize profit and minimize risk. GFOA has developed a unique contracting methodology that we propose to utilize for this engagement. We use our membership network to benchmark prices and terms. **Often, this approach is able to save clients far more money on their software and implementation contracts than the cost of the government's entire contract with GFOA.** Historically, GFOA has saved its clients licensing and implementation costs equal to two to three times our fees.

GFOA will be involved with the development of a software license contract, software maintenance agreement, and implementation services agreement. In addition, GFOA will assist with the Statement of Work (SOW). The SOW is the critical document that outlines responsibility for the implementation and the primary reason GFOA consultants provide such as high level of detailed analysis throughout the procurement. GFOA will ensure that the State's statement of work is defined to a fine level of detail to prevent any unnecessary issues or misunderstandings during implementation. Part of the reason that the implementation phase for our clients has gone so successfully is because of the detailed work GFOA does during SOW development.

Phase VI Tasks, Deliverables and Roles

Phase VI Key Tasks	GFOA Lead	State Lead
1) Assist with contract negotiations	✓	✓
2) Assist with development of implementation statement of work (SOW)	✓	✓



Phase VII: Implementation Advisory Services

Quality Review and Implementation Advisory Services (IAS) begins with the activities that surround implementation of the ERP software and ends with the completion of a post-implementation review. GFOA will provide quality review and assist the State's Project Manager with administering the implementation of the ERP solution. GFOA will provide independent oversight and quality assurance services for the duration of the project.

A project oversight role with GFOA will enable the State to leverage the presence that GFOA has in the public sector technology industry and will provide the State access to our nationwide membership network. These factors enable our clients to extract a greater degree of cooperation and performance from software and implementation firms. The State will engage a vendor to implement the selected ERP system, and that vendor will also be pursuing business across GFOA's client base and membership network. Consequently, no other organization can provide the type of service we are proposing and, at the same time, exercise the leverage that GFOA can bring. Few other firms, moreover, would be truly independent in project oversight because many of them are allies of or engage in business activities with ERP software and implementation firms, albeit in other areas. By contrast, GFOA has no ties to ERP software and services firms.

Also GFOA has provided comparable services as those in this proposal at several projects with similar functional solutions utilizing similar implementation methodologies. In addition, since GFOA will have assisted the State in development of a detailed Statement of Work, we will be uniquely qualified to ensure that the requirements and assumptions of the SOW remain on target and are subsequently delivered.

GFOA prepares a more defined proposal for Quality Review and Implementation Advisory Services as the implementation process is concluding. This enables us to ensure that our proposed services are in alignment with State goals and will encompass the State's needs. Our typical scope of work within an IAS engagement includes one or more of the following services:

1. **Work Plan Development, Analysis and Tracking.** Development, analysis and tracking of the project work plan are key components of developing an effective project structure and project management. GFOA will review the proposed project plan that makes the most effective use of your organization's resources. Our prior experience will help you assess the logic and comprehensiveness of the plan as it is created, finalized, and maintained. Too often we have found project plans that have been developed without the customer in mind. For example, dependencies have not been outlined; insufficient review time has been allocated for deliverables; or not enough detail is provided in the plan. GFOA will work with your Project Manager and Technical Manager as well as the vendor Project Manager to ensure an acceptable project plan.

Once the base project plan is complete, GFOA will work with the Project Managers to identify key milestones where GFOA consultants will review activities completed to-date and review any potential project risks. We usually recommend reviewing activities at the beginning and end of the project preparation phase; the beginning, middle, and ending of the design phase; the beginning of the training phase; the beginning and ending of the test phase; the beginning of the deployment phase; and the beginning of the support phase. The GFOA's review process should then be added to the base project plan. Essentially, GFOA's role is to provide an "early warning mechanism," to your Project Manager at various points in the implementation process by carefully tracking the progress of activities within the project plan.



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2. **Implementation Plan Management.** Development of a thorough implementation plan is an important component to the development of an effective project structure. Furthermore, throughout a complex enterprise system installation, implementation plans must be revised and appropriate controls must be present as part of effective project management to minimize deviations from the timeline and/or budget. GFOA can work with the vendor and State project managers to monitor project status, resolve project scope and approach issues, and provide input on improving the logic of the overall plan. We would also keep the vendor on-track with the overall objectives of the organization as established in the contract agreements.

3. **Review of Implementation Deliverables.** Implementation vendors often require clients to “signoff” before proceeding to the next step as part of project management. Our review of all project deliverables, if needed, will ensure contract compliance, verify that the deliverable is complete and consistent with the scope of work and functionality documented in the contract, includes acceptable content, and meets your organization’s standards of quality. GFOA is able to provide you with analysis of information to increase your confidence in approving deliverables.

4. **Business Process Design.** Vendors typically prepare a “to-be” design document that outlines how the software will be configured to meet your organization’s needs. The new designs often require changes in business processes that need to be documented sufficiently. This responsibility typically falls within project management. GFOA recommends that the design processes incorporate business process maps and descriptions of the new changes. This ensures that the logic of the design has been reviewed appropriately. To augment the implementation process, GFOA also recommends that test scripts and functional/technical requirements be mapped to each step on the business process map. That way, the appropriate test scripts can be applied to any future process changes. GFOA consultants would be working with the Project Managers to achieve this process.

5. **Interface/Customization Identification Assistance.** Although GFOA strives to ensure most interfaces be identified before the contract signing, it is almost inevitable that a few customizations or interfaces will be required during implementation. As part of the contract negotiations process, GFOA documented a process for identifying, assessing, and implementing unidentified interfaces and customizations that may be required. This process was included in the implementation services contract or the statement of work. As part of our project advisory services, GFOA consultants will rely on this process to assess any customizations and new interfaces. Our task in this process would assist your Project Managers with determining whether or not an interface or customization is warranted; assist your Project Managers in ensuring that the proper procedures are being followed (e.g., update business designs; develop/review functional and technical specifications, update test scripts, and user acceptance).

6. **Testing and Training Support.** The vendor should provide a testing and training strategy as part of their overall implementation methodology. GFOA consultants, if needed, will assist the implementer and State project managers in assessing the testing plans (e.g., unit, integration, user acceptance, etc.), test scripts and required resources to complete testing within the required timeframes. GFOA consultants will also assist the project managers in assessing the “Super User” training and end-user training strategies. As part of this assessment, GFOA consultants will assist in the review of training documents and will work with project managers to identify which personnel should attend the different types of training classes.

7. **Issue Resolution.** As a major source of recommended practices in governmental accounting and budgeting, GFOA will serve as a mechanism for issue resolution. Too often implementation vendors and government staff have difficulty sorting out the wisdom of process changes which adds unnecessary delays to the implementation timeline and raises project costs. If the functionality of the software is to be



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maximized, issues must be resolved on a timely basis. Our network of finance officers is a unique resource for validating leading-edge business practices. GFOA would be available to provide an independent source of advice to facilitate prompt issue resolution.

8. **Post Project Review.** Certain tasks will be repeated when upgrades/patches are applied or when a major system upgrade is required. To prepare for these events, GFOA Consultants will work with the Project Managers to conduct a "Lessons Learned" meeting upon completion of the project. Our consultants will document the results of the meeting and submit them to your Project Managers. (Please note: GFOA recommends that some "Lessons Learned" meetings take place during implementation. For example, a "lessons learned" meeting conducted immediately after the completion of the earliest test scripts may facilitate the completion of the overall testing process.)

GFOA will also conduct a post go live review of the system that compares production business processes to the system configuration documents and analyzes whether the system requirements have been addressed in full.

9. **Other Implementation Services.** Periodically, GFOA is asked to provide other types of services to clients during implementation. Some of these services have included augmenting client resources for budget design and chart of account design, project management assistance, and participating in Steering Committee meetings to provide independent analysis of issues. These services are typically provided on a time and materials basis or through a bucket of hours.

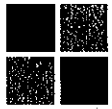
Points of Staff Input and Review.

GFOA staff will maintain regular and frequent communication with State staff throughout the management of the implementation project. GFOA staff will conduct reviews of the following documents, if needed, or bring staff on-site if requested.

1. Work Plan Development
2. Finalization of ERP Design
3. Finalization of Testing Plan
4. Post Project Review

State staff will be provided with an opportunity to raise issues or ask questions during regularly scheduled project update conference calls and GFOA staff will respond quickly to any questions or issues that arise outside of the regular meeting schedule.

Under the proposed approach, utilization of GFOA services will be at the sole discretion of the State and its project manager. We believe that we can add value to the State project in any of the above tasks regardless of the final mixture. We would however expect to work with the State to develop scheduled tasks that allow the GFOA to maintain continuity and consistency throughout the project.



Project Management Approach

Project Management and Quality Control

We understand the challenges that governments face in allocating time and resources to a large enterprise project. Our approach to project management is intended to ensure the State receives the highest quality deliverables while minimizing disruption to your operations – in other words, to provide the most value for your investment.

We anticipate providing the State a full-time, on-site project manager, as well as an assistant project manager or project coordinator. Functional and technical analysts will work on-site during requirements gathering and similar functions, therefore onsite staffing will likely fluctuate depending on which tasks and activities are underway. It may be more cost-effective for the State if some deliverables (e.g. the Change Management Strategy) are developed off-site. We will work with the State's project manager to ensure that the most cost-effective staffing model is developed that will ensure meeting the State's objectives.

Many of our client teams make use of collaboration software such as SharePoint to route documents between team members, telecommunications and demonstration software such as WebEx for online meetings. These tools help ensure that we achieve our quality, scope and timeframe goals.

To further ensure quality, the State will be assigned one of our senior managers as our project manager and day-to-day contact. This person has overall responsibility for the GFOA responsibilities as outlined in the scope of work and project plan. We also assign another senior manager or member of our management team as an Engagement Manager. The Engagement Manager reviews draft deliverables as a quality assurance check for each milestone in the project plan, and may come onsite as circumstances warrant.

You can be assured that the work effort and deliverables from GFOA will meet the State's quality standards, and equally important, will move the State towards the outcomes it envisions.

Project Governance

GFOA has found that there are a handful of key success factors for any enterprise project, some of which are discussed in the section below. Without question, one of these key factors is project governance – the structures and processes that govern execution of the project plan, resource allocation, issue resolution, funding and scope decisions, and other critical high level functions.

GFOA will work with the State of West Virginia during the initial planning phases and in development of the change management strategy to identify project governance structures that are critical to the success of the project. These steps include:

- Identifying an executive sponsor and defining his or her role



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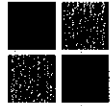
- Identifying and recruiting steering committee members, and providing guidance on their roles
- Ensuring that all stakeholders understand roles and responsibilities
- Providing a template for a project charter that will document these critical project governance structures.

Of special importance is the need to gain consensus on two items. First, it is vital that stakeholders have a general understanding of the business drivers for the project – what issues the State is facing that cannot be met (and what opportunities cannot be pursued) as a result of existing processes and systems. Second, it is critical that the steering committee develop a set of goals and objectives for the project, and provide direction and guidance that is aligned with those goals. GFOA has significant experience in this area and has conducted recent research as well. For more information, please see our article in the February, 2009 issue of Government Finance Review entitled “Picking Winners: Shrewd Investing in IT Assets through IT Governance”, and our latest publication “IT Budgeting and Decision Making” (more information can be found on our website at www.gfoa.org).

Keys to Success

GFOA’s extensive experience with enterprise-wide projects in the public sector has provided us significant insights into what makes for a successful ERP project. While there are a large number of factors that affect the degree of success or failure of any project, there are a handful of factors that have a profound influence on the outcome:

- Strong and visible executive support – any large project requires the backing, both verbally and in demonstrated actions, of one or more key executives.
- Consensus understanding – stakeholders must have a clear view of why the project is being taken on, and what the organization hopes to achieve in doing it. Without a clear and unambiguous view of the target, selection and implementation risks escalate.
- An effective steering committee – all project teams require guidance, an avenue for issue resolution, and a body that can make policy and resource decisions in a timely fashion. The project steering committee is the structure that plays this role, and is critical to the success of the project.
- Pervasive communications – The most successful projects engage staff for input, communicate status, and support a high degree of both outbound and inbound communication.
- Strong project management – The point person for the project should be an experienced staff member who has the authority to execute the project plan and report to the steering committee. This person should be highly organized and decisive, well-respected, and have deep knowledge and experience with the organization.



GFOA Project Team

ERP procurement projects require the proper blend of public sector and business process knowledge, technical capabilities, ERP market awareness and communication/facilitation skills to deliver the results that will transform the State's philosophy of information systems. All GFOA consultants on this project have multiple years of experience with similar projects, continually conduct market research, and have prior public sector work experience – a claim that no other firm can make. As a result our consultants are able to understand your unique needs and future goals, and help develop an achievable approach for getting there.

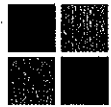
GFOA's highly qualified professionals represent the most comprehensive knowledge and experience for this type of work in the public sector. In addition to consulting engagements, proposed project team members have written extensively on the subject for GFOA publications, national journals and periodicals, and conducted training for GFOA's annual conference and national training seminars. Please visit our website at www.gfoa.org for a complete listing of articles, books, and training offerings.

GFOA has assigned a team of highly qualified and experience individuals to work with the State's team throughout its engagement. The proposed project manager and engagement manager have a combined 40 years of government experience and have worked on over 25 ERP projects since starting with GFOA. GFOA does not intend to use subcontractors on this engagement. All staff proposed are full-time employees of GFOA. The following consultants will form the project team and complete all work on the State's engagement.

Barry McMeekin, Engagement Manager: Barry is the Consulting Practice Manager for GFOA, and has ERP experience with large governments such as Los Angeles County, Fairfax County, VA and Montgomery County, MD. With over twenty years of public sector experience in Allegheny County, PA in a variety of functions, Barry is an excellent resource for this crucial role.

Shelley Fulla, Project Manager: Shelley is one of our most experienced project managers, and has worked with a wide variety of cities, counties, and state agencies across the US. Prior to coming to GFOA she worked for the Chicago Police Department, and has a strong background in public safety as well as financial and HR/Payroll functions.

Resumes for Mr. McMeekin and Ms. Fulla, as well as for other staff who would likely be assigned to the project, can be found in Appendix A.



Appendix A: Project Team Resumes

Barry McMeekin **Consulting Practice Manager**

Summary

Barry McMeekin is the Consulting Practice Manager for GFOA's Research and Consulting Center. He is currently working on several projects related to enterprise system analysis and procurement and organizational policy and procedure review including **Southern California Regional Rail Authority (CA)**, **Cincinnati Metropolitan Sewer District (OH)**, **Montgomery County (MD)**, and **Northern Colorado Water Conservancy District (CO)**. Mr. McMeekin has a broad range of expertise in financial, purchasing, fleet, facilities, and inventory operational areas.

GFOA Experience

Mr. McMeekin has managed several of GFOA's largest systems projects including the **Illinois State Toll Highway Authority (IL)**, **Miami-Dade Expressway Authority (FL)**, **Regional Transportation District of Denver (CO)**, **Chicago Transit Authority (IL)**, **California Water Resources Control Board, Port of San Diego (CA)**, **State of Oklahoma, Clark County (NV)**, **United States Virgin Islands**, and others.

Mr. McMeekin led efforts at the **Southeastern Pennsylvania Transit Authority (PA)** to map and conduct an assessment of the current business processes, determine gaps between the organization's legacy support systems and those processes and design an improved process to support future system implementation.

Mr. McMeekin also authored a 2000 article in the Government Finance Review entitled "Outsourcing Municipal Fleet Services." The article detailed Mr. McMeekin's experience as the leader of the team that outsourced Allegheny County, PA fleet maintenance operations in 1998. The fleet outsourcing initiative was one of Mr. McMeekin's responsibilities while serving as Deputy Director of the Allegheny Public Works Department prior to coming to GFOA. The outsourcing initiative was competitively bid and contracted and has saved the County several million dollars over the past decade.

Mr. McMeekin has extensive experience providing implementation quality assurance services including managing large GFOA projects at Clark County, NV and Bernalillo County, NM. Other large entity experience includes analyzing procurement functionality and managing GFOA's mapping, fit-gap analysis and system procurement at **Los Angeles County (CA)**.

Mr. McMeekin led the ERP selection and evaluation project for the **City of Norfolk (VA)**. As part of the project, Mr. McMeekin assisted the City in evaluating multiple software vendors for both software and implementation services and by performing detailed assessments of each proposal and the resulting statement of work to identify risk for the City.

Mr. McMeekin coordinates activities for the Budget Committee of the GFOA, a committee that develops recommended practices for public sector budgeting throughout the United States.



Consulting Engineering Services and Project Management

Other Experience

Mr. McMeekin has been trained on a number of leading enterprise system packages and has significant implementation knowledge in purchasing, accounts payable, projects/grants, labor distribution, and capital budgeting. Prior to joining GFOA, he was the project manager for the implementation of a consolidated maintenance management system for Allegheny County, PA - as an employee of the government. In addition, Mr. McMeekin has held several senior positions in the public sector related to Public Works, Parks and Recreation, Environmental Services, and other operation management areas at the City of Pittsburgh. He received a B.A. from the University of Pittsburgh.



Shelley Fulla **Senior Manager, Research and Consulting Center**

Summary

Ms. Shelley Fulla joined GFOA in 2005 as a Senior Manager in the Research and Consulting Center. Ms. Fulla brings 15 years experience in governmental management, much of that time as a practitioner. She brings substantial experience in public safety, financial management, and technology development and management to every engagement she works on. As a result of her background, Ms. Fulla specializes in large city/county financial/human resources assessments and procurements.

Prior to coming to GFOA, Ms. Fulla served as Assistant Commissioner for Fiscal Administration at the City of Chicago Department of Public Health (CDPH) where she managed a \$200 million budget. In addition to serving as the Assistant Commissioner at CDPH, she established a grant and financial management process for the City of Chicago to handle the influx of Homeland Security funding among multiple City agencies; and, worked as a project manager for an award winning enterprise solution for the Chicago Police Department (CPD).

Ms. Fulla holds a Bachelors of Arts in Psychology, a Masters in Public Administration and is currently working on completing her Ph.D. in Public Administration at the University of Illinois at Chicago. Her dissertation work focuses on ERP technologies in government agencies and analyzing the factors that ensure successful implementation. Ms. Fulla's most recent publications include an article on a financial and organizational analysis of the implementation of an Alternative Fuel Vehicle (AFV) program at the DuPage County (IL) Forest Preserve and an assessment of the impact of eGovernment initiatives on citizen interaction at CPD.

GFOA Experience

Fairfax County, VA Providing an assessment of their human resources processes. This work includes an identification of process weaknesses independent of technology as well as those that can be changed by automation. This work includes an assessment of the political culture of the organization and those changes most likely to occur in such an environment. Ms. Fulla is working with project staff to ensure the successful implementation of the initiative through the development of critical success factors.

Pima County, AZ Project Manager for a financial/HR/Payroll needs assessment, requirements definition, and software selection. After assisting the County in the identification of business process issues requiring modification, Ms. Fulla has worked with the County to define system requirements and ultimately, select a new system for implementation.

City of Richmond, CA Project Manager for a 3+ year initiative to change the way the City handles all financial and human resource transactions. During her time on the project, Ms. Fulla conducted a needs assessment, led the system selection work and served as the project lead for the Payroll/HR system implementation. This project successfully went live in January 2009.

Broward County, FL Project Manager to assess the strengths and weaknesses of their financial and human resource transactions. Additionally, Ms. Fulla provided the County with an assessment of the implementation readiness of the County and provided specific recommendations for becoming more "ready" for process change and system implementation.



Consulting Engineering Services and Project Management

In addition to the projects already mentioned, Ms. Fulla has worked on several other projects focused on business process mapping and re-engineering, organizational assessments, system selection services, and implementation advisory services. Ms. Fulla has also served as a trainer for GFOA's national training program in the areas of Personnel Budgeting, Leadership for Public Finance Officials, and ERP Acquisition and Implementation. She has written several articles in the areas of ERP technologies, change management and technology.

Education

B.A., Psychology, University of Illinois at Chicago, 1994.

MPA, University of Illinois at Chicago, 2000.

Ph.D. (ABD), University of Illinois at Chicago

Publications and Papers

- (1) *"The Citizen and CRM"* in Shayne C. Kavanagh (Ed.), *Revolutionizing Constituent Relationships: The Promise of CRM Systems for the Public Sector*. Chicago, Illinois. Government Finance Officers Association.
- (2) *"Economic Costs and Environmental Impacts of Alternative Fuel Vehicle Fleets in Local Government: An Interim Assessment of a Voluntary Ten-Year Fleet Conversion Plan."* (with Megan Haller, Eric Welch & Jie Lin). Transportation Research Part D: Transport and Environment. May, 2007.
- (3) *"Change Management: Ensuring Success in Your ERP Implementation"*. Government Finance Review. April 2007.
- (4) *"A Theoretical Framework for Describing Virtual Interactivity between Government and Citizens: A Study of the Chicago Police Department's Citizen ICAM Application"* (with Eric Welch). American Political Science Association Conference. September, 2002.
- (5) *"Management of Feedback: Implications for Interactivity between Government and Citizens."* (with Eric Welch). Published in the Proceedings of the Hawaii International Conference on System Sciences, January 7 – 10, 2002, Big Island, Hawaii.
- (6) *"Effecting Change in a Reform Context: The National Performance Review and the Dilemma of Micro-level Reform."* (with James Thompson). Public Performance and Management Review, December 2001.



Dave Melbye

Consulting Solutions Manager, Research and Consulting Center

Summary

Mr. Dave Melbye joined GFOA in 2007, and is now the Consulting Solutions Manager for the Research and Consulting Center. Mr. Melbye has over 20 years experience in both private and public sector information technology projects, specializing in strategic and tactical planning, decision support systems, project management and software selection methodologies, and systems integration. He is the primary author of GFOA's Change Management methodology, and is currently assisting several organizations with change management strategy development and planning for large enterprise projects. Mr. Melbye also developed an innovative requirements definition approach for use in software selection projects.

Prior to coming to GFOA, Mr. Melbye spent five years as the CIO for the Milwaukee Metropolitan Sewerage District, where he led MMSD's ERP selection, implementation and optimization projects in addition to leading the I/T function. Mr. Melbye has worked for both national and regional I/T Consulting firms, having served as Director of the Enterprise Application Integration practice for a Chicago-based firm as well as Practice Director for a Milwaukee-based firm specializing in I/T outsourcing. Mr. Melbye has also worked in several capacities on financial systems projects in the public utilities sector, and led software selection and development teams with Wisconsin Public Service, Wisconsin Southern Gas Company, and Wisconsin Gas (now We Energies). Mr. Melbye holds a B.A. from Lawrence University in Appleton, WI.

GFOA Experience

Dunn County, WI Project Manager for a Technology Needs Assessment for financial, human resources, payroll, and medical billing applications. The assessment incorporated operations at four different locations across twenty departments, and resulted in a series of recommended improvements in administration, finance, cash receipting, and other areas. The assessment included a detailed review of the information technology department in order to assess the department's ability to support the recommended changes in business practices.

Jefferson County, WI Project Manager for a Management Information Systems Operational Audit, October 2008 to February, 2009. Mr. Melbye developed the approach and led a joint project team through a detailed analysis of all information technology functions at the County. The analysis was structured to provide findings and recommendations across organizational, technical competence, planning and communications, and application platform lines. Mr. Melbye adopted a participative workshop approach for this project to ensure a greater degree of client acceptance, increasing the likelihood of successful implementation of the recommendations.

Sonoma County, CA Project Manager for Business Case Development, HRMS Software Selection, and Implementation Advisory Services, June, 2007 to present. Mr. Melbye led a combined client and consultant team through a preliminary business case analysis to determine strategic direction for the HR/Payroll, time entry, and retirement processes of this northern California county. He then served as the project manager for the software selection process, and was responsible for development of their change management strategy and communications plan. Mr. Melbye is now serving as an implementation advisor for the installation, testing and deployment of a software solution from HighLine Corporation.

Fairfax County, VA Assistant Project Manager and Business Analyst for requirements definition phase of Fairfax's ERP selection project, November 2007 to July, 2008. Duties included planning and education for the HR/Payroll functions, and development of business process maps for nearly 100 operational functions in HR/Payroll and procurement.



Consulting Engineering Services and Project Management

Lafayette Consolidated Government, Lafayette, LA Provided change management education and training for Lafayette's ERP sponsors, management, and project team, April to October, 2008. Mr. Melbye also developed an overall change management strategy and communications plan for the implementation team, integrating GFOA's approach with the Lawson implementation plan.

City of Santa Ana, CA Change management consulting for the Lawson ERP implementation, October 2008 to present. Mr. Melbye assisted the State's change manager with development of a broad-based readiness assessment program for the implementation teams in procurement, finance, and utility billing applications. Mr. Melbye also assisted with development of project team communication tools including seminars, newsletters and web pages.

Education

B.A., Lawrence University, Appleton, WI

Publications and Papers

- (1) *Municipal Why-Fi* in Government Finance Review, October, 2007
- (2) *Knowledge Management: Putting the Pieces Together* in Government Finance Review, April, 2008
- (3) *The ERP Book: Financial Management Technology from A to Z*. Chicago, IL: GFOA. Anticipated Publication February, 2010.



Rob Roque **Senior Manager, Research and Consulting Center**

Summary

Mr. Rob Roque joined GFOA in 1998, and is now a Senior Manager in the Research and Consulting Center. He is currently serving as the Project Manager for the Fairfax County, VA requirements definition and ERP software selection project. Mr. Roque's primary responsibilities with GFOA are to serve on implementation advisory service projects, ERP project management services, selection service projects, and technology needs assessments. He also assists with managing internal technology projects for GFOA and has worked on over 70 projects since joining GFOA. His primary role is managing GFOA's larger technology projects, and is an instructor for GFOA's ERP and project management training curriculum.

Prior to joining GFOA he was a Senior Budget Analyst with the City of Pittsburgh, PA where he was responsible for the budgetary structure/general ledger design and design of the management reports for the implementation of the City's PeopleSoft implementation. He also worked as a Research Analyst for the Pennsylvania Economy League where he employed research techniques to local government revenue forecasting, regional tax estimates, urban planning and GIS.

GFOA Experience

Fairfax County, VA/Fairfax County Public Schools, ERP Selection, Project Manager, January 2008 - Present. This project is a combined ERP selection project (financials and human resources/payroll) for one of the largest counties and school districts in the United States. This project entails separate software and consulting services procurement, change management, implementation readiness, and business transformation. When implemented, one of the largest counties and largest school districts in the United States, representing approximately 60,000 employees, will share the same enterprise application.

Montgomery County, MD, ERP Implementation Advisory Services (IAS), IAS Project Manager, April 2009 - Present; Selection Project Manager, June 2007 - January 2009. The County is currently implementing an enterprise solution for financials, procurement, inventory, human resources, and payroll. GFOA is providing implementation advisory services to the government for their implementation project. GFOA services include project management assistance, deliverable review assistance, support organization development assistance, design assistance and other services related to enterprise application program implementation. GFOA also assisted the County during the selection process for software and implementation services. GFOA assisted the County with budget planning, system selection, change management, program planning, and negotiations assistance for the procurement process.

Maryland National Capital Parks and Planning Commission, ERP Selection, Engagement Manager, January 2009 - Present. The Commission is responsible for administering the parks programs for two adjacent counties (Montgomery County and Prince George's County). To facilitate operations, the Commission decided to pursue an integrated enterprise solution. The organization is currently in the process of procuring an enterprise software solution for financials, human resources/payroll, procurement and operations. GFOA is serving as the selection consultant. Services include business process mapping, budget planning, request for proposal development, proposal assessment and contract negotiations assistance.

Marin County, VA, ERP Implementation, Acting Project Manager, October 2006 - June 2007; Special District Budget Design Consultant, June - October 2006. The County selected SAP for its enterprise solution. At the time, the implementation was one of the largest in scope for SAP in local government



Consulting Engineering Services and Project Management

(financials, human resources/payroll, learning management, self-service). GFOA served as the County's system selection consultant. GFOA was retained by the County to provide chart of account design assistance and budget control design assistance during the financials implementation (Phase I). After the County Project Manager resigned during Phase II (Human Resources/Payroll/Operations), GFOA served as the Acting Project Manager.

Metropolitan Sewer District of Cincinnati (MSD) ERP Implementation Advisory Services (IAS), IAS Project Manager, February 2009 – Present; Assistant Project Manager, June 2008 – January 2009. MSD is currently undergoing a business transformation project which includes the implementation of an enterprise software solution, an internal review of its financial policies and procedures, and an assessment of its chart of accounts. GFOA assisted the organization with developing a future chart of accounts concept which must accommodate the City, County, and Federal reporting requirements. GFOA is currently assisting MSD with developing its financial policies and procedures and also assisting with the design for the implementation of Oracle – PeopleSoft at MSD.

Port Authority of San Diego, CA, ERP Implementation Advisory Services (IAS), Assistant Project Manager, February – August 2003. GFOA served as the Port's system selection consultant, provided negotiations assistance, and provided implementation advisory services during the Phase I roll-out of the application (financials/cost accounting).

Administrative Office of the Courts (AOC), State of California, ERP Selection/ERP Quality Assurance/ERP Implementation, Project Manager, February 2001 – June 2005. This project was a statewide rollout of ERP to all Trial Courts in California. GFOA assisted the AOC with project planning (including organizational design), system selection, the base ERP template development, and also served as the project controller for the rollout of the first 17 trial courts (out of 58).

Montgomery County Public Schools, MD, ERP Selection Services, Project Manager, June 2005 – December 2006. GFOA was selected by the District to assist them during the procurement process for an enterprise solution for financials, procurement, and inventory. Once implemented, the new system would interface with the existing human resources/payroll application. GFOA provided business process mapping assistance, request for proposal development assistance, and proposal assessment assistance.

Education

M.U.R.P., University of Pittsburgh, Pittsburgh, PA
B.A., University of Pittsburgh, Pittsburgh, PA

Formal Training

SAP (Certified Integrator of mySAP Public Sector)
PeopleSoft Financials

Publications and Papers

Elected Officials Guide to Financial System Procurement (Co-Author). Chicago, IL: GFOA

ERP and Financial Systems: The Backbone of Digital Government (Contributor). Chicago, IL: GFOA.

A Guide to Preparing an RFP for Enterprise Financial Systems (Co-Author). Chicago, IL: GFOA.

Technology Needs Assessments: Evaluating the Business Case for ERP and Financial Management Systems (Co-Author). Chicago, IL: GFOA.

Order in the Courts! ERP in the State of California's Trial Courts (Co-Author). Government Finance Review. Chicago, IL GFOA



Consulting Engineering Services and Project Management

Solutions: Fifteen Tips for an ERP Project. Government Finance Review. Chicago, IL GFOA

Solutions: Looking Backward to Move Forward. Government Finance Review. Chicago, IL GFOA

The Fiscal Organization of Metropolitan Areas: The Allegheny County Case Reconsidered (Co-Author). Publius: The Journal of Federalism. Oxford University Press



Nadeen Biddinger
Senior Manager, Research and Consulting Center

Summary

Nadeen Biddinger joined GFOA in 2005, and is a Senior Manager in the Research and Consulting Center. Ms. Biddinger has 22 years experience in local government, with twelve years in public sector information technology projects, specializing in outsourcing, project management, software selection methodologies, systems integration, and contract negotiations.

Prior to coming to GFOA, Ms. Biddinger was the Deputy CIO for the City of Indianapolis/Marion County where she led the Outsourcing Effort in 2004 and managed the first year of implementation.

GFOA Experience

Littleton Public Schools, CO Project Manager for a Technology Needs Assessment for financial, human resources and payroll applications. The assessment resulted in an RFP being released with system selection activities and contract negotiations. The District is in the process of implementing an integrated ERP solution that will help them deal with reduced staffing and avoid redundancy.

Lafayette Consolidated Government, LA Project Manager for a Needs Assessment for financial, human resources and payroll. This government managed three entities – the Centre Development District for economic and cultural restoration; the Communications District for Homeland Security and Emergency Preparedness; and the Public Power Authority to purchase and sell electric power to the City Utilities System. Following the assessment, GFOA provided system selection services, contract negotiations, and targeted Change Management activities to motivate the staff to embrace the changes an integrated system would bring to their environment.

City of Sheridan, Wyoming Project Manager for a small government to guide them through the issuance of an RFP, system selection and contract negotiations by coaching the stakeholders at appropriate levels. The GFOA team still performed analysis of all applications and business activities in order to identify functional requirements for an RFP, thus ensuring a strong warranty for implementation. Unfortunately once a contract was negotiated the City was hit with revenue stream problems and had to postpone the implementation.

City of Santa Ana, CA Project Manager for implementation advisory and quality control consulting for the Lawson ERP implementation, April 2008 to present. Ms. Biddinger assisted the State's Project Manager in reviewing deliverables and managing contract issues during the implementation phase to ensure the City stayed on target. Research was performed related to the State's payroll process and union issues with recommendations to improve process and avoid duplicate efforts. The City did not feel they could migrate from their legacy payroll system until all issues are resolved with their local employee unions.

Pinellas County, FL Project Manager to guide the county through the issuance of an RFP, implementer selection and contract negotiations for their current Oracle E-Business software. This project is still in progress with negotiations nearing completion. GFOA expects to continue on with this client in an Implementation Advisory Role once the project begins.



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Contract Negotiations In this role Ms. Biddinger works in tandem with each of the GFOA Project Managers to ensure that the final phase of system acquisition for all GFOA project clients is a satisfactory one. The process results in a detailed Statement of Work with defined scope and milestones plus competitive pricing for software and implementation services and improved contract protection language that generally save governments a great deal of money, while mitigating the risk for possible change orders during project implementation.

Education

B.S.B.A. from Indiana Wesleyan University in 2000 – graduated summa cum laude and received the class Outstanding Professional Award.

Paralegal Certification from IUPUI, Indianapolis, Indiana.

Publications and Papers

- (1) *The Information Technology Role in Disaster Recovery and Business Continuity, Government Finance Review, December, 2007.*
- (2) *Contributing Chapters to The ERP Book: Financial Management Technology from A to Z.* Chicago, IL: GFOA. Anticipated Publication December, 2009.



Mike Mucha
Senior Consultant

Summary

Mr. Mucha is a Senior Consultant with the GFOA Research and Consulting Center and focuses on performance management, process analysis, and technology procurement. Mr. Mucha coordinates GFOA activities for performance management and is heavily involved with GFOA's work to identify, develop, and communicate best practices in that area. He also assists with ongoing development of GFOA's budgeting for outcomes (BFO) methodology, focusing on best practices for aligning budgets with prioritized objectives. Mr. Mucha has also been instrumental in redefining some of GFOA's management consulting tools and templates for small governments.

GFOA Experience

City of Danbury, CT – Mr. Mucha is currently working with the City of Danbury on an organizational assessment and performance management project. Mr. Mucha assisted the City with first scoping and defining the project, and is currently working with the City's executive leadership in development of overall priorities and goals. For the remainder of the project, Mr. Mucha will assist the City with development of a performance management framework, an assessment of operational functions in the finance area, and implementation of recommendations.

City of Spokane, WA - Mr. Mucha is the lead consultant on a project to replace the City's current human resources, payroll, benefits administration and retirement software. Mr. Mucha had primary responsibility for development of business process maps, and also led the effort to define and validate detailed software, implementation and vendor requirements. Once vendor proposals are received later in November, Mr. Mucha will continue to assist the City through the demonstration and selection process.

City of Portsmouth, VA - Mr. Mucha led efforts to conduct an assessment of the current budget process and design an improved process and implementation plan for the City's move to biennial budgeting. As part of the engagement, Mr. Mucha also worked to increase the City's capacity for performance management.

Bernalillo County, NM and Clark County, NV - Mr. Mucha conducted business process reviews for purchasing and accounts payable processes for these two large, Western counties to assist both organizations in the adoption of improved business processes. In addition to operational efficiencies and an increase in productivity, Mr. Mucha's recommendations allowed both organizations to realize greater utilization of their ERP investments.

Pinellas County, FL - Mr. Mucha facilitated sessions and worked to develop project goals and clear indicators of success in advance of the County's ERP implementation. Using this approach, the County will have documented major objectives to guide decision making during the project and a framework for assessing the ultimate effectiveness and success of the project. Mr. Mucha also led the County through a competitive selection process by developing an RFP, providing advisory services for implementation consultant selection and conducting a detailed review of draft statement of work documents.

City of Raleigh, NC - Mr. Mucha coordinated the ERP selection and evaluation project for the City. As part of the project, Mr. Mucha assisted the City in evaluating multiple software vendors for both software and implementation services and by performing detailed assessments of each proposal and the resulting statement of work to identify risk for the City.



Consulting Engineering Services and Project Management

Mr. Mucha coordinates activities for the **National Performance Management Advisory Commission**, a joint initiative with 11 national public sector membership organizations to identify, develop, and communicate best practices for performance management.

Mr. Mucha regularly conducts research into the ERP market for GFOA clients and has performed numerous analyses and cost estimation studies for GFOA clients including: the **City of Sheridan, WY, Moore County, NC, Encina Wastewater Authority, Pima County, AZ, Douglas County, KS, Broward County, FL, and the City of Cape Coral, FL** among others.

Other Experience

Prior to coming to GFOA, Mike worked with the Sports & Exhibition Authority of Pittsburgh and Allegheny County. He received a Master of Science in Public Policy and Management from the Heinz School of Public Policy and Management at Carnegie Mellon University and a Bachelor of Business Administration in Economics from the University of Iowa.



Mike Riffel **Senior Consultant**

Summary

Mike Riffel joined GFOA in 2006 and is now a Senior Consultant/Analyst in the Research and Consulting Center. Mr. Riffel specializes in providing functional fit-gap analyses for technology needs assessments, developing functional requirements for ERP system selection, facilitation of the system procurement process and the formulation of implementation readiness plans and implementation deliverable review. In addition to his role as Senior Consultant, Mike also conducts ERP market research, manages GFOA's on-line OPEB (Other Post Employment Benefit) toolkit and develops the training curriculum found in the technology track of GFOA's annual conference. Mr. Riffel has authored various chapters in multiple GFOA publications on topics ranging from CRM/311 to alternative software delivery models such as Software as a Service (SaaS).

Prior to coming to GFOA, Mr. Riffel worked as Community Development Agent in Van Buren County, MI where Mike coordinated the implementation of a Homelessness Management Information System (HMIS) and drafted the 2005-2010 Van Buren County, MI Comprehensive Plan. In addition, Mike was a Project Coordinator with Azavar Technologies Corporation in Chicago, IL where he implemented a utility tax audit program for municipalities throughout the "Chicagoland" area. Mike holds M.P.A. and B.A. degrees from Michigan State University.

GFOA Experience

Montgomery County, MD (2008-2009) Mike has assisted Montgomery County throughout various facets of their ERP procurement, change management and implementation efforts. Following the release of the RFP, Mike analyzed the responses and edited the proposal assessment report provided to the County. Mike then facilitated a 15 day software demonstration and implementer interview process on behalf of the county that eventually led to system selection and contract execution. Currently, Mike is working with the County in an implementation advisory role, reviewing integrator deliverables and assisting in the design of a post implementation software support structure.

Charleston County Parks and Recreation Commission, SC (2008 - 2009) In November 2008, Mr. Riffel assisted the Charleston County Parks and Recreation Commission (CCPRC) in South Carolina in analyzing their business case for a new financial management system. As part of the process, Mr. Riffel facilitated functional area focus group discussions, identifying strengths and weaknesses of their current financial management systems and any imminent areas of need. From this research and other best practice benchmarking efforts, Mike authored various chapters in a report that assessed each functional area of the organization and efficiencies that would be gained in those areas if a new financial management system was to be procured. As a result of the business case, CCPRC has decided to move forward with the system procurement effort and Mr. Riffel is currently in the process of developing detailed functional requirements for the organization.

Pasco County Public Schools, FL (2007-2009) Mr. Riffel acted as the project manager for a Technology Needs Assessment for financial, human resources, payroll, food service and student information systems. The assessment incorporated operations across over twenty schools, and resulted in a series of recommended improvements in finance, procurement, document management, and other areas. The assessment included a detailed review of the information technology department in order to assess the department's ability to support the recommended changes in business practices. In addition, complexities with K-12 reporting requirements for No Child Left Behind were analyzed in detail. As a result of this



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needs assessment, in 2008 Mike assisted Pasco County Schools in developing a set of detailed functional requirements for the eventual procurement of a new financial management system.

Fairfax County, VA (2008-2009) – ERP System Selection. Assisted in the development and validation of human resources, budget preparation and payroll functional requirements. Also, facilitated a 15 day software demonstration process for the County.

Frederick County, MD (2008) – Technology Needs Assessment and Business Case Analysis. Assisted in the analysis of all major financial, procurement and human resources business units and provided the county with an assessment of as is business processes. The assessment also included an inventory of current administrative and financial systems as well as an IT assessment focusing on IT governance in the County.

Education

B.A., Michigan State University, East Lansing, MI
M.P.A., Michigan State University, East Lansing, MI



Eva Olsaker
Senior Manager, Research and Consulting Center

Summary

Ms. Eva Olsaker joined GFOA in 2005, and is now a Senior Manager in the Research and Consulting Center. Ms. Olsaker brings 15 years experience in both private and public sector technology and management consulting projects, specializing in, project management, technology needs assessment, business case analysis, software selection methodologies, and systems integration.

Prior to her arrival at GFOA, Ms. Olsaker consulted in the public and private sector for ten years.

Professional Experience

Prince George's County, MD Project Manager for a large county financial, human resources, procurement, and payroll applications process mapping and technology needs assessment project. After assisting the County in the identification of business process issues requiring modification and business case, Ms. Olsaker is working with the County to define and develop system functional requirements.

Frederick County, MD Project Manager for a technology needs assessment and business case analysis project. Ms. Olsaker managed the analysis of all major financial, procurement, payroll and human resources business units and provided the County with an assessment and recommendation of the County's business processes and applications.

Montgomery, MD Co-Project Manager for a financial/HR/Payroll process mapping, requirements definition, and software selection. After assisting the County in the identification of business process issues requiring modification, Ms. Olsaker has worked with the County to define system requirements and ultimately, select a new system for implementation.

Village of Freeport, NY Project Manager for a small government to guide them through the issuance of an RFP, system selection and contract negotiations by coaching the stakeholders at appropriate levels. The GFOA team conducted analysis of the vendor proposals and will provide the Village with guidance concerning vendor demonstrations.

Cleveland Public Library, OH Ms. Olsaker conducted a human resources and payroll technology needs assessment and business case analysis, led the system selection work and assisted the Project Manager in reviewing implementation deliverables and managing contract issues during the implementation phase to ensure the CPL stayed on schedule. The system is scheduled to go live October 2009.

Education

B.A., Political Science, Ball State University, 1993.

Publications and Papers

Ms. Olsaker has authored various chapters in multiple GFOA publications on topics ranging from CRM to developing functional requirements.



Shayne Kavanagh **Senior Manager of Research**

Summary

Mr. Shayne Kavanagh joined GFOA in 2001, where he is now the Senior Manager of Research in the Research and Consulting Center. Mr. Kavanagh has over 10 years of public finance experience, covering a range of topics, from strategic financial planning and budgeting to technology procurement and management. At GFOA, Shayne specializes in long-term financial planning and recovery from financial distress. He also focuses on realizing value on investments in technology through the application of clear decision-rights, financial planning and accountability principles.

Prior to working with GFOA, Shayne served as the Assistant Village Manager for the Village of Palos Park in Illinois. There he supervised the Village's accounting, budgeting, payroll/HR, payables, utility billing, risk management, and technology functions. He also led the Village to its first GFOA Distinguished Presentation Awards for both the budget and comprehensive annual financial report documents (CAFR). In addition to regular duties in the finance function, Shayne worked on a variety of special projects including success in obtaining 100% grant funding for the Village's renovation of its central community park, implementation of a new financial system, and process improvement initiatives in functions as diverse as recreation, community development, and public works. Shayne received his MPA from North Illinois University in DeKalb, IL.

GFOA Experience

City of San Juan Capistrano, CA. Assistant Project Manager for the City's Strategic Business Plan. The City is developing a comprehensive strategic business plan, including a long-term financial plan. The City, with GFOA's help, has drafted a new mission and vision statement and identified critical strategic issues using an innovative community engagement model known as "appreciative inquiry." This model is designed to bring together stakeholders with significantly different perspectives to first focus on the positives about the community and how those advantages could be leveraged to make the community even better. Appreciative inquiry helps bring together individuals with diverse perspectives by focusing on what unites them (a desire for a better community) rather than on what divides them (the challenges and specific actions to address them). The City and GFOA have also conducted a comprehensive review of its strategic and financial position and begun the process for developing strategies to address the challenges faced by the community. The City and GFOA look forward to completing development of the strategies, creating action plans, continuing the process of citizen engagement, and developing a final strategic business plan.

City of Stockton, CA. Project Manager for the City's Long-term Financial Plan. GFOA helped the City with long-term financial planning, including development of a long-term forecasting model, identification of strategic challenges, development of a team-based model to analyze the challenges and develop solutions, and helping the City consider how community priorities could be used to influence budgeting practices.

Adams County, PA. Assistant Project Manager for the County Financial Health and Long-Term Plan. The County and GFOA are developing a financial health and long-term plan. GFOA and the County first diagnosed the County's fiscal health along key dimensions, such as budget variances, revenue management, and expenditure control. This revealed a number of potential symptoms and causes of fiscal distress. GFOA then recommended a number of possible treatments, which the County prioritized. The County then formed a number of small teams to develop action plans to implement the treatments and



Consulting Engineering Services and Project Management

ultimately carryout these plans. GFOA provided teambuilding and action planning training and provided hand-on assistance with developing the action plans. GFOA and the County look forward to beginning implementation of the plans and achieving fiscal health for the County.

City of Menlo Park, CA. Project Manager, Financial Policy Development. GFOA worked with the City's finance director to develop a comprehensive fund balance policy, including a detailed assessment of the target amount of fund balance the City should strive to maintain. This involved a benchmarking study with other California cities, comparing the City's past experiences and current environment against a number of technical factors that would influence the ideal level of fund balance, and taking account of the political environment. The policy was ultimately adopted enthusiastically by the City Council.

City of Montclair, CA. Project Manager, Long Term Financial Plan. GFOA helped the City to develop its first long-term financial plan, including revenue/expenditure forecasts, financial environmental analysis, and financial strategies. The project also included strategic priority setting, to help align financial strategy with service goals. Montclair has worked with GFOA for five successive years since the completion of the original plan to facilitate a short updating workshop with the City Council while the City handles the vast majority of the update work.

City of San Clemente, CA. Project Manager, Financial planning process development and priority setting. GFOA helped the City to redesign its financial planning process to gain better collaboration between the staff and the City Council during plan development. This involved technical process mapping and presenting the revisions to the City Council. GFOA also helped the City identify and prioritize short-term issues facing the community as preparation for its upcoming budget and planning cycle.

Education

MPA, Northern Illinois University

Other post-graduate course work in urban planning at University of Illinois at Chicago

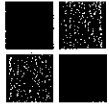
Publications

An Elected Officials Guide to Long-Term Financial Planning. Chicago, IL: GFOA. 2008

Financing the Future: Long-Term Financial Planning for Local Government. Chicago, IL: GFOA. 2007

Technologies for Government Transformation: ERP and Beyond. Chicago, IL: GFOA. 2006

Financial Policies: Design and Implementation. Chicago, IL: GFOA. 2005.



Appendix B: References

Over the past 10 years, GFOA has provided enterprise wide technology assessments and ERP procurement advisory and software selection services to over 200 local governments. A sampling of recent and current clients that closely match the State's or have a similar project scope are listed below.

Los Angeles County, CA	Cook County, IL
Administrative Office of the Courts, CA	State of Oklahoma
Chicago Transit Authority (CTA)	Southeastern Pennsylvania Transit Authority (SEPTA)
City and County of San Francisco, CA	Clark County, NV
Illinois State Tollway	Denver Regional Transportation District, CO
San Francisco Public Utilities Commission	City of Richmond, CA
Raleigh, NC	Pima County, AZ
City of Freeport, NY	City of Savannah, GA
City of St. Charles, IL	Pinellas County, FL
Fairfax County, VA	Montgomery County, MD
Marin County, CA	Lafayette Consolidated Government, LA
City of Springfield, IL	City of Santa Ana, CA



REFERENCE #1

Montgomery County, Maryland
December, 2007 to Current
Total Fees: \$900,000

Contact Person: Wayne Johnson, Project Director
Phone: (240) 773-3388
Address: 101 Monroe Street, Rockville, MD
E-Mail Address: wayne.johnson@montgomerycountymd.gov

Description

Montgomery County has established an ambitious program of assessments, planning, process improvements, new technology and a host of other activities intended to reinvent County government. Called "Transform MCG", this program has a number of phases and projects – some focused on organization and management, some focused on process, and some focused on technology. GFOA has assisted the County in several areas of the program:

- Led the County through the requirements definition, software selection and contract negotiations for a new enterprise resource planning (ERP) system.
- Developed the County's overall change management strategy, including an overall change management approach, communication plans, coaching and resistance management plans, and training for project sponsors and key executives on their role in garnering broad acceptance of new technology.
- Development of portfolio management processes to assist in resource allocation for multiple concurrent projects.
- Preparation of a post-implementation support plan, including a cost analysis, staffing requirements, process definition and documentation requirements.



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REFERENCE #2

State of California

Administrative Office of the Courts

July, 2000 to July, 2005

Total Fees: \$1.5 million

Contact Person: Melanie Hayden, Information Services Director

Phone: (415) 865-7425

Address: 455 Golden Gate Avenue, San Francisco, CA 94102

E-Mail Address: Melanie.hayden@jud.ca.gov

Description

In 2000, the State of California combined administration and operations of its 58 trial courts into a single entity – the Administrative Office of the Courts (AOC). AOC asked GFOA to assist with needs assessments, software selection and contracting, and implementation advisory services over a five year period for several projects.

Because AOC was a new entity, there were significant challenges in understanding the unique needs and requirements of the trial courts themselves. However, AOC also presented an opportunity to build organizational and governance constructs, standardized processes and supporting technology from the ground up. GFOA assisted with those efforts, including the development of new methodologies and processes still in use today.

Of special note, GFOA provided Help Desk/IT Support planning assistance to AOC's IT Department, including planning activities for a new data center.



Consulting Engineering Services and Project Management

REFERENCE #3

City and County of San Francisco

October, 2005 to September, 2006

Total Fees: \$270,000

Contact Person: Todd Rydstrom, Director of Budget and Analysis (Mr. Rydstrom now works for the San Francisco Public Utilities Commission)

Phone: (415) 934-5707

Address: 1155 Market Street, San Francisco, CA, 94103

E-Mail Address: trydstrom@sfwater.org

Description

The City and County of San Francisco (San Francisco is a unified city and county government) wanted a technology system to provide for central management of the budget process in order to provide for proper stewardship of the City's financial resources and to ensure timely completion of the City's financial planning cycles. Simultaneously, the City also wanted to provide departments with sufficient flexibility to formulate budgets in a way that results in the most accurate operational plans and accommodates particular budget process needs at the departmental level. San Francisco also wanted strong support for integrating performance data into budgetary decisions

However, at the time, the market for budgeting software was in a great state of transition. There was no "industry standard" solution for a government the size of San Francisco. Therefore, GFOA first helped the City with a comprehensive analysis of the market in order to identify options, opportunities, and risks. After reviewing the market research with GFOA, the City decided to move forward with an RFP. GFOA helped develop an RFP that clearly articulated the City's detailed requirements and that didn't lock the City into any particular type of technology solution, but that at the same time provided thorough safeguards against both technology and implementation risks. GFOA then facilitated an evaluation of the proposers, including detailed demonstrations of the software and implementation team interviews. Using GFOA's distinctive parallel negotiations technique, the field of potential vendors was gradually winnowed down through successive phases of evaluation. This maintained competitive pressure throughout the selection process, while still allowing the City to focus its analytical attention on an increasingly smaller number of vendors. A finalist vendor was then selected and GFOA assisted with developing the statement of work, software contract, and implementation contract. It was important that the contract documents protect against risk, but also that they form a *solid* and *realistic* basis on which to move forward with the implementation of the software.

The City has since gone on to implement this system, making it one of the few large cities in the entire country to have a fully featured budgeting and planning software support system.



Consulting Engineering Services and Project Management

REFERENCE #4

State of Oklahoma

April, 2000 to October, 2001

Total Fees: \$150,000

Contact Person: Jerry Stillwell

Phone: (405) 521-2844

Address: Office of State Finance

2209 N. Central

Oklahoma City, OK 73105

E-Mail Address: jerry.stillwell@oklaosf.state.ok.us

Description

Upon completion of their Year 2000 system analysis and corrections, the State of Oklahoma focused on integrating their enterprise applications into a single solution. In early 2000, the State hired GFOA to assist them with selecting the integrated solution. GFOA was responsible for developing the strategy for gathering functional and technology requirements for the entire state in an efficient manner. GFOA then facilitated the data gathering meetings and developed the request for proposals for the entire State of Oklahoma. Later GFOA facilitated all system selection activities, including facilitating the software company and software implementation interviews.

The challenge with this client was gathering the data in an efficient manner. GFOA worked the State Office of Finance to identify representatives of small, medium, large agencies, as well as representatives of major stakeholders. All meetings were held in a central location. Meetings were also tightly planned to minimize the amount of times remote agencies would need to attend meetings in Oklahoma City.

Since the selection was complicated and time was limited, GFOA advised the State to choose the software solution and the implementer at the same time. The State selected a solution in October, 2001.



Consulting Engineering Services and Project Management

REFERENCE #5

Fairfax County, VA

August, 2007 to Current

Total Fees: \$550,000

Contact Person: Debra Dunbar

Phone: (703) 324-7329

Address: 12000 Government Center Parkway, Fairfax, VA 22035

E-Mail Address: Debra.Dunbar@fairfaxcounty.gov

Description

Fairfax County, VA is a large governmental body in the Washington D.C. metropolitan area, with an operating budget of over \$1.2 billion and some 12,000 employees. In 2007, the County faced a difficult situation with some of its core technologies, as several applications were over twenty years old, and the support staff for those applications were at or nearing retirement age. Investigating ERP solutions with GFOA was the first step in mitigating the risks inherent in those aging systems.

GFOA assisted the County with all of the procurement planning steps, development of process maps, development of two RFP's (one for software and one for implementation services), facilitation of vendor demonstrations and the selection process, development of a change management strategy and plans, and soon will be helping with contract negotiations. Functional scope for this effort included general ledger, accounts payable, accounts receivable, budgeting, asset management, inventory management and work orders, project and grant accounting, payroll, HR, benefits administration, and time and attendance tracking. Earlier this year, the County selected SAP as its software vendor, and now is in the process of selecting an implementer.

Complicating the selection process was a decision made early on to jointly pursue a solution with the Fairfax County Public Schools (FCPS). FCPS is a large school district, with 22,000 employees and an operating budget in excess of \$2 billion. The combined entities include 34,000 employees – a very large user base for any ERP system to support.

Many of the staff that are proposed for the State of West Virginia were involved in the Fairfax County project, where their large project expertise will be an asset in the selection process.

**Government Finance Officers Association of the
United States and Canada and Government
Accounting Research Foundation of the
Government Finance Officers Association
Chicago, Illinois**

FINANCIAL STATEMENTS

Including Independent Auditors' Report

March 31, 2009 and 2008

**Government Finance Officers Association of the
United States and Canada and Government
Accounting Research Foundation of the
Government Finance Officers Association**

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Baker Tilly Virchow Krause, LLP
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Chicago, IL 60601-5927
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Independent Auditors' Report

Executive Board of
Government Finance Officers Association of the
United States and Canada and Government
Accounting Research Foundation of the
Government Finance Officers Association
Chicago, Illinois

We have audited the accompanying consolidating statement of financial position of Government Finance Officers Association of the United States and Canada and Government Accounting Research Foundation of the Government Finance Officers Association (collectively "GFOA") as of March 31, 2009, and the related consolidating statements of activities and cash flows for the year then ended. These financial statements are the responsibility of GFOA's management. Our responsibility is to express an opinion on these consolidating financial statements based on our audit. The prior year summarized comparative information has been derived from GFOA's 2008 financial statements and, in our report dated September 10, 2008, we expressed an unqualified opinion on those financial statements.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes consideration of internal controls over financial reporting as a basis for designing an audit opinion on the effectiveness of GFOA's internal controls over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the consolidating financial statements referred to above present fairly, in all material respects, the financial position of GFOA as of March 31, 2009, and the changes in its net assets and its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Baker Tilly Virchow Krause, LLP

Chicago, Illinois
September 30, 2009

**Government Finance Officers Association
of the United States and Canada and
Government Accounting Research Foundation
of the Government Finance Officers Association**

March 31, 2009 and 2008
(dollars in thousands)

Statements of Financial Position

	GFOA	Foundation	Totals	
			FY 09	FY 08
Current Assets:				
Cash and cash equivalents	\$ 171	\$ 49	\$ 220	\$ 165
Investments	13,040	379	13,419	15,122
Accounts receivable (net of allowance for doubtful accounts of \$20 FY 09 and FY 08)	1,253	-	1,253	1,135
Accrued interest receivable	13	-	13	32
Publication inventory	540	-	540	604
Prepaid expenses and other assets	461	-	461	574
Total current assets	15,478	428	15,906	17,632
Furniture, fixtures and equipment	1,438	-	1,438	1,358
Less accumulated depreciation	(1,325)	-	(1,325)	(1,243)
Net furniture, fixtures and equipment	113	-	113	115
Total assets	\$ 15,591	\$ 428	\$ 16,019	\$ 17,747
Current Liabilities:				
Accounts payable	\$ 217	\$ 84	\$ 301	\$ 421
Accrued expenses	988	-	988	1,060
Deferred revenue	4,083	49	4,132	4,367
Deferred rent	314	-	314	375
Total current liabilities	5,602	133	5,735	6,223
Net Assets - Unrestricted:				
Operating Fund	7,763	-	7,763	8,947
Contingency Reserve	1,363	-	1,363	1,363
Research Reserve	579	-	579	547
Scholarship Reserve	176	-	176	229
GFOA Foundation	-	295	295	284
Total net assets - unrestricted	9,881	295	10,176	11,370
Net Assets - Temporarily Restricted:				
Scholarship Contributions and Grants	108	-	108	154
Total net assets	9,989	295	10,284	11,524
Total liabilities and net assets	\$ 15,591	\$ 428	\$ 16,019	\$ 17,747

See notes to the financial statements.

Government Finance Officers Association
of the United States and Canada and
Government Accounting Research Foundation
of the Government Finance Officers Association

Years Ended March 31, 2009 and 2008
(dollars in thousands)

Statements of Activities

	GFOA	Foundation	Totals	
			FY 09	FY 08
Unrestricted net assets:				
Net operating revenue:				
Membership dues	\$ 3,307	\$ -	\$ 3,307	\$ 3,106
Fees and charges:				
Training and annual conference (Note 6)	4,468	-	4,468	4,590
Award programs	2,657	-	2,657	2,595
Publications and subscriptions	592	84	676	748
Consulting	2,875	-	2,875	2,526
Total fees and charges	10,592	84	10,676	10,459
Contributions	3	100	103	161
All other sources	513	114	627	772
Net assets released from restrictions	33	-	33	92
Total net operating revenue	14,448	298	14,746	14,590
Program expenses:				
Salaries and wages	4,596	48	4,644	4,827
Employee benefits	1,349	11	1,360	1,379
Office expenses	1,574	17	1,591	1,710
Occupancy and equipment expenses	966	-	966	1,069
Travel	624	2	626	620
Training and annual conference (Note 6)	2,619	-	2,619	3,188
Depreciation and amortization	87	-	87	88
Professional fees	154	-	154	141
Subcontractors	311	-	311	181
Contributions	119	220	339	370
Other operating expenses	104	-	104	125
Total program expenses	12,503	298	12,801	13,698
Support expenses:				
Salaries and wages	646	-	646	629
Employee benefits	175	-	175	142
Office expenses	189	-	189	154
Occupancy and equipment expenses	5	-	5	2
Travel	39	-	39	34
Depreciation and amortization	4	-	4	17
Professional fees	60	-	60	72
Other operating expenses	52	-	52	65
Total support expenses	1,170	-	1,170	1,115
Total program and support expenses	13,673	298	13,971	14,813
Net operating revenue greater than (less than) expenses	775	-	775	(223)
Interest/dividend income	387	11	398	495
Appreciation (depreciation) in fair market value	(2,367)	-	(2,367)	(204)
(Decrease) increase in unrestricted net assets	(1,205)	11	(1,194)	68
Temporarily restricted net assets:				
Scholarship contributions and grants	14	-	14	10
Net assets released from restrictions	(33)	-	(33)	(92)
Net operating revenue greater than (less than) expenses	(19)	-	(19)	(82)
Interest/dividend income	4	-	4	4
Appreciation (depreciation) in fair market value	(31)	-	(31)	(4)
(Decrease) increase in temporarily restricted net assets	(46)	-	(46)	(82)
(Decrease) increase in net assets	(1,251)	11	(1,240)	(14)
Net assets at beginning of year	11,240	284	11,524	11,538
Net assets at end of year	\$ 9,989	\$ 295	\$ 10,284	\$ 11,524

See notes to the financial statements.

**Government Finance Officers Association
of the United States and Canada and
Government Accounting Research Foundation
of the Government Finance Officers Association**

Years Ended March 31, 2009 and 2008
(dollars in thousands)

Statements of Cash Flows

	GFOA	Foundation	Totals	
			FY 09	FY 08
Cash flows from operating activities:				
Changes in net assets	\$ (1,251)	\$ 11	\$ (1,240)	\$ (14)
Adjustments:				
Net (appreciation) depreciation in fair market value of investments	2,398	-	2,398	208
Depreciation	91	-	91	105
Change in current assets and current liabilities:				
Receivables	(100)	1	(99)	77
Publication Inventory	64	-	64	(45)
Prepaid expenses and other assets	113	-	113	(57)
Accounts payable and accrued expenses	(189)	(3)	(192)	269
Deferred revenue	(236)	1	(235)	145
Deferred rent	(61)	-	(61)	(48)
Net cash flows from operating activities	829	10	839	640
Cash flows from investing activities:				
Purchase of furniture, fixtures and equipment	(89)	-	(89)	(53)
Maturity of investments	4,695	45	4,740	4,906
Purchase of investments	(5,402)	(33)	(5,435)	(5,500)
Net cash flows from investing activities	(796)	12	(784)	(647)
Net increase (decrease) in cash and cash equivalents	33	22	55	(7)
Cash and cash equivalents at beginning of year	138	27	165	172
Cash and cash equivalents at end of year	\$ 171	\$ 49	\$ 220	\$ 165

See notes to the financial statements.

**GOVERNMENT FINANCE OFFICERS ASSOCIATION
OF THE UNITED STATES AND CANADA
AND GOVERNMENT
ACCOUNTING RESEARCH FOUNDATION
OF THE GOVERNMENT FINANCE OFFICERS ASSOCIATION**

**NOTES TO THE CONSOLIDATING FINANCIAL STATEMENTS
YEARS ENDED MARCH 31, 2009 AND 2008**

Note 1. Nature of Operations

The consolidating financial statements present data for both the Government Finance Officers Association of the United States and Canada ("GFOA") and the Government Accounting Research Foundation of the Government Finance Officers Association ("GFOA Foundation"). Material intercompany accounts and transactions have been eliminated in consolidation.

The GFOA is the professional association of government finance officers with approximately **17,500** members and serves the government finance profession. GFOA was founded in 1906 and is exempt from the payment of income taxes under Section 501(c)(3) of the Internal Revenue Code. GFOA members are state and local government officials and other finance professionals. GFOA's purpose is to enhance and promote the professional management of governments for the public benefit by identifying and developing financial policies and practices and promoting them through education, training and leadership. Revenue, which is reported for each Center (department), is derived primarily from membership dues, publication sales, registration fees, review fees and consulting fees.

The GFOA Foundation is also a not-for-profit corporation and is exempt from the payment of income taxes under Section 501(c)(3) of the Internal Revenue Code. The primary purpose of the GFOA Foundation is to provide financial support to the independent standard-setting body delegated by the states to establish generally accepted accounting principles for state and local governments. Revenue is derived primarily from subscription revenue, state association contributions, and an annual one hundred thousand dollar contribution from GFOA. The Foundation records a liability associated with net revenue resulting from sales of the *GAAFR Review*. Management believes that this treatment best reflects the Foundation's public commitment to contribute these net proceeds to the Government Accounting Standards Board.

Note 2. Summary of Significant Accounting Policies

Basis of Presentation

The accompanying consolidating financial statements include the accounts of the GFOA and the GFOA Foundation.

Use of Estimates

The preparation of financial statements in conformity with U.S. generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from these estimates.

Cash Equivalents

Highly liquid investments with an original maturity of three months or less are considered cash equivalents.

At March 31, cash equivalents comprise (000's):

	<u>FY 09</u>	<u>FY 08</u>
Commercial bank money market accounts	\$ 106	\$ 62
Cash on deposit	<u>114</u>	<u>103</u>
	<u>\$220</u>	<u>\$165</u>

Investments

Investments are recorded at their fair market value. Changes in market value are recorded as unrealized gain (loss) in the Statement of Activities. Investment return is included in the revenue of Financial Administration and the GFOA Foundation in the Statement of Activities.

Receivables

Receivables are recorded for the annual conference, contracts, publication sales and training and are stated at the amount management expects to collect from outstanding balances. At March 31, 2009 and 2008, receivables consisted primarily of annual conference, training receivables and contracts, which include accrued receivables for work completed but not yet billed.

An allowance for doubtful accounts is recorded based upon specific identification of uncollectible accounts and historical collection experience.

Publication Inventory

Inventories of publications offered for sale are valued at the lower of cost or market value using the first-in, first-out method to determine cost, including all production costs.

Furniture, Fixtures and Equipment

Furniture, fixtures and equipment are recorded at cost. All acquisitions of furniture, fixtures, and equipment in excess of \$500 and all expenditures for improvements and betterments that materially prolong the useful lives of assets are capitalized.

Depreciation of all furniture, fixtures and equipment is charged as expense against operations. Depreciation is computed on the straight-line basis over the estimated useful life of the asset. Estimated useful lives for furniture and fixtures is five years and equipment is three years.

Deferred Revenue

Revenue is recorded on the cash basis of accounting during the year. At year end, the unearned portion is deferred until earned in the following year. At March 31, 2009 and 2008, deferred revenue of \$4,132,000 and \$4,367,000, respectively, consisted primarily of annual conference fees and membership dues.

Rental Expense

Rental expense is recognized for financial reporting purposes on the straight-line basis over the term of a certain lease. At March 31, 2009 and 2008, deferred rent of \$314,000 and \$375,000, respectively, represents the cumulative amount by which rental expense recognized exceeds rentals paid.

Net Assets

Net assets are classified for financial statement purposes as being unrestricted, temporarily restricted or permanently restricted based on the existence or absence of donor-imposed restrictions. GFOA currently do not hold any permanently restricted net assets at March 31, 2009 and 2008.

Temporarily Restricted Net Assets

Temporarily restricted net assets are subjected to donor-imposed restrictions that are to be satisfied by GFOA's actions or passage of time. Temporarily restricted net assets are reclassified to unrestricted net assets when the restrictions are met.

Fair Value of Financial Instruments

GFOA and the GFOA Foundation's short-term financial instruments consist of the following: cash and cash equivalents, accounts and accrued interest receivables and accounts payable and accrued expenses. The carrying values of these short-term financial instruments approximate their estimated fair values based on the instruments' short-term nature.

The fair value of the investments is based on quoted market prices.

For the fiscal year ended March 31, 2009, there have been no changes in the application of valuation methods applied to similar assets and liabilities.

Effective April 1, 2008, GFOA and the GFOA Foundation fully adopted FASB Statement No. 157, *Fair Value Measurements* ("SFAS No. 157). The adoption of SFAS No. 157 had no cumulative effect on net assets reported as of April 1, 2008.

All of GFOA and the GFOA Foundation's assets and liabilities measured at fair value on a recurring basis are classified in Level 1, as defined in SFAS No. 157 as quoted market prices in active markets for identical assets and liabilities.

Note 3. Investments

At March 31, investments are as follows (000's):

	<u>FY 09</u>	<u>FY 08</u>
U.S. Treasury and U.S. Government Securities	\$ 5,789	\$ 4,973
Vanguard Balanced Index Fund	7,158	9,296
Prime Commercial Paper	-	346
TIAA/CREF 457(b) Plan (see Note 6)	<u>472</u>	<u>507</u>
	<u>\$13,419</u>	<u>\$15,122</u>

For the years ended March 31, 2009 and 2008, total investment return of (\$1,996,000) and \$291,000, respectively, consisted of investment income of \$402,000 and \$499,000, and a net appreciation (depreciation) in fair market value of investments of (\$2,398,000) and (\$208,000), respectively.

Subsequent to March 31, 2009, there has been a net appreciation in fair market value of investments for the Vanguard Balanced Index Fund of \$1,355,000 through August 31, 2009.

Note 4. Reserve Funds

Contingency

The GFOA Executive Board established a contingency reserve in 1987. The balance of this reserve at March 31, 2009 and 2008 is \$1,363,000. A portion of this reserve can be used for advances and contingencies related to the work of future Local Conference Committees that help prepare for the GFOA's annual conference. If a Local Conference Committee for an annual conference should have surplus funds, the entire surplus is required to be transferred to the contingency reserve. During 2009, there was no activity in the contingency reserve. During 2008, \$60,000 was transferred to the contingency reserve and subsequently transferred to the scholarship reserve (see Scholarship section). The portion of this reserve designated for the annual conference at March 31, 2009 and 2008 is \$750,000.

Research

The research reserve has been designated by the GFOA Executive Board to be used for GFOA sponsored research projects. The research reserve balance at March 31, 2009 and 2008 is \$579,000 and \$547,000, respectively. During 2009, GFOA transferred \$200,000 from the operating fund to the research reserve and \$168,000 was utilized for research projects. During 2008, GFOA transferred \$200,000 from the operating fund to the research reserve and \$173,000 was utilized for research projects.

Scholarship

The GFOA Executive Board adopted a policy in 2005 whereby any portion of the contingency reserve designated for the annual conference in excess of \$750,000 at the end of each fiscal year be transferred to a separate scholarship reserve to support and expand GFOA scholarships. The scholarship reserve balance at March 31, 2009 and 2008 is \$176,000 and \$229,000, respectively. During 2009, an investment loss of \$53,000 was allocated to the scholarship reserve. During 2008, \$60,000 was transferred from the contingency reserve to the scholarship reserve.

Note 5. Temporarily Restricted Net Assets

Temporarily restricted net assets represent resources from contributions and grants that are subject to spending restrictions imposed by the donor.

Amounts Restricted to Support GFOA Scholarships (000's):

	<u>FY 09</u>	<u>FY 08</u>
Balance April 1	<u>\$135</u>	<u>\$145</u>
Increases		
Private contributions	<u>14</u>	<u>10</u>
Total increases	<u>14</u>	<u>10</u>
Decreases		
Daniel B. Goldberg Scholarship	10	10
Minorities in Government Finance Scholarship	5	5
Public Employee Retirement Research and Administration Scholarship	4	-
George A. Nielsen Public Investor Scholarship	5	5
Investment loss	<u>27</u>	<u>-</u>
Total decreases	<u>51</u>	<u>20</u>
Balance March 31	<u>\$98</u>	<u>\$135</u>

Amounts Restricted to Support GFOA Research (000's):

Balance April 1	<u>\$ 19</u>	<u>\$ 91</u>
Increases		
Private grants	<u>-</u>	<u>-</u>
Decreases		
"State and Local Government Performance Sourcebook"	<u>9</u>	<u>72</u>
Total decreases	<u>9</u>	<u>72</u>
Balance March 31	<u>\$ 10</u>	<u>\$ 19</u>
Total	<u>\$108</u>	<u>\$154</u>

Note 6. Training and Annual Conference

Training and annual conference revenues include registration fees, exhibit fees, mailing list rental, and event tickets. Training and annual conference expenses include facility rentals, speakers' fees and expenses, printed materials, postage, audio/visual services and food service.

Note 7. Retirement Plans

GFOA participates in two separate defined contribution retirement plans administered by the Teachers Insurance and Annuity Association/College Retirement Equities Fund (“TIAA/CREF”). All full-time employees have the option to participate after one year of continuous service in GFOA’s 403(b) plan. Participating employees contribute 5% of gross salary and GFOA matches that contribution with 10% of gross salary. All funds are immediately vested. Pension expense in 2009 and 2008 for this plan was \$461,000 and \$457,000, respectively. Employees may also make voluntary contributions to the TIAA/CREF supplemental retirement annuity program. GFOA makes no contribution for employees in this program.

In addition, effective January 1, 2003, the chief executive officer and Center directors also have the option of participating in a 457(b) plan. GFOA matches individual employee contributions on a dollar-for-dollar basis. Combined GFOA/employee contributions are not to exceed the Internal Revenue Service tax-deferred annual contribution limit. Section 457(b) plans for tax-exempt employers must be unfunded, and all plan assets remain part of GFOA’s general assets and, as such, are subject to the claims of its creditors. The related liability is included in accrued expenses. The liability is equal to plan assets totaling \$472,000 and \$507,000 as of March 31, 2009 and 2008, respectively (see Note 3). Related pension expense in 2009 and 2008 for this plan was \$47,000.

Note 8. Operating Leases

GFOA has two operating leases for office space. As of March 31, 2009, contractual agreements require the following minimum fiscal-year rental payments, exclusive of any future rent escalation charges for real estate taxes and operating expenses (000's):

	<u>Total</u>
FY 10	\$ 540
FY 11	539
FY 12	500
FY 13	<u>253</u>
	<u>\$ 1,832</u>

Office rental expense totaled \$828,000 and \$909,000 for years ended March 31, 2009 and 2008, respectively. The Chicago and Washington, D.C. leases terminate on September 30, 2012 and January 11, 2011, respectively. The Chicago lease has a five-year renewal option.

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