



MAINE STATE LEGISLATURE

OFFICE OF PROGRAM EVALUATION AND  
GOVERNMENT ACCOUNTABILITY

## WORKDAY

# Overview of DAFS Materials - Prepared by OPEGA for the Government Oversight Committee

(April 14, 2021)

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**Note:** OPEGA has prepared this Overview of DAFS Materials based on information contained in the documents provided to the GOC by DAFS for the 4/9/21 GOC meeting. OPEGA has not conducted any validation or verification of the information provided by DAFS.

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<b>TIMELINE OF EVENTS</b>	
2012-2016	<p>The State created a Steering Committee to determine a strategy for a Human Resources Management System (HRMS), and contracted with a professional services vendor, and a subsequent vendor for additional planning. A Request for Proposal (RFP) was issued to pursue a vendor for an HRMS, but RFP process closed without an award. A subsequent RFP was issued requesting both an HRMS and implementation services. The RFP was conditionally awarded to a vendor named Infor Public Sector (Infor).</p> <p>The contract with Infor was signed, and work commenced on what was officially known as the “SOMER Project” A go-live date of December 2017 was announced, subsequently delayed to December 2018.</p>
<b>2018</b>	
March - June	A number of deficiencies were identified by the State, resulting in a remediation period and subsequent contract dispute. Ultimately, the State canceled for cause the SOMER Project contract with Infor Public Sector.
October	In conjunction with the NASPO ValuePoint procurement process, the State negotiated contracts with Workday for the HRMS software-as-a-service (SaaS) and the professional services.
November	The new project, “Workday Maine,” commenced with the signing of the \$15M Workday contract for professional services implementation and SaaS fees. Planning stage of implementation commenced. A go-live date of January 1, 2020 announced.
<b>2019</b>	
January	Workday Maine project underway with the new Administration, with Workday Professional Services (WPS) moving the State team into the next phase of the project, to define business processes and gain understanding of configuration requirements.
February	WPS confirmed that it could not support the Labor Cost Distribution required by the State, a baseline requirement for Maine’s business model, which WPS had previously indicated they could support.
November	A Change Order in the amount of 1.25M signed, due to expanded scope. The go-live date was moved to April 1, 2020.
<b>2020</b>	
Early 2020	Testing of payroll functionality revealed a greater than 50 percent error rate.
Early March	Due to the testing results and other concerns, the State decided to again delay the go-live date against the recommendations of WPS, and requested that Workday provide more experienced staff to assist in overcoming the challenges the project was facing.
April	DAFS began working on a Change Order to completely redefine the Statement of Work with WPS.
April and May	The DAFS MaineIT Project Management Office undertook review of Workday Maine project governance.
May	WPS removed their staff from the project, but they returned a few days later.
May 15	DAFS Commissioner sent a letter to WPS regarding project failure and methodology. <a href="#">May 2020 Letter</a>

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<b>TIMELINE OF EVENTS</b>	
<b>2020 (continued)</b>	
June	WPS changed their project leadership at DAFS' request.
June 29	WPS submitted an initial draft \$350,000 Change Order for services through August 2020. DAFS did not accept the change order. Ultimately more than 40 versions of a draft Change Order were exchanged.
June/July	DAFS began a procurement process for an independent assessor of the project and established the “Department Process Advisory Committee” or “DPAC.”
September 3	DAFS e-mailed Workday regarding concerns with the stalled project. <a href="#">Sept 2020 Email</a>
September 9	DAFS hosted a project re-start “kick-off” meeting with WPS and State of Maine project teams.
September	The State interviewed three potential contractors to perform an independent assessment of the Workday Maine implementation effort, and also initiated conversations with the Office of the Attorney General around WPS contract terms.
September	Project Management Office and Executive Sponsor met with WPS, and indicated that the terms of deliverables-based fixed fee contract required no additional payments for WPS to complete the implementation. Workday disagrees.
November	DAFS selected IJA Strategies to independently assess the Workday Maine implementation effort. WPS had another leadership change on the project.
<b>2021</b>	
February 12	WPS removed its staff from the project again. Correspondence regarding this issue: <a href="#">Feb 2021 Emails</a>
February 25	A letter was sent to Workday Professional Services to alert them of potential termination and a \$22 million reimbursement request. <a href="#">Feb 2021 Letter</a>
March 9	WPS responded, disagreeing with the assertions in DAFS 2/25/21 letter. <a href="#">Mar 2021 Letter(1)</a>
March 31	DAFS sent a letter to Workday Professional Services indicating the State was going to move forward with termination of the Professional Services Agreement and demanded repayment of \$22,164,755. <a href="#">Mar 2021 Letter(2)</a>

**Note:** Timeline of Events developed from Commissioner Figueroa’s Testimony before the GOC ([Testimony](#)) and correspondence documents submitted to GOC by DAFS (see links in timeline).

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**BUDGET OVERVIEW**

**Budget Summary by Project**

	HRMS Pre-work - Needs Assessment RFP Development	SOMER Project	Workday Maine Project			Total
			Workday Maine Project	Workday Continuing Operations	Workday Debt Service	
Initial Budgets		\$ 24,000,000	\$ 15,300,000			\$ 39,300,000
FY12 - FY15	804,922					804,922
FY16 - FY20		13,512,211	17,541,461			31,053,672
FY21			2,412,923			2,412,923
FY21 Supplemental COP financing			8,000,000			8,000,000
FY21 Supplemental budget appropriation			4,695,000			4,695,000
Forthcoming FY22 Supplemental budget request			2,065,848	3,352,830	630,099	6,048,777
Forthcoming FY23 Supplemental budget request				1,105,445	1,311,838	2,417,283
<b>New estimated total</b>	<b>\$ 804,922</b>	<b>\$ 13,512,211</b>	<b>\$ 34,715,232</b>	<b>\$ 4,458,275</b>	<b>\$ 1,941,937</b>	<b>\$ 55,432,577</b>

**Budget Summary Timeline**

Description	Total
FY12-FY15 - Available appropriations and allocations within Information Services	804,922
FY16 - PL13, c.368, Part KKKK - financing authority up to \$7.5 million for information services (\$4,480,889 used for HRMS)	4,480,889
FY16 - FO 003753 F6, May 23, 2016 - Transferred funding from Statewide Radio, MGFA Debt Service, Bd of Tax Appeals, Human Resources, and BABLO GF accounts to Information Services GF account (\$672,831 was unspent in FY16 - part of FY2017 balance allotted in FO 003987 F7)	-
FY17 - FO 003987 F7, September 21, 2016 - Allotted unencumbered balance from Information Services GF account	2,836,195
FY18 - FO 05069 F18, May 30, 2018 - Transferred funding from BGS Capital Construction and MGFA Debt Service to Central Administrative Applications GF account	1,237,221
FY18 - FO 05070 F18, May 30, 2018 - Transferred funding from Homestead Property Tax Exemption GF account to Central Administrative Applications GF account	3,200,928
FY18 - PL 17, c.284 - one-time funding for the support and decommissioning of the State's current human resources system	704,000
FY19 - FO 05383 F19, November 15, 2018 - Transferred funding from Maine Revenue Services to Central Applications GF account	1,450,000
FY19 - FO 05384 F19, November 15, 2018 - Transferred funding from Homestead Property Tax Exemption GF account to Central Administrative Applications GF account	4,250,000
FY20 - FO 000731 F0, January 16, 2020 - Transferred funding from Information Services and Statewide Radio and Network Systems GF accounts to Central Administrative Applications GF account.	4,372,671
FY20 - PL 19, c.616 - Provides funding for the human resources management system. (FY20 only)	1,900,000
FY20 - FO 000970 F0, May 21, 2020 - Transferred funding from Veterans Tax Reimbursement, Veterans Organizations Tax Reimbursement and Homestead Exemption GF accounts to Central Administrative Applications GF account.	464,619
FY21 - PL 21, c.1 - Provides funding to support the implementation and ongoing maintenance costs associated with the new human resources management system. (FY21 only)	4,695,000
FY21 - PL 21, c.1, Part J - financing authority up to \$8 million for a human resources and payroll system	8,000,000
FY22 - LD 221 budget request for Workday Human Resources Management System	6,048,776
FY23 - LD 221 budget request for Workday Human Resources Management System	2,417,283
Credit from Information Services (038)	1,306,693
FY16-23 funding available from Central Administrative Applications (Z234) baseline	7,263,380
	<b>55,432,577</b>

**Note:** Budget Overview material excerpted from document submitted to GOC by DAFS: [Finances](#)

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<b>CONTRACTS OVERVIEW</b>		
<b>Workday, Inc.</b>		
<b>Contract term: 10/22/18- 6/1/23</b>		
<b>Date</b>	<b>Description of Contracted Services or Change</b>	<b>Amount</b>
10/2018	<p><b>Contracted services:</b> Cloud application for Payroll, including:</p> <ul style="list-style-type: none"> <li>a) Human Resources;</li> <li>b) Compensation Management;</li> <li>c) Absence Management;</li> <li>d) Benefits Administration;</li> <li>e) Payroll Administration;</li> <li>f) Time Tracking;</li> <li>g) Financial Cross Function;</li> <li>h) and Mobile Enablement.</li> </ul> <p><b>Scope of work to include:</b> Product/functionality; integrations; authentication configuration, data conversion; worker population, languages, localization; reports; and configurable domain security within Workday.</p>	\$15,309,695
6/2019	<b>Change order:</b> 4 new integrations introduced to the scope of work	\$58,604
9/2019	<b>Change order:</b> Addition of a new deployment tenant to maintain the Supervisory Organization.	\$72,000
1/2020	<b>Change order:</b> Additional project management resources; additional post-production support services; additional test cycle for payroll parallel simulation; and Scope addition of data conversion.	\$1,250,000
<b>TOTAL</b>		\$16,690,299
<b>Kainos Worksmart, Inc. (Software testing consultancy)</b>		
<b>Contract Term: 7/1/2019- 6/30/2022</b>		
<b>Date</b>	<b>Description of Contracted Services or Change</b>	<b>Amount</b>
6/2019	<p><b>Contracted Services:</b> Software testing services for Workday project implementation and production, including:</p> <ul style="list-style-type: none"> <li>a) End to end testing prior to implementation;</li> <li>b) Testing production upgrades and weekly patching; and</li> <li>c) Testing of business process work flows.</li> </ul>	\$677,404
7/2019	<b>Change Order:</b> Amendment for additional end-to-end testing services	\$101,460
7/2019	<b>Change Order:</b> Amendment for testing services through go-live date.	\$107,685
8/2020	<b>Change Order:</b> Adjustment for travel expenses.	\$5,204
<b>TOTAL</b>		\$891,753

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<b>CONTRACTS OVERVIEW</b>		
<b>Panorama Government Solutions (Independent verification &amp; validation provider)</b>		
<b>Contract Term: 12/17/18-1/15/20</b>		
<b>Date</b>	<b>Description of Contracted Services or Change</b>	<b>Amount</b>
12/2018	<b>Contracted Services:</b> Independent verification and validation (IV&V) services, including review of: <ul style="list-style-type: none"> <li>a) Program and product management;</li> <li>b) Financial management;</li> <li>c) Schedule management;</li> <li>d) Risk/issue management;</li> <li>e) Communication management;</li> <li>f) Roles and responsibilities;</li> <li>g) Governance oversight;</li> <li>h) Metrics and status reporting; and</li> <li>i) Vendor management.</li> </ul>	\$147,500
1/2020	<b>Change Order:</b> Revised Workday go-live date led to changes to the IV&V timeline.	\$0
	<b>TOTAL</b>	\$147,500
<b>Premier International Enterprises, Inc. (Data migration service provider)</b>		
<b>Contract Term: 11/5/18-1/15/20</b>		
<b>Date</b>	<b>Description of Contracted Services or Change</b>	<b>Amount</b>
11/5/18	<b>Contracted Services:</b> Data migration services to move data from MFASIS (legacy system) to Workday.	\$440,000
2/3/20	<b>Change Order:</b> New tasks and consulting activities due to modified implementation date for Workday and additional data conversion test cycle.	\$85,000
2/26/20	<b>Change Order:</b> New tasks due to modified implementation date, to include the Gold Tenant Build and payroll history data loads.	\$79,800
4/5/20	<b>Change Order:</b> To ensure support can continue to be provided past the current contract end date of 4/5/20, due to delay in production cutover date.	\$100,800
6/30/20	<b>Change Order:</b> To ensure support can continue to be provided past the current contract end date of 6/30/20, due to delay in production cutover date.	\$84,000
8/31/20	<b>Change Order:</b> To ensure support can continue to be provided past the current contract end date of 8/31/20, includes: Payroll parallel build to support Department for period of time not included in previous change order and additional financial conversions.	\$289,800
12/31/20	<b>Change Order:</b> To ensure support can continue to be provided past the current contract end date of 12/31/20, due to delay in production cutover date, includes: a) Continued data quality enhancements for legacy system; b) prepping for payroll parallel build; c) generating payroll history; d) time entry and pay input files; e) working with agencies and the data team to clean legacy data; f) building files for payroll parallel.	\$321,300
	<b>TOTAL</b>	\$1,400,700

**Note:** Contracts Overview prepared based on Contract documents submitted to GOC by DAFS.