

**IV. PROPOSED FUTURE
ENVIRONMENT**

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IV.1 INTRODUCTION

This section describes the vision for the Phoenix Program and addresses how the AOC envisions meeting the business and technical needs of the 58 trial courts.

The information presented in this section is for the Bidder's understanding of the vision for the future system and does not convey requirements for the Phoenix Program. All Proposed Solution requirements are provided in RFP Section VI, Proposed Solution.

IV.2 PHOENIX PROGRAM VISION

The vision of the Phoenix Program is to implement a statewide finance and human resources system with the same core configuration for all trial courts that would provide the AOC with statewide standard reporting capabilities for finance and human resource trial court administrative functions. This will provide the Judicial Branch with capabilities similar to the combined functions performed by the State Controller's Office, Department of General Services (DGS), Department of Personnel Administration, Department of Finance, State Treasurer and State Personnel Board all within the SAP system, resident at a single system. The Phoenix Program will eventually enable the courts and the AOC to work towards areas of common interest in conjunction with other entities such as labor unions where savings may be recognized in such areas as pension plans and employee benefit administration, at cost avoidance and with greater efficiencies than currently exist within the numerous county systems. The value of administering one pension and benefit system rather than the plethora of plans that exists today is self-evident. When all courts are on the Phoenix system, the AOC will have an enhanced ability to leverage the provider community in the areas of health, dental, vision, workers compensation etc. and resulting in substantial cost avoidance for the State.

The AOC selected SAP in a competitive procurement process as the software platform for the Phoenix Program. Like other large public and private organizations, the trial courts had outdated business practices and systems that needed to be restructured or redesigned to make the entire branch operate more efficiently. Many of the processes have been streamlined and the AOC will complete deployment of the SAP Financial System to all 58 trial courts by July 2008 and will begin to realize the benefits of a unified system. Trust Accounting functionality is scheduled to be deployed using Public Sector Collections and Disbursement (SAP PSCD) to three of the 58 courts by April 2008. Building on this foundation is the restructuring of the trial court HR-related business practices. The Phoenix Program has provided the vital functionality for six of the trial courts. As a component of this RFP, AOC plans to implement HR functionality to the remaining 52 trial courts. The Phoenix Program will replace systems and services that are currently provided by the counties and outsourced payroll providers.

IV.3 PROPOSED PHOENIX PROGRAM ORGANIZATION

Figure IV-1 illustrates the proposed organizational structure of the Phoenix Program.

IV.4 FUTURE FUNCTIONAL ENVIRONMENT

This section provides a description of the proposed future functional environment for the Phoenix Program.

IV.4.1 Phoenix Program Functionality

The AOC has identified the high-level functionality as shown in Table IV-1 below that the Phoenix Program must provide to meet the end-state objectives. For a detailed overview of the Phoenix Program functionality, please refer to RFP Section VI, Proposed Solution Requirements and RFP Appendix B, Requirements Response Matrices.

Table IV-1. Phoenix Program Functionality

| Functionality | High-Level Requirements |
|-------------------------------|---|
| Finance | |
| Accounts Payable | <ul style="list-style-type: none"> ■ Ability to trigger payments for a specified period in advance of invoice due date for recurring and non-recurring payments ■ Ability to centrally set payment terms by vendor or vendor groups based on targeted days outstanding |
| Accounts Receivable | <ul style="list-style-type: none"> ■ Ability to generate and track invoices ■ Ability to invoice for receivables (e.g. retiree benefits, payroll claims) ■ Ability to approve invoices electronically using automated workflow process |
| Asset Accounting | <ul style="list-style-type: none"> ■ Ability to identify and track all costs associated with the asset in the system ■ Establish asset groups (e.g. land, buildings) for tracking purposes ■ Ability to calculate depreciation and generate the corresponding financial transactions ■ Ability to transfer a construction project from 'in progress' to completed and maintain the detailed financial transactions ■ Ability to report on assets using all methods of accounting ■ Meet regulatory reporting requirements |
| Budget (Planning and Control) | <ul style="list-style-type: none"> ■ Ability to accommodate multiple methods of budgeting (e.g. program, project, performance) ■ Implement integration between the Financial and Human Resources modules for purposes of preparing the budget ■ Provide a forecasting, modeling, and projection capability ■ Maintain multiple versions of the budget for planning and reporting purposes ■ Establish budget control at any level of the organization ■ Monitor and report on the budget at various levels of the organizational structure ■ Perform project and/or program based budgeting and monitoring ■ Provide the ability to project personnel and benefit costs in order to develop budgets |
| Controlling | <ul style="list-style-type: none"> ■ Ability to budget, track, and report on costs and revenues based on cost centers. ■ Ability to report on revenues and costs by all different levels of the cost center hierarchies. |

| | |
|---|--|
| <p>Financial Accounting and Chart of Accounts</p> | <ul style="list-style-type: none"> ■ Implement common financial reporting and accounting policies procedures across all courts ■ Implement common financial coding standards (e.g. chart of accounts) to support integrated reporting ■ Implement standardized reporting across all trial courts that meets State of California reporting requirements (e.g. Quarterly Financial Statements) and enables AOC to monitor and report the financial position of the local courts ■ Ability to individually track each court’s operating fund balances and interest earned ■ Accurate reporting of actual cash spending and liquidity needs across all courts ■ Provide ability to produce user-defined reporting of revenue, labor cost, material cost and other expenditures ■ Ad hoc reporting capability that can provide reporting of labor cost, material cost and other expenditures and model changes in these cost elements ■ Ad hoc reporting capability that can provide reporting of revenue and cost information within individual courts and across all courts ■ Capability for forecasting future personnel costs based on different planning scenarios (e.g. pay scale reclassifications, changes in employee contributions, staffing ratios) |
| <p>Funds Management</p> | <ul style="list-style-type: none"> ■ Ability to manage funds based on all funds and accounting methods, funded program, fund center groupings, and fund structure. |
| <p>Grants Management</p> | <ul style="list-style-type: none"> ■ Ability to capture grant information throughout the entire lifecycle (e.g. application to closure) ■ Integration with other modules to capture grant related costs (e.g. salaries, benefits) ■ Edits to ensure that grants are not invoiced in excess of grant limits ■ Ability to track matching funds amount and budget by cost categories ■ Ability to track allowable and non-allowable costs ■ Ability to produce an invoice in the grantors required format ■ Ability to invoice grants for allowable costs incurred |
| <p>Inventory Management</p> | <ul style="list-style-type: none"> ■ Ability to provide for physical inventory capabilities ■ Implement the ability to perform online ordering from the warehouse ■ Track and maintain parts inventory and generate master parts lists for equipment ■ Provide full statistical analysis of replenishment records ■ Reporting to support the Inventory Management functionality |

| | |
|------------------------------|--|
| Procurement | <ul style="list-style-type: none"> ■ Single information repository that contains procurement information across all courts ■ Reporting on the volume that the Branch does in aggregate with each supplier ■ Procurement controls that ensure that contracted suppliers are used whenever possible ■ Ability to charge materials procurements to regular projects or grant projects, including partial allocation for a particular item (e.g. office supplies) ■ Approval workflow that enables project managers or grant administrators to approve materials charged to grants |
| Project Systems | <ul style="list-style-type: none"> ■ Ability to track and report all costs associated with a project and/or internal order ■ Establish policies and procedures for the use of projects and internal orders ■ Ability to meet all regulatory reporting requirements for projects and internal orders |
| Travel Management | <ul style="list-style-type: none"> ■ Ability to manage travel and employee expenses in compliance with Trial Court Policies and Procedures and federal and state tax compliance. ■ Ability for employees to enter travel expenses and track status through employee self-service. ■ Ability to utilize workflow to streamline the review and approval processes. |
| Treasury and Cash Management | <ul style="list-style-type: none"> ■ Ability to consolidate individual trial court bank accounts, starting with the operating bank accounts ■ Ability to track investment portfolio and cash transactions between individual court fund balance sheets and revenue and expenditure statements and one pooled operating bank account ■ Provide cash liquidity forecasting and reporting, investment portfolio management tools and electronic bank account reconciliation capabilities ■ Migrate stand-alone application used for UCF distribution and reporting process to SAP if cost justified |
| Trust Accounting | <ul style="list-style-type: none"> ■ Ability to capture trust information, including case information (e.g. case number) and trust balance at the case level ■ Ability to import trust deposits from an external case management system and export trust disbursements to an external case management system ■ Ability to allocate interest earned across applicable cases and export these transactions to an external case management system ■ Edits to ensure that disbursements don't occur in excess of a case balance |
| Human Resources | |
| Benefits Administration | <ul style="list-style-type: none"> ■ Administration and reconciliation of all benefit programs ■ Implementation of COBRA functionality ■ Provide to streamline the ability to reconcile between the court and the benefit provider |

| | |
|--------------------------|---|
| Compensation Management | <ul style="list-style-type: none"> ■ Ability to manage employee compensation for all levels of the organizational structure |
| Learning Solution | <ul style="list-style-type: none"> ■ Provide the ability to support learning management functionality (e.g. course planning, classroom management) ■ Support virtual classroom functionality (e.g. online instruction, application sharing) |
| Organization Management | <ul style="list-style-type: none"> ■ Ability to manage security based on organizational structure ■ Ability to define workflow and approval routing based on organizational structure |
| Payroll | <ul style="list-style-type: none"> ■ Implement statewide reporting of payroll information ■ Manager and employee self-service ■ Ability to interface and remit to third party providers ■ Reconcile with finance and controlling modules ■ Ability to assess and reconcile claims process ■ Integration with other modules to streamline payroll processing (e.g. accounts payable, accounts receivable, financial accounting,) |
| Personnel Administration | <ul style="list-style-type: none"> ■ Implement common HR coding standards to support integrated reporting ■ Provide reporting on position control, HR administration and payroll records information ■ Integration with other modules (e.g. recruitment, accounts payable, time, payroll) ■ Implement statewide reporting of HR compliance information (e.g. RTW, FMLA, OSHA) and special programs |
| Performance Management | <ul style="list-style-type: none"> ■ Ability to track and report on performance evaluations based on defined rules, schedules and work flow notifications ■ Ability for employees to complete an individual development plan, route to managers for approvals and submission to human resources for processing ■ Provide ability to perform succession planning ■ Provide ability to perform compensation management |
| Recruitment | <ul style="list-style-type: none"> ■ Ability to track all phases of a recruitment from the requisition through the selection process ■ Ability to perform internal and external recruitments ■ Maintain a talent pool of candidates across all courts ■ Screen candidates to ensure they meet the minimum qualifications of the position ■ Generate eligibility lists by requisition |
| Succession Management | <ul style="list-style-type: none"> ■ Ability to manage career development, profiles, interests, skills, etc. ■ Provide ability to identify high performance employees, etc. for succession planning |

| | |
|--|---|
| Time Management | <ul style="list-style-type: none"> ■ Ability to record time against regular projects or grant projects in time entry system ■ Approval workflow that enables project managers or grant administrators to approve time charged to grants ■ Manager and employee self-service |
| Training and Events | <ul style="list-style-type: none"> ■ Ability to track in-house and external training classes ■ Maintain training requirements based on user population and courses provided ■ Provide an automated scheduling and enrollment function ■ Provide reporting to ensure compliance with Rules of Court |
| Employee and Manager Self-Service | |
| Employee and Manager Self Service | <ul style="list-style-type: none"> ■ Implement employee self service functionality (e.g. address changes, work address update, emergency contacts, life events, time entry, benefits administration) ■ Implement manager self service functionality (e.g. time approval, robust reporting) |
| Business Intelligence/Reporting | |
| Business Intelligence/ Reporting | <ul style="list-style-type: none"> ■ Provide real time operational reports for end users to meet their reporting requirements using standard SAP reporting ■ Provide analytical statewide reporting using BI for budgeting and management reporting ■ Implement analysis tools to aid decision making ■ Implement planning tools to aid in financial forecasting and budget preparation ■ Implement scheduled report publishing through the SAP Portal |

IV.4.2 Number of System End Users

The core FI and HR users of the system include staff at all 58 trial courts and AOC Shared Services. As of July 2008, it is anticipated that the finance functionality will be deployed to the 58 courts and approximately 2,500 human resource users (core and employee self-service) will be accessing the system from the six courts currently implemented.

Once the system is fully deployed all court employees will have access to employee self-service functionality for time card entry and other functionality. The following is an estimate of the total number of users by court and by functional component.

Table IV-2. Estimated System Users by 2012

| Site Name | Size Designation | Number of Employees | HR | FI | BW | TRUST |
|---------------------------|------------------|---------------------|------------|------------|------------|------------|
| | | | # of Users | # of Users | # of Users | # of Users |
| AOC | | | 7 | 137 | 27 | |
| Sup Court of Ca - Alameda | Large | 919 | 919 | 35 | 7 | 7 |
| Sup Court of Ca - Alpine | Small | 5 | 5 | 5 | 1 | 1 |
| Sup Court of Ca - Amador | Small | 34 | 34 | 3 | 1 | 1 |
| Sup Court of Ca - Butte | Semi-Small | 135 | 135 | 5 | 1 | 1 |

| | | | | | | |
|-----------------------------------|-------------|-------|-------|-----|-----|-----|
| Sup Court of Ca - Calaveras | Small | 29 | 29 | 4 | 1 | 1 |
| Sup Court of Ca - Colusa | Small | 16 | 16 | 3 | 1 | 1 |
| Sup Court of Ca - Contra Costa | Medium | 413 | 413 | 16 | 3 | 3 |
| Sup Court of Ca - Del Norte | Small | 31 | 31 | 3 | 1 | 1 |
| Sup Court of Ca - El Dorado | Semi-Small | 96 | 96 | 6 | 1 | 1 |
| Sup Court of Ca - Fresno | Medium | 512 | 512 | 13 | 3 | 3 |
| Sup Court of Ca - Glenn | Small | 26 | 26 | 6 | 1 | 1 |
| Sup Court of Ca - Humboldt | Semi-Small | 92 | 92 | 6 | 1 | 1 |
| Sup Court of Ca - Imperial | Semi-Small | 117 | 117 | 11 | 2 | 2 |
| Sup Court of Ca - Inyo | Small | 20 | 20 | 4 | 1 | 1 |
| Sup Court of Ca - Kern | Medium | 490 | 490 | 18 | 4 | 4 |
| Sup Court of Ca - Kings | Semi-Small | 89 | 89 | 3 | 1 | 1 |
| Sup Court of Ca - Lake | Semi-Small | 43 | 43 | 3 | 1 | 1 |
| Sup Court of Ca - Lassen | Small | 30 | 30 | 4 | 1 | 1 |
| Sup Court of Ca - Los Angeles | Extra Large | 5,600 | 5,600 | 650 | 130 | 130 |
| Sup Court of Ca - Madera | Semi-Small | 95 | 95 | 5 | 1 | 1 |
| Sup Court of Ca - Marin | Semi-Small | 171 | 171 | 13 | 3 | 3 |
| Sup Court of Ca - Mariposa | Small | 13 | 13 | 4 | 1 | 1 |
| Sup Court of Ca - Mendocino | Semi-Small | 86 | 86 | 10 | 2 | 2 |
| Sup Court of Ca - Merced | Semi-Small | 127 | 127 | 8 | 2 | 2 |
| Sup Court of Ca - Modoc | Small | 11 | 11 | 3 | 1 | 1 |
| Sup Court of Ca - Mono | Small | 16 | 16 | 3 | 1 | 1 |
| Sup Court of Ca - Monterey | Medium | 222 | 222 | 13 | 3 | 3 |
| Sup Court of Ca - Napa | Semi-Small | 89 | 89 | 13 | 3 | 3 |
| Sup Court of Ca - Nevada | Semi-Small | 76 | 76 | 5 | 1 | 1 |
| Sup Court of Ca - Orange | Large | 1,820 | 1,820 | 200 | 21 | 21 |
| Sup Court of Ca - Placer | Semi-Small | 163 | 163 | 6 | 1 | 1 |
| Sup Court of Ca - Plumas | Small | 17 | 17 | 7 | 1 | 1 |
| Sup Court of Ca - Riverside | Large | 1009 | 1009 | 20 | 4 | 4 |
| Sup Court of Ca - Sacramento | Large | 843 | 843 | 29 | 6 | 6 |
| Sup Court of Ca - San Benito | Small | 29 | 29 | 4 | 1 | 1 |
| Sup Court of Ca - San Bernardino | Large | 1036 | 1,036 | 22 | 4 | 4 |
| Sup Court of Ca - San Diego | Large | 1766 | 1,766 | 168 | 34 | 34 |
| Sup Court of Ca - San Francisco | Large | 563 | 563 | 27 | 5 | 5 |
| Sup Court of Ca - San Joaquin | Medium | 317 | 317 | 15 | 3 | 3 |
| Sup Court of Ca - San Luis Obispo | Semi-Small | 164 | 164 | 13 | 3 | 3 |
| Sup Court of Ca - San Mateo | Medium | 386 | 386 | 27 | 5 | 5 |
| Sup Court of Ca - Santa Barbara | Medium | 288 | 288 | 21 | 4 | 4 |
| Sup Court of Ca - Santa Clara | Large | 882 | 882 | 40 | 7 | 7 |
| Sup Court of Ca - Santa Cruz | Semi-Small | 152 | 152 | 8 | 2 | 2 |
| Sup Court of Ca - Shasta | Semi-Small | 167 | 167 | 12 | 2 | 2 |
| Sup Court of Ca - Sierra | Small | 6 | 6 | 5 | 1 | 1 |
| Sup Court of Ca - Siskiyou | Semi-Small | 55 | 55 | 5 | 1 | 1 |
| Sup Court of Ca - Solano | Medium | 251 | 251 | 13 | 3 | 3 |
| Sup Court of Ca - Sonoma | Medium | 218 | 218 | 15 | 3 | 3 |
| Sup Court of Ca - Stanislaus | Medium | 232 | 232 | 15 | 3 | 3 |
| Sup Court of Ca - Sutter | Semi-Small | 65 | 65 | 6 | 1 | 1 |

| | | | | | | |
|----------------------------|------------|---------------|---------------|--------------|------------|------------|
| Sup Court of Ca - Tehama | Semi-Small | 44 | 44 | 5 | 1 | 1 |
| Sup Court of Ca - Trinity | Small | 16 | 16 | 3 | 1 | 1 |
| Sup Court of Ca - Tulare | Medium | 261 | 261 | 15 | 3 | 3 |
| Sup Court of Ca - Tuolumne | Semi-Small | 45 | 45 | 5 | 1 | 1 |
| Sup Court of Ca - Ventura | Medium | 384 | 384 | 21 | 4 | 4 |
| Sup Court of Ca - Yolo | Semi-Small | 112 | 112 | 8 | 2 | 2 |
| Sup Court of Ca - Yuba | Semi-Small | 49 | 49 | 5 | 1 | 1 |
| Total | | 20,940 | 20,947 | 1,808 | 341 | 303 |

IV.5 CONCEPTUAL MODEL

IV.5.1 Financials

IV.5.1.1 Accounts Payable

The AOC plans to modify AP functionality and to further extend best practices. The key areas where it plans to extend best practices include improving the use of vendor master data (e.g. cleansing, security) and streamlining AP processes through workflow.

IV.5.1.2 Accounts Receivable

The AOC plans to modify AR functionality and to further extend best practices. The key areas where it plans to extend functionality and extend best practices include expanding use of receivables (e.g. payroll receivables; retiree benefit payments) and streamlining AR processes through workflow.

IV.5.1.3 Asset Accounting

The AOC plans to implement asset accounting functionality, which will enable trial courts to manage fixed assets in compliance with Trial Court Policies and Procedures. Assets will be tracked across all lifecycle stages, from acquisition to disposition. Asset transactions, such as transfers and depreciation/amortization (for intangible assets), will be maintained in SAP. Asset reporting, including CAFR reports, will also be available.

IV.5.1.4 Budget Preparation and Control

With the implementation of this project, trial courts will utilize SAP to prepare, maintain and control their budgets. Instead of preparing budget schedules on spreadsheets, courts will enter data directly into SAP. Courts will have the flexibility to prepare, maintain and control budgets at different levels of the organizational hierarchy. Budget preparation activities will be supported by workflow, with security controlled at the business unit (court) level. At the beginning of the fiscal year, “working” budgets will be uploaded into SAP to facilitate the courts ability to manage their expenditures prior to final budget adoption by the Judicial Council.

Changes to budgets during the fiscal year will be maintained in both Funds Management (FM) and Controlling (CO) modules. Budgetary control will be configured and deployed based on control requirements defined by the courts.

IV.5.1.5 Controlling

The AOC plans to modify CO functionality and to further extend best practices. The key areas where it plans to extend best practices include WBS elements, internal orders, and the PECT (Program Element Component Task) process.

IV.5.1.6 Financial Accounting and Chart of Accounts

The AOC plans to implement the New GL and to modify its Chart of Accounts to support all funds and all methods (e.g. cash basis, modified accrual, full accrual, and budgetary) of accounting. Moving from the Classic GL to the New GL will perform these posting as transactions are processed in the system which will eliminate the need for AOC to maintain the Special Purpose Ledger.

IV.5.1.7 Funds Management

The AOC plans to migrate from Update Profile 101 to Update Profile 102. In moving to FM Update Profile 102, AOC will have the ability to generate the CAFR directly out of SAP.

Additionally, the AOC plans to modify FM functionality and to further extend best practices. The key areas where it plans to extend best practices include utilizing all funds and accounting methods, funded program, fund center groupings, and fund structure.

IV.5.1.8 Grants Management

The AOC plans to implement grants management functionality, which will enable trial courts to effectively manage the end-to-end grant process. Courts will be able to track, maintain, and report on different types of grants, including memorandum of understandings, across multiple years. All costs, including labor costs (e.g. salary and benefits) will be maintained in SAP. Additionally, generation of grant invoices to the grantor will be produced from SAP.

IV.5.1.9 Inventory Management

The AOC plans to implement inventory management functionality, which will enable trial courts to effectively manage inventory maintained in warehouses. Courts will be able to track, maintain, and report on different types of inventory. Inventory transactions, such as issues and physical counts, will be maintained in SAP. It is anticipated that only a limited number of large courts will utilize this functionality.

IV.5.1.10 Procurement

The AOC plans to modify procurement functionality and to further extend best practices. The key areas where it plans to extend functionality and best practices include request for quotations and outline agreements, faxing and emailing purchase orders, PO version control, catalogs, contract management, and increased workflow for procurement processes.

IV.5.1.11 Project Systems

The AOC plans to modify project systems functionality and to further extend best practices. Trial courts will be able track and maintain a project across all phases of its lifecycle. Different types of projects which would be tracked including information technology projects, capital projects, facilities projects, operations projects, and administrative projects.

IV.5.1.12 Travel Management

The AOC plans to implement travel management functionality, which will enable trial courts to manage travel and employee expenses in compliance with Trial Court Policies and Procedures and federal and state tax compliance. Employees will be able to enter travel expenses and track status through employee self-service. All travel processes (e.g. travel requests, travel advances, reimbursement requests, and payments) will be tracked within SAP. Workflow will be utilized to streamline the review and approval processes.

IV.5.1.13 Treasury and Cash Management

The AOC plans to streamline the total number of bank accounts maintained by the 58 courts. A component of the Phoenix Program is the consolidation of these various bank accounts. Operating and general disbursement accounts are the two types of accounts which are initially targeted for consolidation. The courts will streamline the reconciliation processes. The benefits anticipated of this consolidation and streamlined reconciliation includes:

- Reduction of banking fees
- Pooling of cash for improved investment capabilities
- Improved bank reconciliation
- Improved cash forecasting and reporting

In order to maximize investment opportunities for the pooled cash, portfolio maintenance functionality is also being implemented.

IV.5.1.14 Trust Accounting

The remaining 55 courts will deploy the Trust Accounting functionality targeted for implementation to three courts in April 2008. The conceptual model for the Trust Accounting module is documented in RFP Section III.3.2 – Current Financial Accounting Processes.

IV.5.2 Human Resources

IV.5.2.1 Benefits Administration

The AOC plans to modify benefits administration functionality to further extend best practices. The key areas where it plans to extend functionality and best practices includes the addition of COBRA functionality, refining the process for benefit pre-payments, and the processing of retiree benefits.

IV.5.2.2 Compensation Management

The AOC plans to add compensation management functionality and to further extend best practices. One area where it plans to extend best practices includes the improvement of data analysis capability for job pricing.

IV.5.2.3 Learning Solution

The AOC plans to implement the Learning Solution functionality, which will enable the courts to manage the planning, assessment and collaboration of training courses. The system will support the development and maintenance of training materials, and content management.

IV.5.2.4 Organization Management

The AOC plans to modify OM functionality and to further extend best practices. The key area where it plans to extend best practices includes improving numbering strategy for positions and jobs.

IV.5.2.5 Payroll

The AOC plans to modify payroll functionality and to further extend best practices. Key areas where it plans to extend functionality and best practices include refining garnishment process to include required account information from payroll to AP, refining third-party remittance process, and generation of Payroll Summary sheet required as auditable backup for the reimbursements.

IV.5.2.6 Performance Management

The AOC plans to implement performance management functionality, which will enable trial courts to manage the employee appraisal process. The courts will be able to track, maintain, and report on the appraisal process. Workflow will be utilized to streamline the review and approval processes.

IV.5.2.7 Personnel Administration (PA)

The AOC plans to modify PA functionality and to further extend best practices. The key areas where it plans to extend functionality and best practices include improving business processes for leave administration (e.g. FMLA, LOA, PDL, and CFRA) and streamlining personnel administration with the implementation of workflow.

IV.5.2.8 Recruitment

The AOC plans to implement recruiting functionality, which will enable trial courts to effectively manage the end-to-end recruitment process. Recruitments will be tracked across all stages, from initiation of recruitment (with personnel requisition) to selection of the successful candidate. The courts will be able to track, maintain, and report on recruitments. Internal and external candidates will be able to review and apply for positions over the internet.

IV.5.2.9 Succession Management

The AOC plans to implement succession management functionality which will enable the courts to improve their ability to identify and support potential candidates for succession to key positions.

IV.5.2.10 Time Management

The AOC plans to modify time management functionality and to further extend best practices. The key areas where it plans to extend functionality and best practices include refining work calendaring functionality and tracking of leave requests (e.g. by first, second, and third right of refusal).

IV.5.2.11 Training

The AOC plans to implement training functionality, which will enable the courts to effectively manage the training for court personnel. The courts will be able to track, maintain, and report on both internal and external trainings. Employees will be able to enroll in training through employee self-service. Specifically, the courts will be able to track compliance with trainings that are mandated by statute and/or the Rules of Court.

IV.5.2.12 Interfaces

The AOC plans to automate all of the inbound and outbound interfaces by utilizing TIBCO, the enterprise middleware application. These interfaces will be from a number of functional modules including benefits administration, trust accounting, treasury, etc.

IV.5.3 Employee Self-Service (ESS)/ Manager Self-Service (MSS)

The AOC plans to add ESS/MSS functionality and to further extend best practices. The key area where it plans to extend best practices includes the expansion of employee actions performed through ESS (e.g. life events, W-4, DE-4, direct deposit maintenance) and robust reporting.

IV.5.4 Reporting/ Business Intelligence (BI)

As noted in AOC's "Reporting Strategy and Guidelines," its overall vision for Phoenix reporting includes the following:

- Data integration for easier access to centralized data
- Movement of large dataset reporting to the BW to reduce the load on the transactional system
- Implementation of analysis tools to aid decision making
- Implementation of planning tools to aid in financial forecasting and budget preparation
- Real time operational reports will utilize standard SAP R3 reports
- BI will be used for analytical, management and budget reporting

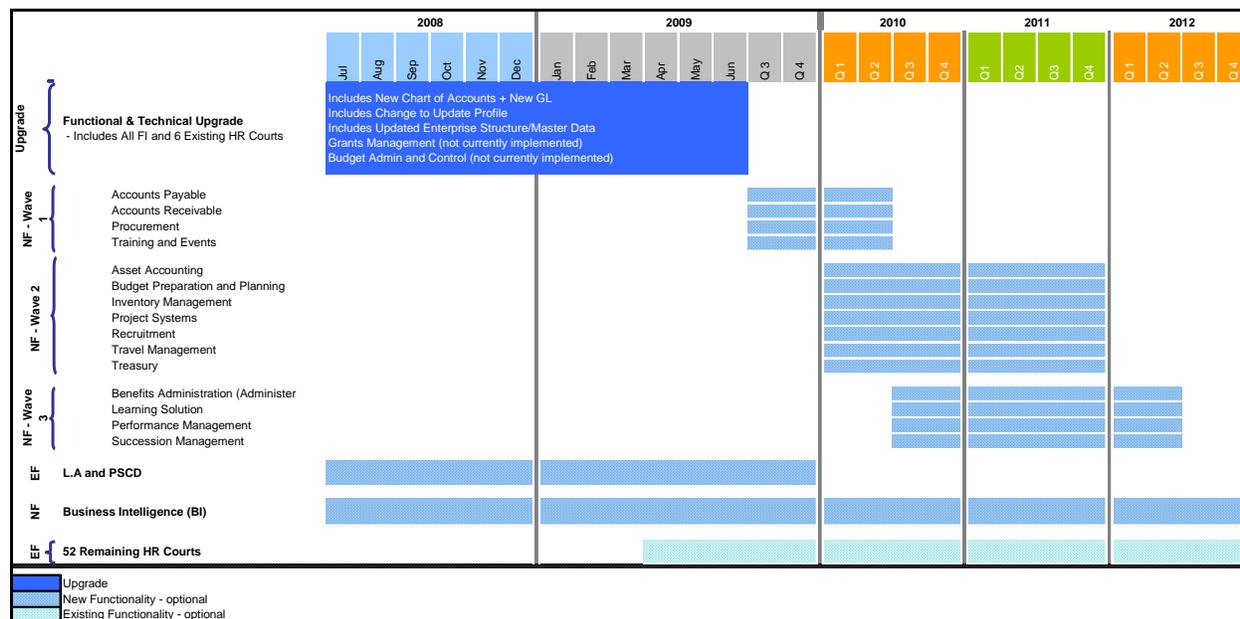
As noted in RFP Section III, Current Environment, BI will be deployed to all the trial courts in April 2008. As part of this project, AOC will be expanding BI reporting and continuing to move forward in implementing its vision for reporting.

See the Bidder's Library for "Reporting Strategy and Guidelines" draft 11/13/07, for additional details.

IV.6 PROPOSED IMPLEMENTATION SCHEDULE

The figure below provides the proposed Project Schedule for the Phoenix Program. The AOC anticipates that the entire Phoenix Program, including new functionality, will be deployed to all 58 courts by the end of 2012.

Figure IV-2. Proposed Implementation Schedule for the Phoenix Program



This implementation schedule will allow for the continued deployment of FI to the eight remaining courts (except full deployment in the Los Angeles court) and to pilot three courts for Trust Accounting.

The change of the FM Update Profile from 101 to 102, introduction of the New GL, including new Chart of Accounts and review and update of the Enterprise Structure would be incorporated into the Upgrade Project.

The Treasury component of Wave 1 is dependent on the application of Enhancement Pack 4, which in turn is dependent on an Upgrade Project. Therefore, it is necessary for this wave to follow the completion of the Upgrade Project.

The Grants Management component of Wave 2 is dependent on the FM Update Profile and New GL, therefore commencement of this wave must follow the completion of Upgrade Project. The Budget Control System and Integrated Planning have been packaged in this wave as they are tightly integrated with Grants Management.

The final wave, Wave 3, primarily consists of HR related functionality, which is not scheduled to be fully deployed to the courts until the end of 2011 along with some FI functionality. Therefore, due to timing and resource availability, it is advisable to begin this wave after HR deployment to additional courts, and the preceding FI functionality has been completely implemented.

Business Intelligence (BI) is shown as a separate bar covering the entire timeframe. As BI compliments the upgrade deployments, and occupies a separate, dedicated server, BI reporting will be implemented in parallel to all other activities.

The table below provides a summary of the functionality waves to be deployed if n the proposed Implementation Schedule.

Figure IV-3. Functionality Waves for the Proposed Implementation Schedule

| Wave | Functionality |
|----------------------------|---|
| Wave 1 | Asset Accounting Treasury (including SAP Enhancement Pack 4) Inventory Management |
| Wave 2 | Grants Management (including billing component of Sales and Distribution) Budget Control System (BCS) Integrated Planning (IP) Position Budget Controlling (PBC) |
| Wave 3 | e-Recruiting Performance Management Travel Personnel Cost Planning and Simulation (PCPS) Learning Solution (LSO)* |
| Business Intelligence (BI) | BI activities continue through to the end of HR deployment. |

IV.7 IMPLEMENTATION CONSIDERATIONS

IV.7.1 Business Process Re-engineering

In selecting SAP, it was the goal to adopt best practices in order to maximize the benefits of an integrated financial and human resource management system. Among the benefits of the SAP implementation have been the opportunities at the trial courts to re-engineer business processes. This includes:

- Eliminating duplicative effort
- Minimizing manual reconciliations
- Expediting document submission and approval through workflow
- Increasing accountability
- Improving opportunities to realize cost savings
- Implementing control costs
- Evaluating performance

The activities related to business process re-engineering are on-going in the Phoenix Program and will continue with the upgrade to ECC 6.x, the full deployment of HR, and implementation of additional FI and HR functionality. A key component to the success of this phase of the implementation will be the development and training related to these new business processes.

IV.7.2 Organizational Change Management

For the benefits of Phoenix Program to be fully achieved, staff at the 58 trial courts must understand what is changing and be ready, willing, and able to adapt to the new business

processes. This requires careful planning and execution of activities to manage and deploy change. These activities need to focus on understanding how new processes and organizational change will result from the implementation of the various components of this project. Clear communication is needed to demonstrate that this is a positive change for the trial courts.

IV.7.3 Knowledge Transfer Program

A key consideration of the current RFP activities is the knowledge transfer from the Contractor to AOC staff. Both the Implementation (Configuration, Development and Deployments) and Maintenance and Operations Support requirements and cost model have been configured to motivate the Contractor to deliver a quality system while increasingly shifting the knowledge and responsibility for system development, deployment, maintenance, and operation to AOC Phoenix Program staff. Similarly, knowledge transfer is expected to occur such that AOC Phoenix Program staff will be positioned to assume overall responsibility for the system, including the deployment of new functionality and further deployment of existing functionality to additional courts.

IV.8 FUTURE TECHNICAL LANDSCAPE

This section provides information regarding the future technical landscape of the Phoenix Program. Additional details are provided in the Bidder’s Library, RFP Section VI, Proposed Solution Requirements.

IV.8.1 Application Components Supported

The AOC will work closely with the winning bidder to determine exactly what components of SAP will be required to meet the business requirements. Based on current analysis it is assumed to achieve the required/desired future functionality, the following application components are required.

| Component | Description |
|---|---|
| Functional Components | |
| SAP ECC 6.x | Provides the core functionality for the Finance and HR functional streams. PSCD is integrated core functionality in this target release. The next major new release of ECC may be expected in 2H 2010. |
| Enhancement Packages | Enhancement Packs 1 and 2 are currently in General Availability (GA). Enhancement Pack 3 is currently scheduled for GA in late 4Q07. No GA date is yet announced for Enhancement Pack 4. However, based on the SAP documented release strategy, used for high-level planning purposes, Enhancement Pack 4 may be expected in 4Q08. As noted above, this Enhancement Pack is desirable for Treasury implementation as it provides standard SAP functionality required. |
| NetWeaver Components | |
| SAP Business Intelligence (BI) 7.0 | This release is currently in place and provides data cubes and reports to meet Trust Accounting reporting requirements. As noted above, the Business Intelligence environment is to be leveraged for analytical reporting for each of the functional enhancement streams included in the |

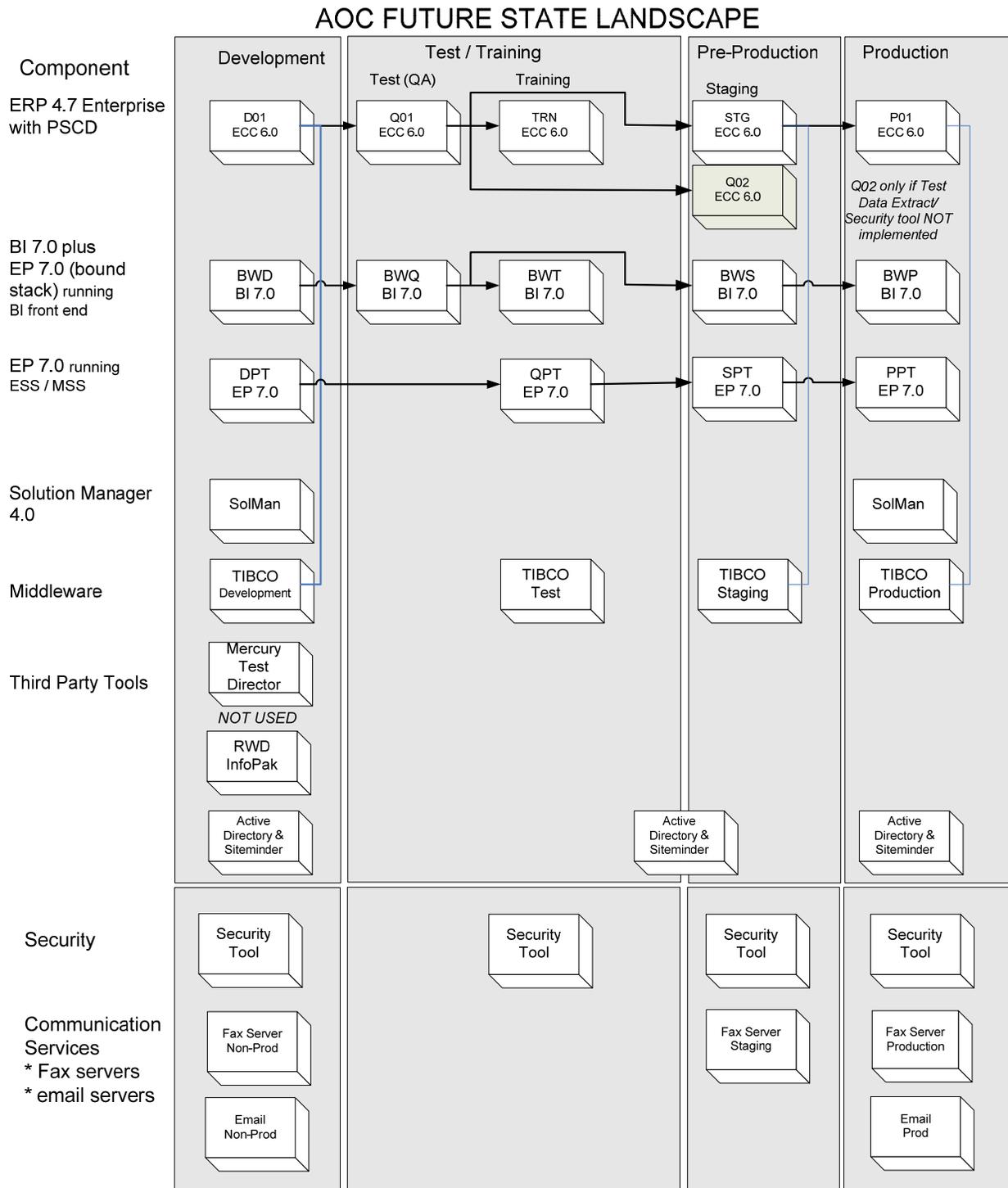
| Component | Description |
|-------------------------------------|---|
| | Functional Future State. |
| Enterprise Portal (EP) 7.0 | This release will be used to deliver all Enterprise Portal functionality. It is currently used to deliver the BI front end functionality for Trust Accounting. In the future state, it will also be used to deliver all HR Enterprise Portal based functionality including ESS/MSS, e-Recruiting, and the Learning Solution front end. It is planned to be used to provide end user access for Travel. Thus the target is to integrate all portal delivery in a single portal release landscape. This will continue to be used for user authentication and integration with Active Directory. |
| SAP Solution Manager 4.0 | This component is currently being implemented to meet mandatory SAP requirements going forward and to meet project management and delivery requirements. Other Solution Manager functionality is currently being assessed; however no decisions regarding inclusion in the future-state functionality scope have been made yet. The future state is likely to include expanded use of Solution Manager. |
| Internet Transaction Server | The target release environment, this functionality is integrated in the NetWeaver Application Server. Separate ITS servers are no longer required. |
| NetWeaver Application Server | This is the underlying technical engine required to run any SAP functionality described in the preceding bullets. This logical server can include two execution capabilities (referred to as “stacks”): ABAP – to execute the original SAP 4GL code and the newer J2EE compliant Java stack to execute Java code. The Workflow capabilities included in the Application Server are also used. As noted above, the target release of this Application Server also integrates the current ITS functionality. |
| BSI | Subscription software used to maintain the tax tables in SAP. |
| RWD | SAP recommended documentation software to be used for the creation of training materials. |
| TIBCO | Best of breed middleware software used for integration with other applications and 3rd party providers. |

IV.8.2 Future State Application Landscape Architecture

IV.8.2.1 Required Environments Landscape

The following diagram shows the Future State Landscape for all components required to meet identified future state requirements. In addition to the SAP components shown, the landscape also includes email and fax servers to meet identified Finance electronic communications requirements. As noted earlier, there are other possible third party tools currently under consideration for which a decision for inclusion in the future state has not yet been made. The possible landscapes for these tools will be discussed briefly in the following section.

Figure IV-4. Future State Landscape



In the above diagram, the ERP and BI landscapes continue as six environment landscapes with a sandbox environment available as required. ERP 4.7 environments will be upgraded to ECC 6.x. EP 6.0 environments will be upgraded to EP 7.0 and all EP required functionality will be delivered from this single EP landscape, including the existing BI front end. The existing ESS / MSS functionality will be re-implemented using the standard EP 7.0 based versions. SAP

supports all major industry standard email servers as well as SMTP gateways via SMTP protocols. There are currently email servers implemented for Phoenix. The diagram shows the landscape for the required fax capability. SAP supports fax via interface to a certified fax server capability. A single Non-Production environment will meet development testing and training requirements. A Staging environment is shown to support maintenance of the fax server software. No SAP functionality runs in this environment.

This diagram does not include the integration with the TIBCO tool suite to support integration with other applications and third party providers. TIBCO is the enterprise selected tool set for middleware on all applications at the AOC. This tool is used for data integration as well as Extraction, Transformation and Load (ETL) activities.

Additionally the AOC CCTC utilizes Active Directory (integrated to Phoenix portal through SiteMinder) for user authentication for all trial court applications supported at the data center.

IV.8.2.2 Optional Tool Environments

The landscapes for optional tools such as the automated testing tool, test data extraction, and security tool as well as the selected AOC automated testing tool are dependent on the tools selected.

Productivity Pak, Interactive Forms, segregation of duties and security tools are under consideration for inclusion in the future state functional scope. An example of segregation of duties and security tool would provide for establishment of standards and conflicts, development of roles, automated validation for conflicts and mitigation options for resolution and subsequent assignment to end-users.

IV.8.3 Future State Technical Application Architecture

Each environment shown in the Future State landscape diagram would continue to be implemented in its own physical set of servers.

The EP 7.0 environment currently sharing servers with EP 6.0 will be removed. All EP functionality will be delivered in the EP 7.0 landscape servers. The ITS servers will not longer be required and can be retired or redeployed.

The fax server capability will require servers to support the landscape shown. Typically, these servers are implemented using a three-tier architecture (application server and database server) running on Wintel hardware. The bidder will propose the fax server architecture which must be reviewed and approved by the enterprise architecture team and the security team.

The new functionality as documented at the beginning of this subsection will also drive additional workload in the systems and must be sized during Project Prep and reviewed during Blueprint.

Production SAP environments are three-tier with multiple application servers and HA clustered database servers. Pre-Production SAP environments are three-tier with single application servers. Non-Production environments will remain two-tier in most cases.

IV.8.3.1 BI – Future State

In order to ensure sufficient capacity, monitored expansion and support of analytical reports at the AOC and for the trial courts, a BI strategy needs to be defined and implemented. A business strategy white paper has been created as a starting point. Additional operational support procedures and processes are required. This would include but not be limited to the following:

- Archiving historical data
- Publish and subscribe options
- Saving of external data into BI
- Change control process
- User profile and appropriate tool sets
- Extraction and load operational and support processes and procedures
- Processes for monitoring and tuning of BI

IV.9 PROPOSED MAINTENANCE AND OPERATIONS SUPPORT

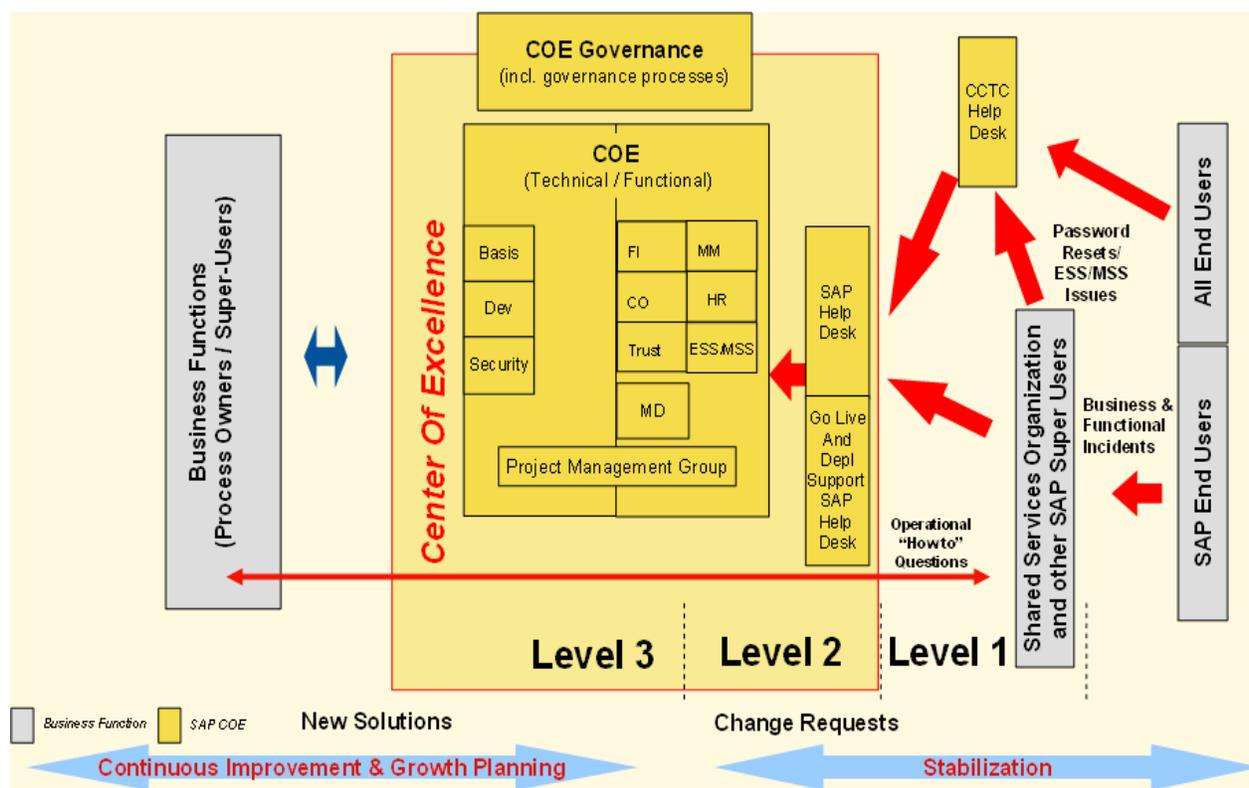
The Phoenix system is hosted at the California Courts Technology Center (CCTC) supported by a third party vendor.

There are multiple SAP environments including development, testing: quality1, quality2, training, staging, and production. The AOC is responsible for the installation, configuration, testing, and implementation of all environments. The bidder will be responsible to work with the AOC and CCTC vendor to complete the upgrade, development, configuration, deployment and support of the Phoenix system.

IV.9.1 Phoenix System Support

The CCTC Contractor is responsible for Level 1 Help Desk support and logging/tracking calls for the Phoenix system. The Phoenix system is supported by the AOC Center of Excellence and ISD organizations, which are responsible for systems, applications, and business process support. The Center of Excellence and ISD are considered Level 2 and Level 3 Help Desk Support.

Figure IV-5. Proposed SAP COE Support Model



There will be a requirement to augment the current AOC support staff by the Bidder. The Bidder may be responsible for providing additional resources to support FI, HR and BI applications in the following areas:

- ABAP
- Basis
- Netweaver
- TIBCO
- Workflow
- Configuration
- Testing
- Deployment
- Break/Fix
- Enhancements
- Security

See RFP Section VI, Proposed Solution Requirements, for additional information regarding roles and responsibilities of the Bidder and the AOC.