

2.9 Sustainable IT Infrastructure: Upgrade to PeopleSoft ver. 9.1

Opportunity:

Since first adopting PeopleSoft ver. 8.9 in 2005, Peralta has not upgraded HR & Campus to more current versions. Our current version 8.9 is scheduled to lose support from PeopleSoft by the end of 2012 so the question is one of timing only since we have little option to upgrading. The current version is 9.1 and offers better integration particularly with the new Campus Solutions suite containing the Schedule of Classes among other things.

Recommended Actions:

1. Conduct a scoping study to determine in some detail how long and what investment this would require.
2. Based on this information, plan and budget for the upgrade.
3. Implement.

Discussion:

Shortly we will have better information on the cost and time requirement for the upgrade. Based on this information we will need to decide whether some other major projects such as Time & Labor / Absence Management and Financial Aid move forward immediately or wait until after the upgrade since some rework would be needed if these are implemented before the upgrade. In the case of both of these projects, considerable rework would be required if they were implemented under 8.9 rather than waiting until the upgrade is completed. The cost of the rework could be as much as 30% of the cost of the limitations under 8.9.

The upgrade will change some features and interconnectivity of the already implemented modules. These can be identified early and plans made for training or process changes to take advantage of the new capabilities. The upgrade will also have an impact on any custom systems that may also need significant modification. These would include the Student Data Warehouse, the Prorata Payroll system, the Combination Code Validation Program, and the Automated Adjunct Step Increase Program.

Investment:

Current informal estimates of the cost of the upgrade run from a low of \$700,000 to a high of \$2 million. A scoping study would narrow the range considerably.

Summary of Net Benefits:

While there are some cost savings associated with the upgrade, most of the benefit comes from providing a platform that increases the productivity and usefulness of all the PeopleSoft modules. If we do not upgrade, we will be unable to take advantage of future enhancements to our PeopleSoft system.

Starting in 2013, our annual maintenance fees will increase by 15-10% as Oracle tries to incentivize customers to move away from 8.9. In addition, all functionality and modules

implemented prior to the upgrade will need to be redone, increasing the cost of any future upgrade.

Although this project shows a net cost over three years (as opposed to savings) it is regarded as high benefit as this is an unavoidable change central to all the major operating systems in the district.

| | 1st year | 2nd year | 3rd year |
|---|-------------|------------|------------|
| Maintenance Fee Increase - cost avoided | \$25,000 | \$25,000 | \$25,000 |
| Rework after upgrade - cost avoided | | \$200,000 | \$200,000 |
| Expected investment | \$1,000,000 | \$0 | \$0 |
| Annual net savings (cost) | -\$925,000 | \$225,000 | \$225,000 |
| Cumulative savings (cost) | -\$925,000 | -\$700,000 | -\$475,000 |

Sources of Risk:

This is a large complex project touching essentially all of the district’s major operating systems. Risk is high.

Resource Constraints:

None.

Interdependencies:

Sequence of implementation interdependencies with all major technology implementations that rely on PeopleSoft, including Time & Labor/Absence Management among others. However, not all PS projects need to be delayed for this upgrade since some will upgrade automatically without any additional requirement. This needs to be assessed on a project by project basis.