

# WORKFORCE SAFETY AND INSURANCE



**Information technology transformation project** - The Legislative Assembly in 2007 provided an appropriation of \$14 million for the information technology transformation project for the 2007-09 biennium. In 2011 the Legislative Assembly appropriated an additional \$3 million for the project.

The information technology transformation project includes the replacement of existing core Workforce Safety and Insurance business applications with a commercial, off-the-shelf integrated software solution.

During the 2007-09 biennium, Workforce Safety and Insurance selected the Valley Oak Systems' iVOS product as the commercial off-the-shelf system and selected the vendor HCL to provide integration, validation, and management services related to the installation of the iVOS product. During project implementation, Valley Oak Systems was acquired by Aon eSolutions. The project is experiencing schedule delays. After failing to meet a project milestone date in January 2012, Aon eSolutions began forfeiting payments of \$115,000 for February 2012, \$115,000 for March 2012, and \$25,000 for April 2012. Aon eSolutions will continue to forfeit \$25,000 per month until the claims component of the project is implemented. The project's executive steering committee is negotiating with Aon eSolutions regarding a revised implementation date.

The estimated cost of the information technology transformation project is \$17.8 million, which consists of the \$14 million originally appropriated for the project, \$3 million of additional funding appropriated by the Legislative Assembly in 2011 for the project, and \$800,000 of internal reallocations. The agency has negotiated \$912,000 in free maintenance and support from Aon eSolutions over a two-year period following the implementation date.