

Capital - Shared Services – Human Resources

Project Name	OH Integrated Data Management Platform/ Health Management System
Work Plan Category	Stratagic - Strategic IT Enhancements
Project Manager	Dr. Daria Luisi
Project Status	Anticipated January 2013
End Date	December 2015

Work Description:

The goal of this project is to integrate and enhance Con Edison's medical information systems so that Occupational Health can improve the department's efficiency and compliance with mandated evaluations for federal, state and local laws and policies. These include surveillance of occupational and environmental exposures, Department of Transportation examinations, substance abuse testing and company examinations for safety sensitive job functions. These are critical functions which impact the safety of employees and the public. In addition, Occupational Health will need to undergo change management to be in accordance with the new federal mandate for electronic medical records and changes to the sick pay policy under Total Rewards. The creation of an "Occupational Health Integrated Data Management Platform" (IDMP) will improve the quality and efficiency of managing clinic functions related to regulatory examinations, return to work evaluations, and wellness programs resulting in the ability to meet the demands of future sick absence plans/policies and decrease the amount of paper used by the department. This project will introduce electronic medical records to the Occupational Health department. This will improve regulatory monitoring and will align with the Occupational Health Clinic to have a standard platform and interoperability with the outside physicians, hospitals, laboratories and disability vendor with which the department regularly interacts. This interaction needs to be in alignment with the new Federal mandate for physicians and laboratories to fully comply with developing an electronic medical system. Those entities are mandated to convert to electronic medical records by January, 2014, and the implementation of this project will put Con Edison in line with the best practices for the security and accessibility of health records. Moreover, the

Capital - Shared Services – Human Resources

implementation of electronic health records will allow the Company greater oversight over its OSHA and Department of Transportation regulated exams and DOT drug testing. An electronic medical record would provide clinicians the ability to evaluate employees' medical conditions and determine their fitness for duty based on easily accessible medical history. The system will lend itself to a reduction in potential human error, increase the efficiency with which Occupational Health can manage employee health conditions and absences, as well as contribute to an overall "greening" and carbon footprint reduction for the department. In addition, the electronic medical record and the IDMP will allow for the exchange of medical treatment information and eligibility of sick benefits between Con Edison and the Total Rewards disability vendor to create a comprehensive record of employee illness and injuries that may impact their ability to perform their job duties. This project will increase regulatory efficiency in the Occupational Health clinic and capacity to identify and manage absence patterns.

.The project will use a multi-stage approach, in which application features will be developed and rolled out in five phases. The phases are independent but sequential, each having its own cost and timeline. It may be feasible for phases to run concurrently.

For phases and their associated components and time frames, see chart attached.

Justification:

The Occupational Health department currently functions in large part through paper records and the existing electronic system, the Occupational Health Administrative System (OHAS). OHAS has limited functionality, and has not been significantly updated since its design 15 years ago. Other Con Edison systems have been updated, such as HR Payroll, leading the OHAS system to be modified manually to provide essential data on qualified sick absences information to payroll. In order to produce reports, the Occupational Health department must match data across discrete systems and manually manipulate the data for each query. This is not a sustainable process to meet the challenges of addressing and reporting on regulatory requirements, quality checks and lost time.

Also, the current system of managing sick absences will need to be updated to meet the new changes to the sick policy as a result of Total Rewards. The changes will force the system to interact not only with an external vendor disability system, but also with internal systems such as payroll and will need to be able to handle a bifurcated system, as union

Capital - Shared Services – Human Resources

and management will have different sick policies. The current system is not capable of efficiently handling the changes and will need to be manually altered to address these changes. Without an IDMP, including an electronic medical record system, the Occupational Health department will continue to function with inefficiencies. The limitations on the current systems prevent the Company from having a good understanding of the factors that affect lost time, and regulatory requirements, which is necessary to support the work of the Occupational Health Department.

Added focus on integrated data management and reporting structures is needed as it will allow for more advanced analyses that will provide information for strategic planning, as well as provide the ability to identify trends and potential health concerns through the centralization of data. In addition, Occupational Health must move toward an electronic platform to have interoperability with the Federal electronic medical records mandate set for 2014. Occupational Health will need to have the ability to receive and send medical information on behalf of our employees in the standards set by the Federal government or the clinic will be hampered in reviewing medical information for employees. The Department will be further hampered receiving and sending medical information on behalf of employees when the standardized international diagnostic coding system moves from the ICD-9 (13,600 codes) to a much more comprehensive version, ICD-10 (69,000 codes). The expanding coding system will allow the Department to track and trend illnesses and diseases more accurately

Furthermore, an integrated data management system enables Occupational Health to greatly reduce its usage of paper, reducing the department's carbon footprint. A consequence of less paper records is increased security of medical data, as well as a decreased likelihood of human error.

* Alternatives:

The discovery/gap analysis performed by an outside vendor identified pros and cons of three alternative plans of action: purchase of a software solution that can be customized for Con Edison's use, redesign of the existing in-house system by internal staff or a combination in which some functionality is achieved through a purchased solution and other modules are created by enhancing existing applications. Main considerations taken into account include technological feasibility of implementation, costs (upfront and recurrent) and fit with user defined functional specifications.

Under the current state, Occupational Health will need to rethink current work strategies and processes. Some work flows may remain paper-based or it may be more efficient to outsource processes not covered by existing electronic functionality.

* Risk of No Action:

Phase 0 of the proposed IDMP was funded and implemented in 2011. The gap analysis and discovery report provides suggestions for implementation of an electronic Health Management System. The report

Capital - Shared Services – Human Resources

provides Occupational Health with a gap analysis on the functionality of the current systems used to meet regulatory testing requirements and return employees to work. The report also provides Occupational Health and IR with benchmarking information against other companies and vendors on their data solutions. The data gathered by implementing Phase 0 allows for informed decision making in the best method for implementation of Phases 1 through 4. From the Phase 0 analysis it was determined that the best course of action would be to purchase a software solution. The analysis also informed Occupational Health as to which vendors may meet most of our functional specifications. The next step would be to issue an RFP to the vendors included in the Phase 0 report.

Additionally, Occupational Health risks a loss of interoperability with employees' personal clinicians, hospitals and vendors who manage various aspects of employee health and absence records. Employee health conditions and absences would have to continue to be managed largely through paper records, which lends itself to operating errors and does not ensure the level of security of information as an electronic system would.

If the IDMP is only partially funded or developed, Occupational Health will be forced to continue operating with its current system, which likely will not be fully interfaced with any new partially developed system. This key shortfall would prevent the department from creating a centralized depository of data and reaching optimal functioning. Outsourcing some of the current unsupported processes may be an option, as would improvement to existing paper processes and/or the elimination of existing departmental functions.

* Non Financial Benefit
Explanation:

The creation of an IDMP has several non-tangible benefits. Primarily, it serves to develop collaborative efforts and strengthen the Company's support activities by standardizing, consolidating and improving the processes associated with tracking lost time and medical data. By linking the various existing application functions and allowing these programs to create standard reporting mechanisms, the work processes of Occupational Health will be greatly improved. These improvements will build stronger relationship with employees by addressing their questions and concerns and with operating groups by providing needed information and data to manage their workforce.

Electronic systems will allow for better utilization of CECONY medical staff and resources, creating efficiencies and the ability to more quickly review employee records and address concerns. In addition, as OH provides assessments in mobile locations this will allow for a centralized repository for medical record recording, sharing and transfer. This will permit a seamless operation regarding employee evaluations. A more consistent and clear electronic communication with employee's personal clinicians will allow Occupational Health to gain a complete understanding

Capital - Shared Services – Human Resources

of the employee's medical situation. OH clinicians will be able to more thoroughly focus on employee well-being, fitness for duty and regulatory compliance.

* Technical Evaluation and Analysis:

The IDMP can support better follow-up for regulatory requirements, health care decisions, more coordinated care within the clinic, and with better access to information from employees' physicians.

Additionally, the IDMP will allow for the technical capabilities of health information between Occupational Health and the external entities that inform decision making. This will enable Occupational Health to make comparative decisions for a particular condition, exchange of data among physicians, hospitals, laboratories, pharmacies and other health organizations, as well as methods for ensuring the privacy and security of patient data that is essential for making informed decisions to return employees to work with or without restrictions. Moreover, with improved electronic and technical capabilities, Occupational Health will be positioned to work more directly with EH&S and other internal Con Edison departments such as Workers Compensation and Health benefits.

* Project Relationships:

Several current Company projects are directly linked to the Occupational Health OHAS system and will need to interface with the medical system to efficiently manage the new Total Rewards sick policy which will outsource short and long term disability for managers. These projects include PeopleSoft and Project One. PeopleSoft will need to link to the short term and long term disability usage and Project One will have to account for decrease in labor cost for employees who trigger short and long term disability pay. Additionally, the Company is introducing a new VRU vendor, and OH will work with the vendor and Customer Operations to design and implement a new VRU system which will interface with the new software implemented under the IDMP project. The information on the new VRU will need to be synchronized with OH automated emails and other communication channels, such as EPIC. An IDMP will allow these systems to interact seamlessly.

Capital - Shared Services – Human Resources

Funding: (\$000s)

Actual 2007	Actual 2008	Actual 2009	Actual 2010	Actual 2011	Approved 2012
\$	\$	\$	\$	\$	

Forecast 2013	Forecast 2014	Forecast 2015	Forecast 2016	Forecast 2017	Approved/Forecast Total 2012-2017
\$	\$	\$2,025	\$	\$	\$2,025

Historical elements of expense (EOE's in \$000)

EOE	2007	2008	2009	2010	2011
Labor					
M&S					
A/P – contract services					
Indirects					
Contingency					
Total	\$	\$	\$	\$	\$

EOE	2012	2013	2014	2015	2016	2017
Labor						
M&S						
A/P – contract services				\$2,025		
Indirects						
Contingency						
Total		\$	\$	\$2,025	\$	\$

2013				2014				2015				2016				
Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	
Discovery				Preimplementation				Testing & Documentat ion		Implementation		Post-Implementati on				
		RFP to secure business group for gap analysis and solution recommend ations		Creation of RFP and contract to secure software				Documentati on of all business rules, notifications, and process flows associated with new applications		Training of OH staff and other impacted users		Maintenance and adjustment of business rules and work processes as needed				
			Business group vendor analysis including product demonstrati ons	Acquisition of equipment (hardware and software)				Ensure system meets CE specifications for work flows		Communicatio ns to employees about new electronic system and how this impacts them		Additional data migration as practical of past paper medical charts, microfiche, old x-rays.				
			Business group vendor recommend ations	Construction of business rules and security structure				Ensure all interfaces are properly functioning								
				Construction of business intelligence (includes custom reporting)				Developmen t of training materials								
				Customization to CE processes (includes notifications, scheduling, building of questionnaires etc.)												
				Mapping of old electronic OH data to new system- to populate new system with old medical information when possible												
					Creation of bi-directional interfaces with labs											
					Construction of interfaces by IR											

Capital - Shared Services – Human Resources

Project Name	TLC eLearning Initiatives
Work Plan Category	Strategic - Efficiency & Process Improvements
Project Manager	Karlene Green
Project Status	Ongoing Program
End Date	Ongoing

Work Description:

This process consisted of creating the IT infrastructure to deliver eLearning programs and also to design and develop content to be delivered through electronic mediums. The eLearning program is one of our training initiatives to meet the need of the increased training needs of the workforce.

Justification:

The use of eLearning is not a process that can be deployed to take the place of all learning. It is useful when you are attempting to inform employees about some information relative to their job duties. It doesn't work well when learning takes place as a result of the interaction in class or when you need to demonstrate some hands on physical learning, i.e. climbing an overhead pole. As an illustration of how we have used eLearning in the past we would cite the training we were required to conduct as a result of an audit that was conducted by a consultant commissioned by the Public Service Commission to look at our response to storm emergencies. We were required to train over 5,000 employees in a short period of time on the Storm Overview process. We were able to conduct this training by creating an eLearning course and then following up with operating groups to complete the training by taking the eLearning course. We avoided instructor time, reduced scheduling activity; eliminated costs associated with material for the course and reduced costs associated with tracking completions. In the last several years our use of the eLearning process has grown substantially in use.

- * **Alternatives:** By not continuing to grow the eLearning program, we will begin to see a rise in costs associated with Instructor led training. These costs are connected to the hiring of additional employees as instructors, material costs associated with materials for the courses developed, additional facility space needed to conduct the training class, increased facility costs at the Learning Center based on increased usage and additional expenses for organizations related to their employees attending training at the Learning Center.
- * **Risk of No Action:** By not continuing the use of eLearning course development, we would not be able to provide necessary training that organizations

Capital - Shared Services – Human Resources

need to address changing work activity. This could hamper organizations in developing their employees in carrying out the duties associated with their job.

- * Non Financial Benefit Explanation:
1. A self-paced and self-directed, approach, allowing students to choose content and tools appropriate to their differing interests, needs, and skill levels
 2. Accommodation of multiple learning styles using a variety of delivery methods geared to different learners
 3. Content that is designed around the learner
 4. 24/7 accessibility making scheduling easier and allows a greater number of people to attend classes
 5. On-demand access where learning can happen precisely when needed
 6. Content that is standard and the lesson does not deviate from the stated objectives
- * Technical Evaluation and Analysis: The trend chart previously discussed in the description section indicates that more and more employees are completing training requirements through the eLearning modality. Additionally, the creation of courses through the eLearning mode is a KPI which is part of the Employee Development Index.
- * Project Relationships: No other projects will impact this program.

Current Status: Our 2012 goal is 45.

Current Working Estimate: We expect to spend \$600K in 2012.

Capital**Funding (\$000):**

Actual 2007	Actual 2008	Actual 2009	Actual 2010	Actual 2011	Approved 2012
\$398	\$391	\$445	\$278	\$748	\$600

Forecast 2013	Forecast 2014	Forecast 2015	Forecast 2016	Forecast 2017	Approved/Forecast Total 2013-2017
\$700	\$534	\$600	\$600	\$600	\$3,034

Capital - Shared Services – Human Resources

Historical elements of expense (EOE's)

EOE	Actual 2007	Actual 2008	Actual 2009	Actual 2010	Actual 2011	Approved 2012
Labor	\$47	\$0	\$8	\$0	\$0	\$0
M&S						
*A/P contract labor	\$351	\$391	\$437	\$278	\$748	\$600
Contingency						
Total	\$398	\$391	\$445	\$278	\$748	\$600

- Note A/P requires further identification such as A/P – Contract Labor, A/P - Equipment Maintenance, A/P - Corrective Maintenance, etc.

EOE	2013	2014	2015	2016	2017	total
Labor						
M&S						
A/P Contract Labor	\$700	\$534	\$600	\$600	\$600	\$3,034
Indirect						
Contingency						
Total	\$700	\$600	\$600	\$600	\$600	\$3,034

Capital - Shared Services – Human Resources

Project/Program Title	Learning Center Infrastructure Improvements
Project Manager	Kevin Connolly
Status	Ongoing
Estimated Service Date	Ongoing
Work Plan Category	Employee Development

Work Description:

In order to provide effective training to our employees, it is necessary to maintain an up-to-date educational facility. Technology is rapidly changing how people work. In addition, as equipment and process improvements take place in our operating areas, our training facilities and course curriculum must also change to insure that the training experience reflects the field environment. The requested funding will allow the Learning Center to upgrade the Facilities to modernize classroom space by increasing space utilization with modern designs.

We have established an Infrastructure Improvement program at The Learning Center to address the increased training required for our population of new, less experienced employees and to address the improvements needed in our training environment. The Learning Center was built and opened in the early 1990's at a time when hiring was on the decline. The training environment was constructed to address the needs at that time. Since then our training needs have increased due to the growing trainee population and the need to reorganize our space to address these needs. We have found a need to reduce space on activities that are no longer as relevant as they use to be such as the library and our gas parts training. We have also found we need to increase classroom space for Customer Operations and Environmental, Health and Safety training. We also need to increase our space associated with lab training. Additionally some of the hands on training labs over time have required upgrades either due to overuse or upgrades to address environmental concerns.

In the last two years, an increase in training space has developed due to the implementation of major technology projects (Project One and Electric Work Management Systems). These projects and additional ones that we expect to develop (i.e. Gas WMS) will require additional training space moving forward.

This program consists of a series of small projects intended to address these concerns. A list of projects we are currently focusing on is provided below with a description of the project:

1. Overhead Electric Systems Controls – In the past year we have recognized a need to upgrade the electric systems control systems in the Overhead Yard section of our facilities. These upgrades will create an Overhead training environment that realistically depicts the conditions that overhead workers will be exposed to in the field.
2. TLC Room 125 Renovation - After 15yrs of operation and changing needs of our Corporation a room renovation is requested. This space is currently used as a classroom for OSHA training and other large groups. It was originally designed as hands on classroom for auto

Capital - Shared Services – Human Resources

3. mechanic instruction. The room is the 2nd largest room in the facility and has a 90% usage frequency. The room requires an enormous amount of energy for heating and cooling due to the high ceilings. It was never intended to function as a classroom but has been utilized as such. We need to modify the design of the room from an auto bay setup to a traditional classroom setup.
4. Renovate rooms 202/203 to increase lab training for Protective Systems testing due to an increased need of training for new PST employees. We would relocate Customer Field Representative training to a new location.
5. Upgrade and renovate rooms LL03/LL05/LL06. These three rooms on the lower level support our welding and facility training activity along with our reprographic activities. Over the years, the space in these rooms have diminished due to the increased activities and equipment associated with these activities. There are opportunities to upgrade this space so that processes carried out in these rooms can be improved and streamlined.

An Engineering Service Request has been issued on each of these projects.

Alternatives/Risk of No Action:

If space for training becomes limited then we would have to make alternative arrangements for this training such as renting space at a hotel or constructing new classrooms at other locations because in all cases the cost would be prohibitive but more importantly we have the space to accommodate just not in the useable form it needs to be in. Therefore we concluded an upgrade and renovation process would deliver the needs we want at the lower cost.

Summary of Financial Benefits and Costs

The cost benefit in this project is the avoidance of higher cost projects such as:

1. Avoiding the cost of construction of additional building space
2. Avoid having to lease additional space at higher market rates such as a conference center in local hotels

Non-financial Benefits

The Learning Center would continue to be viewed as an up to date world class training facility by those who visit us on an annual basis. If we didn't upgrade our space this view by others could diminish over time.

Estimated Completion Date:

Ongoing

Status:

Ongoing

Current Working Estimate (if applicable):

2013 - Shared Services – Human Resources

Funding (\$000):

Actual 2007	Actual 2008	Actual 2009	Actual 2010	Actual 2011	Approved 2012
\$	\$	\$	\$	\$	\$303

Forecast 2013	Forecast 2014	Forecast 2015	Forecast 2016	Forecast 2017	Approved/Forecast Total 2013-2017
\$	\$302	\$302	\$302	\$302	\$1,208

Historical elements of expense (EOE's in \$000)

EOE	2008	2009	2010	2011	2012
Labor					
M&S					
*A/P Contract Labor					\$303
A/P-					
Indirects					
Contingency					
Total					\$303

EOE	2013	2014	2015	2016	2017
Labor					
M&S					
*A/P Contract Labor		\$302	\$302	\$302	\$302
Contingency					
Total	\$0	\$302	\$ 302	\$302	\$302

* Note A/P requires further identification such as A/P – Contract Labor, A/P - Equipment Maintenance, A/P - Corrective Maintenance, etc.

Capital – Shared Services - Human Resources

Project/Program Title	PeopleSoft HR/Payroll System Upgrade
Project Manager	Madhu Reddy
Status	To Be Started
Estimated Service Date	2011-2013
Work Plan Category	Employee Development

Work Description:

The HR/Payroll system operates on the PeopleSoft Human Capital Management (HCM) platform. The application manages the HR, Time/Labor, Payroll and Benefit processes for all active employees and retirees for both CECONY and O&R. Although the application was implemented in Jan 2009, the actual software was purchased from Oracle during the last quarter of 2006. Currently, the PeopleSoft application is running on Version 9.0. The application is built upon a toolset called PeopleTools (currentVersion 8.49), which is the underlying framework for the application. Both the Application and PeopleTools require separate and distinct support (ie. upgrades, bug fixes, security patches, etc) and one can not operate without the other.

Every quarter Oracle releases security patches, application patches and tax updates. Similar to many other vendor product applications, these patches and updates are very critical to ensure the proper operation and security for the application/toolsets. Through the original purchase of the software and associated maintenance cost, the Company is entitled to all new Application and PeopleTools upgrades.

Oracle has notified us that our existing support and maintenance for *PeopleTools* is expiring in Sept 2010. Oracle is offering a "Sustained Support" up to one additional year (Sept 2011). The "Sustained Support" provides only security patches that Oracle deems mandatory. Oracle is not committing to supporting these patches (assist us if we have any issues once we apply these patches) during Sustained Support.

The maintenance and support for the actual *Application* is expiring in Dec 2012 with an additional 2 years of "Extended Support" (Dec 2014). With Extended Support (different from Sustained), Oracle will provide security, application patches and Payroll tax updates. Oracle will support these updates when we apply to our environment. However, we must pay additional money for "Extended Support". This fee for this is the current annual maintenance + 10% for year 1 (\$50k) and 20% for year 2 (\$100k).

Given the above Oracle timeline on support, the HR/Payroll support team is recommending that we begin to upgrade both the Application and PeopleTools. The HR/Payroll support team has analyzed the option to separate the upgrades (ie. upgrade PeopleTools first then at a later time, upgrade the application). However, based on Oracle Release notes and the support team's analysis, there are significant changes to PeopleTools that will have a direct impact on the actual Application. For example, the PeopleTools upgrade will impact the look/feel of the actual application, navigation changing, pages, etc. As a result, the support team recommends upgrading both the PeopleTools and the Application at the same time. This will also avoid significant duplication of work, such as software installation, analysis, build, and testing.

For any large ERP application, the upgrade will be complex and time consuming due to technology changes, application changes and the number of internal customizations. The new version of PeopleSoft HCM 9.1 Application includes some new functional changes in the each of the four major modules. Many of these functional changes will be beneficial to the Company. For example, within Payroll, Oracle is now deliving a Paysheet Load Proces (which we can now eliminate our home grown customization for this process) and a new Delegation feature for Time Approval.

Capital – Shared Services - Human Resources

The high level upgrade plan of PeopleTools & Application includes the following:

1. Hardware procurement and install (upgrade requires 64 bit servers)
2. Install the PeopleSoft and PeopleTools Software onto Test Servers
3. Functional workshops & Fit/Gap Analysis
4. Technical compare & Fit/Gap Analysis
5. Design the functional changes
6. Design the technical changes
7. Retro-fit impacted customizations
8. Build
9. System, Integration, Parallel and User Acceptance Testing
10. Change Management
11. Production Cut Over

Based on our experience with the application to date, along with information available from Oracle about the changes associated with the upgrades, the high level effort is 9 months. This is based on effort required which entail work (run upgrade scripts, conversion, build, testing) being done in series and in parallel.

Due to the integration work required with Project One and Logica, scheduling this upgrade is a challenge. ProjectOne went live in July 2012 and Logica in June 2012 (with a major enhancement in 2014 -Mobile Dispatch). As a result, the HR/Payroll support team will be fully engaged with these large ERP projects at least six months before and about 2-3 months after their go live dates. Given this situation and with support for Peopletools ended on 9/2011, the HR/Payroll support team is recommending that we purchase and install the hardware and software and perform some preliminary work in 2011 and then complete the upgrade in 2012-2013 (after Project One/Logica is live). This original plan to complete the upgrade in 2012 has been delayed until 2013 due to programming work needed on the implementation of Total Rewards.

Justification:

- Alternatives:
Due to the need to obtain mandatory tax updates and support, the Company must perform the upgrade. However, we have some flexibility on “when” to perform the upgrade. If we go beyond the PeopleTools Sept 2011 Sustained Support, then there will be significant risk to operating the system without support from Oracle.
- Risk of No Action:
If we don't upgrade, the Company will lose support and maintenance from Oracle along with the significant initial investment for the application (\$35m), along with the \$550k we pay in *annual* maintenance fees. Also, not upgrading will pose a significant risk by not having the required security patches, application patches and mandatory tax updates for Payroll.

PeopleTools (8.49):

- Our current support support ends in Sept 2010
- Oracle is offering “Sustained Support” for *PeopleTools* for 1 additional year (Sept 2011)
- Although there is a small risk with Sustained Support since it does not include the following: new updates, fixes, security alerts, data fixes, and critical patch updates, new upgrade scripts, Certification with new third-party products/versions.

HR/Payroll Support team does not feel the above items poses a major risk to our ability to support the system. However, *we must update before the end of Sustained Support (9/2011)* because Oracle will not

Capital – Shared Services - Human Resources

commit to supporting any production issues we encounter. Since go live (Jan 2009), we have encountered four issues with PeopleTools. Three out of those four issues were critical (ie. employees could not view the pay checks and/or emp could view other employees paychecks, employees could not report time, security/access issues and most recently, employees could not login to the system through Homenet).

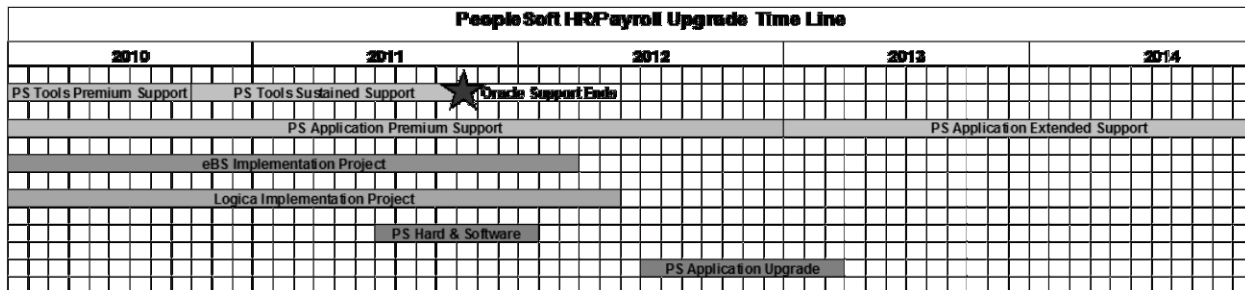
HR/Payroll Application (PeopleSoft HCM 9.0):

- Our current support support ends in Dec 2012
- Oracle is offering “Extended Support” for the *Application* for 2 additional years (Dec 2014)
- Oracle will charge for “Extended Support” which is the annual maintenance fee + 10% (year 1) and 20% (year 2).

Scheduling –

- PeopleTools needs to be upgraded by 9/2011
- Application needs to be upgraded by 12/2013 (to avoid additional costs)
- eBS project is scheduled to go-live in July 2012
- Logica/WMS project is scheduled to go-live in June 2012.

Given this situation, recommendation is to upgrade after eBS and Logica/WMS projects are in Production.



- Non-financial Benefits (if applicable):
Upgrades are required to keep current with the proper Oracle support as well as Payroll Tax updates.
- Technical Evaluation/Analysis:
PeopleSoft is a vendor product but all upgrades will require a review/analysis of the impact to existing customizations.
- Sensitivity Analysis (if applicable):
N/A
- Project Relationships (if applicable):
Schedule is highly depended on Project One timeline and Logica/WMS as both the systems are significantly integrated.
- Strategic alignment Driver Impact Statements: --
Strengthen the Company's Support Activity

Capital – Shared Services - Human Resources

- Business Driver –Continue to focus on technological innovation and effective and efficient support systems

Strengthen the Company's Human Resources

- Business Driver –Achieve superior business performance through competent employees, engaging work and continuous learning

Estimated Completion Date:

Phase 1 – 12/2011 (Software & Hardware)

Phase 2 – 6/2012-3/2013 (Application Upgrade)*

* Phase 2 was delayed and will be completed in 2013. The delay was caused by programming work needed on Total Rewards implementation.

Status:

New Project, not yet initiated

Funding (\$000): --

Totals

2011: \$ 1,067,000

2012: \$ 30,000

2013: \$ 1,247,000

Total Cost: \$2,344,000

2011 Hardware & Software	\$1,067		
2012 ConEd Labor	Contractors Labor	Total	
	\$30	\$30	
2013 ConEd Labor	Contractors Labor	Total	
\$236	\$1,011	\$1,247	

Historical elements of expense (EOE's)

EOE	2013	2014	2015	2016	2017
Labor	\$236				
M&S					
*A/P - programming	\$1,011				
Contingency					
Total	\$1,247	\$0	\$0	\$0	\$0