PAN AMERICAN HEALTH ORGANIZATION
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PROJECT FOR MODERNIZATION OF THE PASB MANAGEMENT INFORMATION SYSTEM (PMIS): PROGRESS REPORT

Introduction

1.   Pursuant to the instructions of the 50th Directing Council in 2010, the Pan American Sanitary Bureau (PASB) launched a project to modernize the PASB Management Information System (PMIS). Progress subsequently was reported to the 51st Directing Council in 2011.

2.   This report presents an update of the work being done on this project.

Background

3.   The PMIS plays a critical role in providing effective support for the delivery of technical cooperation to Member States.

4.   The advent of the Global Management System (GSM) of the World Health Organization (WHO) prompted PASB to reexamine its own systems to determine the extent of modernization that would best serve the Organization. In 2009–2010, PASB developed Guiding Principles for modernization; reviewed, improved, and documented its business processes; analyzed numerous options for modernization, including the costs of these options; and submitted recommendations to the 50th Directing Council.

5.   In response, the 50th Directing Council adopted Resolution CD50.R10 (2010), which included several key provisions: approval of the Guiding Principles for modernization; authorization to PASB to proceed with the adoption of Enterprise Resource Planning (ERP) software, which would be independent of WHO, with limited

customization but still aligned with WHO's GSM and responding to all its requirements; and approval of funding sources.

6.   The major goals of the modernization project are to improve: (a) accountability for results, (b) inter- and intra-agency collaboration, (c) availability of information and transparency, (d) adaptability, (e) coordination with WHO, (f) management of human resources, (g) support for emergency operations, and (h) operational effectiveness and efficiency.

7.   The scope of the modernization project includes systems that support program management, human resources management, payroll, financial management, and procurement services.

8.   According to the current summary schedule, the project is divided into two phases:

(a)   A pre-implementation phase (2011 through mid-2012), during which PASB has begun the process to prepare detailed project plans; procure appropriate software; procure the services of a contractor, known as a System Integrator, to assist with system implementation; further simplify business processes and align them to the selected software; and begin preparing data for later conversion to the new system.

(b)   An implementation phase, which will comprise two steps. Step 1 will cover the period from mid-2012 through mid-2013, and Step 2 will cover the period from mid-2013 through mid-2014, which will mark the end of the project implementation. While the scope of activities to be implemented in each step may change based on the advice of the System Integrator, the tentative schedule calls for Step 1 to consist of program management, human resources management, and payroll, and for Step 2 to consist of financial management and procurement services.

9.   The 50th Directing Council (2010) approved this project with an overall budget of US$20.3 million[1] and approved using up to $10.0 million from the Holding Account to pay for this modernization. *PASB will fund the remaining $10.3 million from other sources.*

Analysis and Update

10.   The first phase of the project (the pre-implementation phase) has focused on preparation in four major areas. These areas and our progress to date are as follows:

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[1] Unless otherwise indicated, all monetary figures in this report are expressed in United States dollars.

(a)   Put in place the foundation of the project. The overall project structure is in place and steps are being taken to assign a detailed project team for implementation. In addition, a readiness assessment was performed by an independent consultant and that assessment identified the critical success factors for the project. PASB is implementing the recommendations of that assessment.

(b)   Refine business processes. Business processes continue to be evaluated and opportunities identified. This will be a continuing effort through the end of the project.

(c)   Acquire software and system implementation services. A rigorous competitive process was undertaken. The final decision will be based on the ability of the vendors to meet the needs of PASB and the Total Cost of Ownership (TCO). Total Cost of Ownership includes software, implementation, and licensing and support costs for a five-year period. PASB is in the final stages of the acquisition process. Because contract negotiations can result in a significant price adjustment, a final decision will not be made until the end of contract negotiations.

(d)   Begin preparing legacy data for the new system. A staff resource has been assigned and work has begun. This will be a continuing effort through the end of the project.

11.   During an assessment of the risks to this project at this stage, PASB identified the following three major concerns and has taken the steps indicated to manage risks in these areas:

(a)   The system must meet the needs of the Organization. PASB carefully defined its requirements for the new system and subsequently conducted an extensive evaluation of possible software.

(b)   Costs must be controlled. PASB has undertaken a fully competitive acquisition process for both the software and system implementation support services, which together constitute more than half of the project budget. This process is advised by an outside expert in such acquisitions to ensure that we obtain the best possible value. In addition, PASB examined low-cost software solutions and invited smaller, lower-cost system implementers to submit proposals for their services. PASB also believes that strong project management will aid in controlling costs throughout the project.

(c)   Project management must be of the highest quality. PASB has worked with its Audit Committee and has hired external, independent oversight to ensure that the project adheres to best project management practices. And, as mentioned above, PASB also engaged an independent consultant to conduct a readiness assessment

that identified the critical success factors for this project. PASB is implementing the recommendations of that assessment.

12.   With respect to the project schedule, the acquisition of software and system implementation services is taking longer than initially expected. This is due to the complexity of the acquisition process and the need for due diligence to reduce risks associated with ensuring that PASB obtains the correct functionality at a fair cost. PASB was advised by the external independent consultant assisting with the acquisition process to take the time necessary to ensure that PASB receives the best value for its investment and to promote the likelihood of project success. As a result, PASB may, in the near term, adjust its overall project timeline based on what it learns from the proposals submitted by prospective system implementation service providers.

13.   With respect to the project budget, currently PASB believes that this project will not require any funds in excess of the $20.3 million already budgeted. However, PASB will be in a better position to judge this after contract negotiations for the software and system implementation services have concluded.

Action by the Subcommittee on Program, Budget, and Administration

14.   The Subcommittee is invited to take note of this report and offer any comments it may have.

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