

SFA Modernization Partner Project LEGACY CONTRACT TRANSITION PLAN

Central Data System (CDS)



Part 2 Product and Services Release Plan Initiatives Affecting CDS

Andersen Consulting (AC), as the Modernization Partner, has identified 23 initiatives which it has recommended that SFA execute. In the architecture being proposed by the Modernization Partner, there is a 3 tiered initiative being recommended for retiring CDS: 1) eliminate redundant or non-essential functions; 2) migrate some functions "Upstream" to other SFA systems; and 3) migrate other functions "Downstream" to the DLSS. AC estimates that this may be accomplished by November 2000, at the earliest. Because the current contract expires September 30, 2000, a sole source extension to the existing contract will be needed to continue to maintain service. In fact, the underlying contract under which CDS resides will remain in effect for three more years. Thus any extension of the CDS portion of the contract is not thought to be high risk. If this is the case, negotiations should begin as soon as possible since the CDS portion of the contract expires September 30, 2000.

Benefits/Outcome:

- Reduced Operating Costs
- Fewer redundant edits and associated errors
- Simpler system balancing, which will improve customer service and employee morale through fewer reconciliations and fewer errors to resolve

Business Objectives:

The objective for this initiative is to reduce redundancy by streamlining the current system supporting loan servicing. Retiring the CDS processes that are redundant and migrating others to existing systems will reduce costs, improve customer satisfaction, and improve employee satisfaction. The end result will be a more effective and efficient approach for addressing the wants and needs of customers and the ability to provide high quality service to potential and current borrowers.

Timetable:

Detail design and build would take place from April 2000 through August 2000. Testing would occur between early September 2000 and early November 2000, with implementation of the proposed retirement and migration activity estimated to be complete by November 30, 2000. This schedule assumes a go-ahead is provided in April 2000 and that all future enhancements to the system would be frozen in April 2000.

Impact on CDS:

The current initiative will drastically reduce inter-system edits, while continuing to support the same set of business objectives at reduced processing and maintenance costs. The proposed approach would retire the following 5 (of 12) main CDS processes because of duplication with other Direct Loan systems:

- Edits
- Transaction Routing
- ICR Waivers
- System Balancing
- LO/LS Images

The remaining seven processes would be migrated to other systems as follows:

- Order of Incoming Transactions (Direct Loan Servicing System)
- Data Stores and Transformation (Direct Loan Servicing System)
- EDA (Direct Loan Servicing System)
- Routing LO/LC Cash Transactions and Drawdowns (Direct Loan Servicing System)
- Interface Support (Direct Loan Servicing System)
- School File Updates and maintenance (Loan Origination System)
- Delinquency Reporting (Data Warehouse)