Information Technology Department

December 4, 2015

TO: Members of the Legislative IT Committee
Legislative Council

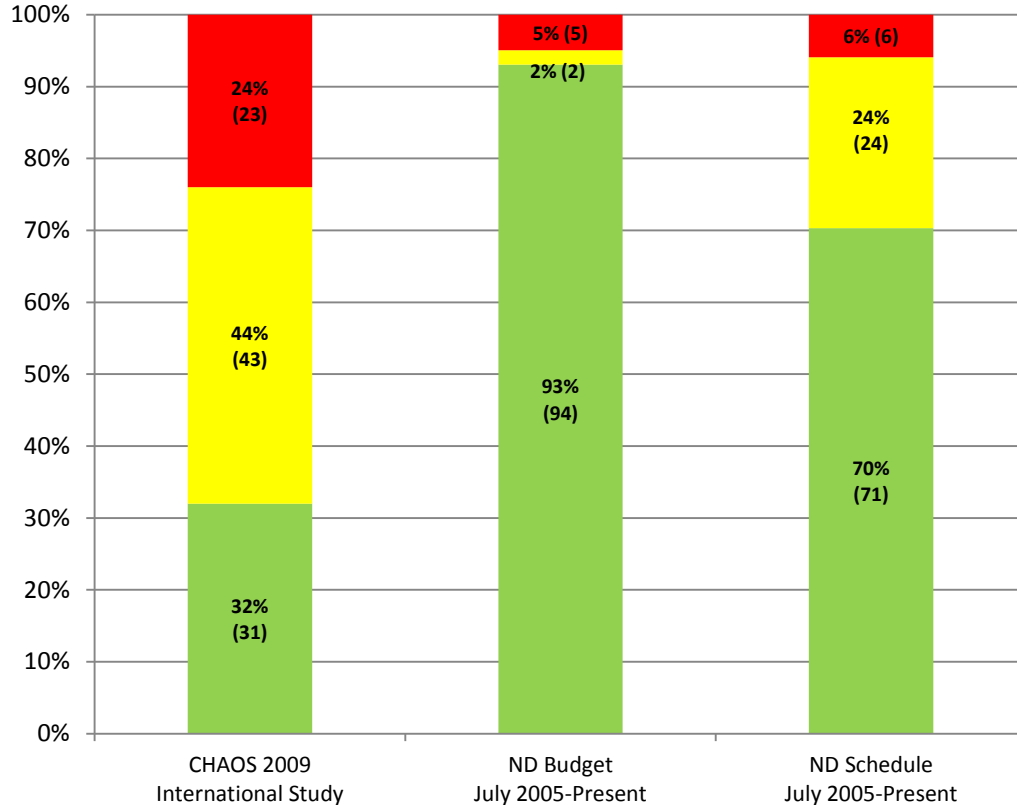RE: Large Project Summary Report

Greetings,

Attached to this cover letter is the Large Project Summary Report for the period ending September 30, 2015.

A historical review of projects completed to date can be viewed graphically below. The legend for this graphic is defined below and aligns North Dakota's mandated thresholds with the criteria of The Standish Group CHAOS Report 2009 (Column 1). Columns 2 & 3 represent those projects that have completed since July 2005, representing the application of budget/schedule variance in accordance with NDCC 54-59-23.

Green = Within Threshold
Yellow = Beyond Threshold But Obtained Strategic Objectives
Red = Terminated or Did Not Obtain Strategic Objectives

Completed Projects
Historical Analysis by Percentage (Project)

State of North Dakota
www.nd.gov

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2 projects reported complete this quarter.

Agency	Project	Budget	Schedule
Department of Human Services	Medicaid Systems Project	Over	Over
Information Technology Department	Billing System Rewrite	Over	Over

2 projects reported in the planning stage this quarter.

Agency	Project
Department of Human Services	Electronic Health Records
	Operating Rules

3 projects moved into the execution phase this quarter.

Agency	Project
Bank of North Dakota	Managed File Transfer
Department of Human Services	Eligibility System Modernization (SPACES): Release 1
Workforce Safety and Insurance	System Replacement Program: Phase 2, Project 1

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The following two items are programs or large, multi-phase projects that are being managed in an "iterative" fashion. Because they have budgets in excess of $5,000,000 and represent high-risk, highly complex work, they will receive ongoing cover letter reports regardless of project health. For these items, the cover letter will describe the program approach and the status of the overall program, while the separate summary reports will detail progress against individual baselines.

Agency	Program or Multi-Phased Project
Department of Human Services	Eligibility System Modernization (SPACES)

The Department of Human Services' (DHS) Eligibility System Modernization project will replace core business applications that determine "eligibility" for medical assistance, children's health insurance, Temporary Assistance for Needy Families, Supplemental Nutrition assistance, child care assistance and heating assistance which are currently administrated via four legacy systems. Additionally the modernization project will include enhancements needed to support the Patient Protection & Affordable Care Act (ACA).

The initial approach to this project was to custom develop a solution in-house between DHS and ITD. That approach was retired in late 2014 based on the availability of newly accessible third party solutions proving their viability in other states. The current approach is to install an eligibility system, provided by consulting firm Deloitte, through a phased, "iterative" implementation approach that breaks out multiple "releases" into individually baselined phases. Each phase will finish with the delivery of business functionality (either in "production" or completed yet held for a final production rollout). Each phase will be reported on individually in the summary reports, while a roll up of program costs and schedule status will appear in this cover letter.

The project is **currently working on RELEASE 1**, which has a baseline budget of $30,601,630, and a baseline completion date of April 4, 2016, with this initial phase of product rollout scheduled to occur Dec. 7, 2015. **RELEASE 1** has an overall operational status of GREEN when measured against current plans. At the end of Q3 2015, the budget variance for **RELEASE 1** is reporting as 7.2% UNDER and the schedule variance is reporting as 0.4% BEHIND

*It is currently estimated that the duration for the **TOTAL PROJECT** may stay active through 2017 and may cost between $105,000,000 and $120,000,000.*

Agency	Program or Multi-Phased Project
Workforce Safety and Insurance	System Replacement Program (SRP)

The Workforce Safety and Insurance (WSI) System Replacement Program (SRP) will replace core business applications in order to improve customer service, meet WSI's anticipated demand for growth and enable WSI to remain current with technology.

A phased, "evolution" implementation approach will be used in which the overall program is broken into multiple phases, which are then broken into multiple projects. Each project will finish with the delivery of business functionality. Each project will be reported on individually, while a roll up of program costs and schedule status will appear in this cover letter.

The WSI SRP **PROGRAM** completed Phase 1 (an initial program planning phase) on June 30, 2015, on time and under budget (actual costs $162,093). The program is **currently working on Phase 2, Project 1**.

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Phase 2, Project 1, which has a baseline budget of $1,630,288, and a baseline completion date of May 19, 2016, has an overall operational status of GREEN when measured against current plans. At the end of Q3 2015, **Phase 2, Project 1** budget variance is reporting as 19.4% UNDER and the schedule variance is reporting as 13.9% AHEAD.

*It is currently estimated that the duration for the **TOTAL PROGRAM** may take seven to eight years to complete (2022-2023) and may cost up to $30,000,000.*

The following 4 projects have a budget in excess of $5,000,000 and will also receive ongoing cover letter reports regardless of project health.

Agency	Project
Department of Human Services	Medicaid Systems Project
This project has been rebaselined multiple times and has a current overall operational status of GREEN compared to its current baseline. The budget variance is reported as 2.3% UNDER and the schedule variance is reported as 3.9% behind in relation to this latest baseline. The project went live on October 5th and will provide a closeout report in Q4. Late milestones, deliverables, and change requests will be completed during operations. The original end date for the project was July 31, 2009 with an original budget of $62,529,371.	
Agency	**Project**
Information Technology Department	North Dakota Statewide Longitudinal Data System (formerly EdSmart)
This project has an overall operational status of GREEN. The budget variance is reported as 15.5% UNDER and the schedule variance is reported as 0% BEHIND when measured against their approved baselines. In order to leverage the remaining grant funding, additional scope was added to the postsecondary work and a no-cost extension of the grant was approved. The project schedule was rebaselined to accommodate the additional work. The project is under budget, mainly due to resource constraints at the start of the 2012 grant work. Key accomplishment is the completion of Iteration 4 of the postsecondary scope.	
Agency	**Project**
Secretary Of State	SOS File 2.0
This project has an overall operational status of GREEN when measured against the current plan. At the end of Q3 2015, the budget variance is reporting as 3.4% UNDER and the schedule variance is reporting as 2.2% BEHIND (an average of the CIS effort and the BPM effort). Both efforts have been progressing well, and the BPM effort completed this quarter.	
Agency	**Project**
Department of Transportation	Motor Vehicle System Redesign
This project has an overall operational status of GREEN. The budget variance is reported as 29.2% UNDER and the schedule variance is reported as 1.0% AHEAD when measured against their approved baselines. The project continues to progress with no significant risks or issues.	

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Of the remaining 7 active projects, 4 were rated as GREEN, 3 were rated YELLOW, and 0 were rated RED. The following 2 active projects are being monitored closely due to budget/schedule variance concerns.

Agency	Project
Department of Health	North Dakota Immunization Information System
This project has an overall operational status of YELLOW. The budget variance is reported as 19.8% UNDER and the schedule variance is reported as 18.2% BEHIND when measured against their approved baselines. Due to the negative schedule variance in Q2, the project presented a re-plan strategy to SITAC and is hoping to complete the re-plan in Q4. However, during Q3 the project team was able to address some of the issues and recover much of the schedule variance. Key accomplishment this quarter was deploying 12 work packages to production.	
Agency	**Project**
Veterans Home	Electronic Medical Records
This project is reporting YELLOW overall. The project is reporting 209.7% BEHIND schedule and 9.6% UNDER budget when measured against the current baseline. This project has been in production use and providing value since February 3, 2014, for the clinical module and March 1, 2014 for the financial module. However, due to disagreements with the vendor regarding functionality which the Veteran's Home expected to be included in the project, the project and contract are being held open until the disagreements are resolved.	

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Please refer to the Large Project Quarterly Report for more information about each project. Feel free to contact me with any questions.

Sincerely,

Mike Ressler

Mike Ressler
Chief Information Officer