Information Technology Department

4201 Normandy Street ● Bismarck, ND 58503-1324 ● (701) 328-3190

August 19, 2016

TO: Members of the Legislative IT Committee
Legislative Council
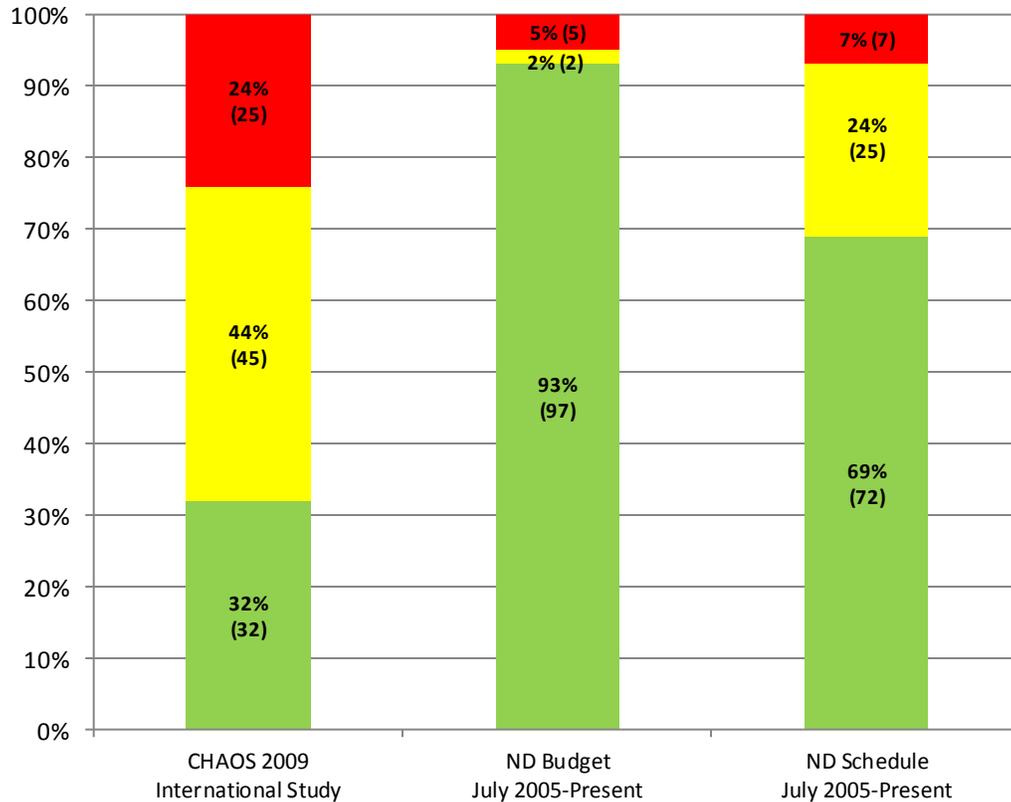
RE: Large Project Summary Report

Greetings,

Attached to this cover letter is the Large Project Summary Report for the period ending June 30, 2016.

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
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One project reported complete this quarter.

Agency	Project	Budget	Schedule
Adjutant General	Statewide Seamless Base Map	Under	Over

Three projects reported in the planning stage this quarter.

Agency	Project
Department of Human Services	Electronic Health Records
Department of Human Services	Health Enterprise Operating Rules
Information Technology Department	SLDS Data Utilization Project

One project moved into the execution phase this quarter.

Agency	Project
Workforce Safety and Insurance	Claims and Policy System: PHASE 2, RELEASE 2

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The following **two** items are programs or large, multi-phase projects 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' Self-service Portal and Consolidated Eligibility System (SPACES) project will replace core business applications that determine "eligibility" for Medicaid, Children's Health Insurance, and Temporary Assistance for Needy Families, Supplemental Nutrition assistance, Child Care Assistance, and Low Income Home Energy Assistance programs 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 current project approach is to transfer a system by Deloitte through a phased approach with individually baselined phases. 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 resolving key post-production issues from the **Release 1** rollout while also planning **Release 2**. **Release 1** had an original baseline budget of $45,436,315, and an original baseline completion date of April 4, 2016. **Release 1** has a current baseline budget of $50,943,770, and a current baseline completion date of May 8, 2016. **Release 1** has an overall operational status of GREEN when measured against current plans. At the end of Q2 2016, the budget variance for **Release 1** is reporting as 7.5% UNDER and the schedule variance is reporting as 0.1% BEHIND. **Release 2** is currently in the planning phase. This planning phase has a budget baseline of $21,366,296, and is expected to be completed Oct. 31, 2016. At that time, the cost to implement the **Release 2** product will be baselined.

*It is currently estimated that the duration for the **TOTAL PROJECT** may stay active through 2017 and may cost up to $112,000,000.*

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

The Workforce Safety and Insurance (WSI) Claims and Policy System (CAPS) 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 CAPS **PROGRAM - PHASE 2**, **RELEASE 2** is in progress and has an overall operational status of GREEN when measured against its current plans. At the end of Q2 2016, the budget variance is reporting as 10.5% UNDER and the schedule variance is reporting as 1.4% AHEAD. The program completed **PHASE 1** (an initial program planning phase) on June 30, 2015, on time and under budget. **PHASE 2, RELEASE 1** completed on April 7, 2016, also ahead of schedule and under budget.

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> *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 **three** projects have budgets in excess of $5,000,000 and they will receive ongoing cover letter reports regardless of project health.

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 3.6% UNDER and the schedule variance is reported as 0% AHEAD when measured against their approved baselines. Grant funding was extended so the remaining dollars could be used to finish the project. Iteration 6 completed and Iteration 7 is scheduled to complete September 30, 2016. Iteration 7 focuses on completing the student finance domain and creating reports for NDUS end users. Project closeout is anticipated in October 2016.	
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 Q2 2016, the budget variance is reporting as 1.3% OVER and the schedule variance is reporting on schedule. The BPM effort completed Q3 of 2015 and the Central Indexing System CIS went live 3/1/2016. The project is currently in the procurement phase for a new business registration and licensing system referred to as Business and Licensing System (BLS).	
Agency	**Project**
Department of Transportation	Motor Vehicle System Redesign
This project completed execution and will move into the status of closing in Quarter 3 with an overall status of GREEN. The budget variance stands at 6.4% under budget and the schedule variance at 0.0% as the system was implemented on the planned date of June 13, 2016.	

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Of the remaining **three** active projects, **two** rated as GREEN, **one** rated YELLOW, and **zero** as RED.

For this quarter, we are monitoring **one** active projects for budget/schedule variance concerns.

Agency	Project
Bank of North Dakota	Managed File Transfer
This project has an overall operational status of YELLOW. The budget variance is reported as 22.3% UNDER budget and the schedule variance is reported as RED with 26.7% behind schedule when measured against the approved February 2016 revised baseline. The recovery plan is send a letter to the vendor and to re-plan the remaining effort, to include incorporating the deliverable acceptance criteria items in the schedule in order to get better vendor participation.	

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

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