May 26, 2017

TO: Members of the Legislative IT Committee and
Legislative Council

RE: Large Project Summary Report

Greetings,

Attached to this cover letter is the Large Project Summary Report for the period ending on March 31, 2017.

The graph below contains a historical review of all projects completed to date. The definition of the legend for the graph is also below, and it 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)
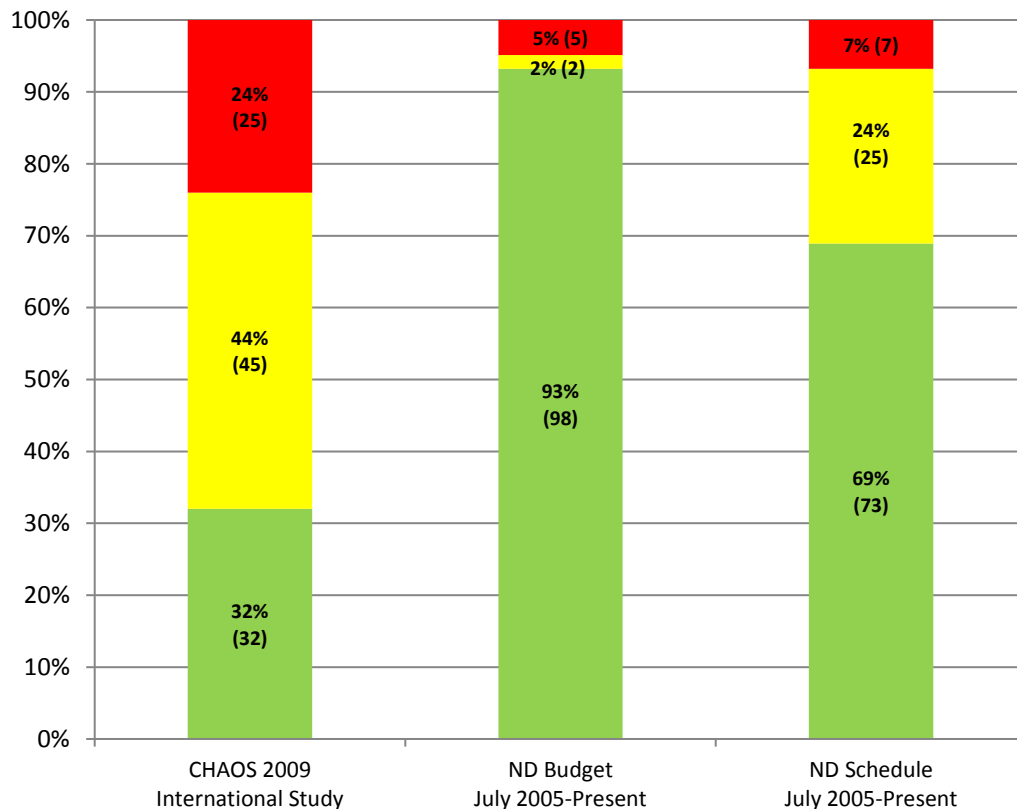
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Two programs or large, multi-phase projects reported closed phases or projects this quarter.

Agency	Program/Project-Phase	Budget	Schedule
Department of Human Services	Eligibility System Modernization (SPACES) – Release 1	Under 2.1%	On 0%
Workforce Safety and Insurance	Claims and Policy System: PHASE 2, RELEASE 3	Under 17.5%	On 0%

No projects reported complete this quarter.

Agency	Project	Budget	Schedule

Two projects reported in the planning stage this quarter.

Agency	Project
Department of Human Services	Electronic Health Records
Secretary Of State	File 2.0 – Business Licensing System

One project moved into the execution phase this quarter.

Agency	Project
Workforce Safety and Insurance	Claims and Policy System: PHASE 3, RELEASE 4

Information Technology Department

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The following **three** 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, Temporary Assistance for Needy Families, Supplemental Nutrition Assistance, Child Care Assistance, and Low Income Home Energy Assistance programs which are currently administrated via five legacy systems. Additionally, the modernization project includes enhancements related to 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 completed the resolution of post-production defects from the **Release 1** rollout on March 9, 2017. Meanwhile, the planning of **Release 2** (which is also the final release for the project) continued. **Release 1** had an original baseline budget of $45,436,315, and an original baseline completion date of April 4, 2016. Release 1 had a final baseline budget of $50,943,770, and rolled out to production on February 8, 2016. **Release 1** completed with an overall operational status of GREEN when measured against final plans with a budget variance of 2.1% UNDER and a schedule variance of 0%. **Release 2** is currently in the planning phase with a portion of the work baselined, and some final portions remaining to be baselined. When all the planning activities are completed the cost to implement the **Release 2** product will be baselined.

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

Agency	Program or Multi-Phased Project
Secretary of State	File 2.0 – Business Licensing System (BLS)

The Office of the Secretary of State (SOS) File 2.0 project will replace core business applications for business services, campaign finance, central indexing, licensing, notary, and administration. The overall solution or program will allow SOS personnel to manage the filing process more efficiently as well as allow public users to file documents and make online inquiries regarding filed documents.

As of Q4 2016, the File 2.0 overall project is using the Iterative Project Report to provide quarterly reporting on the new **File 2.0-BLS** project to Large Project Oversight. For Q1 2017, the **File 2.0 - Business and Licensing System (BLS) project of File 2.0** completed the planning phase and moved into execution as of March 22, 2017 with a status of GREEN and an approved budget of $2,700,000.

The following projects either canceled or completed to make up the overall program for the File 2.0 project, **Phases 1-5** cancelled with actual cost of $4,001,232, **Campaign Finance**, completed 5/1/2014 with actual cost of $60,665, the **Business Process Modeling**, completed 9/4/2015 with actual cost of $400,000 and the **Central Indexing System**, completed 12/1/2015 with an actual cost of $888,390.

The current estimate that the duration for the TOTAL PROJECT is scheduled to be active through 3rd quarter 2018 and may cost up to $7,654,287.

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 to improve customer service, enhance system maintainability, and provide enhanced reporting and accessibility to information. This will enable WSI to remain current with technology and take advantage of technology enhancements as they occur while conforming to standard industry best practices.

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 in the summary report, while a roll up of program costs and schedule variance will appear in this cover letter.

The WSI CAPS PROGRAM - **PHASE 2, RELEASE 3** completed on February 24, 2017 with an overall operational status of GREEN. The budget variance is reported as 17.5% UNDER and the schedule variance is reported as 0% AHEAD when measured against the approved baselines.
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, ahead of schedule and under budget. **PHASE 2, RELEASE 2** completed September 30, 2016 on time and under budget.

It is estimated that the duration for the entire program may take seven to eight years to complete (2022-2023) and may cost up to $30M.

The following **one** project has a budget of more than $5,000,000 and it will receive ongoing cover letter reports regardless of project health.

Agency	Project
Information Technology Department	SLDS Data Utilization Project

This project has an overall operational status of GREEN. The budget variance is 16.9% UNDER and the schedule is reported as 0% AHEAD when measured against the approved baseline. Iteration 3 consisting of 4 grant plan tasks in the instructional support and workforce supply/demand areas, completed March 31, 2017. Progress continues in the other areas, to include content development for instructional modules, outreach to stakeholders, reverse transfer and security setup to interact with Campus Solutions. Work has started on the workforce supply/demand requirements.

Of the remaining **seven** active projects, **six** rated as GREEN, **one** rated as YELLOW, and **zero** rated as RED. For this quarter, we did not monitor **any** active projects for budget/schedule variance concerns.

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

Sincerely,

Shawn Riley

Shawn Riley
Chief Information Officer

State of North Dakota
www.nd.gov