Information Technology Department

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

August 28, 2017

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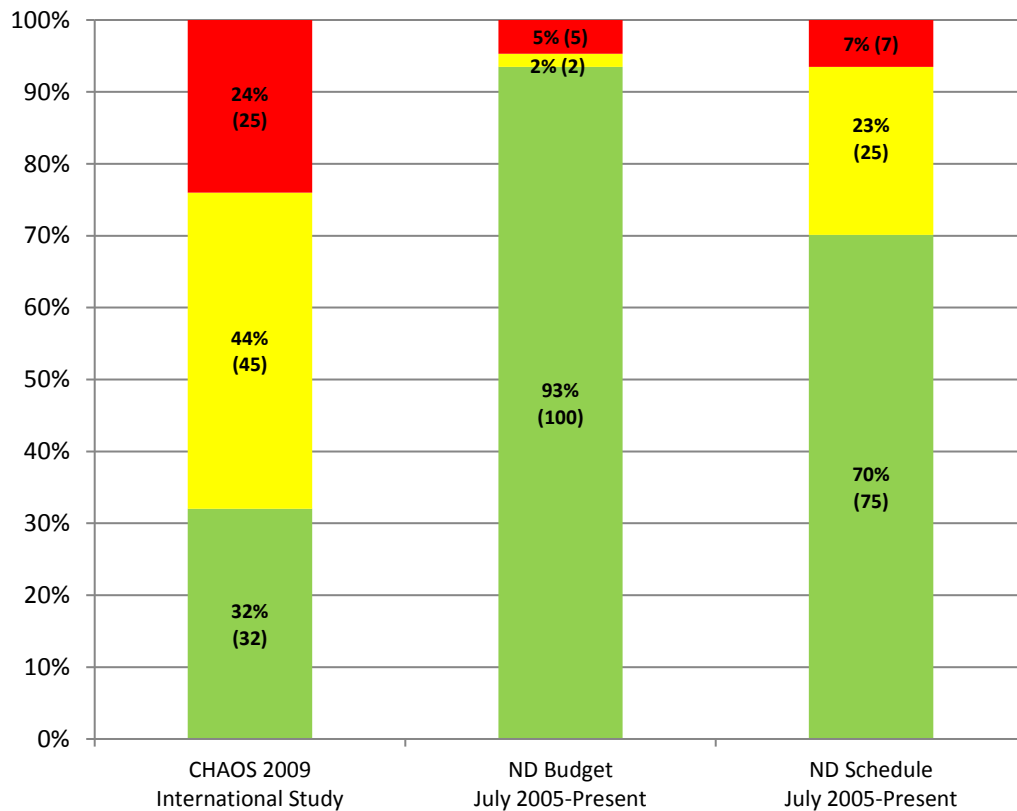
RE: Large Project Summary Report

Greetings,

Attached to this cover letter is the Large Project Summary Report for the period ending on June 30, 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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No programs or large, multi-phase projects reported closed phases or projects this quarter.

Agency	Program/Project-Phase	Budget	Schedule

Two projects reported complete this quarter.

Agency	Project	Budget	Schedule
Department of Human Services	Transformed Medicaid Statistical Information System (TMSIS)	Under 2.4%	Over 4.1%
Workforce Safety and Insurance	Extranet Portal	Under 7.1%	On 0.0%

Four projects reported in the planning stage this quarter.

Agency	Project
Department of Human Services	Eligibility System Modernization (SPACES) – Release 2
Department of Transportation	RealID
Department of Trust Lands	Trust Lands IT System Replacement
Workforce Safety and Insurance	myWSI (Extranet) Enhancement

Two projects moved into the execution phase this quarter.

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

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The following **three** items are programs or large, multi-phase projects managed in an "iterative" fashion. Because they have budgets more than $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 project is transferring and customizing a system by Deloitte through a phased approach. Each phase is reported on individually in the summary reports, with a roll up of overall costs and schedule status in this cover letter.

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 Feb. 8, 2016, with the resolution of post-production defects on March 9, 2017. **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 most the work baselined, and only the "reporting" work to be finalized. The scope of this work is currently being re-negotiated between the state and Deloitte. Additionally, there are two key risks that are currently elevated. First, planning for **Release 2** has taken months longer to complete than originally anticipated, and secondly, there are several key state staff that are leaving the project. These factors have moved the project from "GREEN" to "YELLOW". When all planning activities are completed the schedule and cost to implement the **Release 2** product will be baselined.

It is currently estimated that the duration for the TOTAL PROGRAM will stay active into 2018 and may cost up to $126,000,000.

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 Q2 2017, the **File 2.0 - Business and Licensing System (BLS) project of File 2.0** overall status of GREEN and an approved baseline budget of $2,700,000. The budget variance is reported as 9.8% UNDER and the schedule variance is reported as 1% AHEAD when measured against the approved baselines.

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 in order 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 3, RELEASE 4** is in progress with an operational status of <mark>GREEN</mark>. The budget variance is reported as 2.8% OVER and the schedule variance is reported as 2.4% BEHIND 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. **PHASE 2, RELEASE 3** completed February 24, 2017 on schedule 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.

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

Agency	Project
Department of Human Services	Electronic Health Records
This project has an overall operational status of GREEN. The budget variance is 3.3% UNDER and the schedule is reported as 65.1% AHEAD when measured against the approved baseline. Due to the extensive analysis effort, the vendor is completing some early design and development tasks faster than anticipated due to minimal changes to analysis design and initial configuration. However, as the project continues to progress, the variance is expected to revert to numbers closer to the planned timeline during the next quarter.	
Information Technology Department	SLDS Data Utilization Project
This project has an overall operational status of GREEN. The budget variance is 20.7% UNDER and the schedule variance is reported as 0% (on schedule) when measured against the approved baseline. Iteration 4 completed June 30, 2017. Progress includes content development for 11 of the 13 instructional modules; providing subject matter experts with PowerBI; creating an initial data model (which is currently being evaluated and modified); and developing the Year 3 map.	

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

For this quarter, we monitored **one** active project for budget/schedule variance concerns.

Agency	Project
Department of Human Services	Health Enterprise Operating Rules
This project has an overall operational status of YELLOW. The budget variance is 6.3% OVER and the schedule variance is reported as 28% BEHIND when measured against the approved baseline. As of June 8, 2017, all releases have been put into production. However, there are issues with one piece of functionality, the Translation CR, from Release 2, which is also holding up vendor payment for the Release 2 deliverable. The project team is planning to have this fixed and in production in August 2017. Schedule variance is due to initial delays with Releases 3 and 4, and the delays caused by the Translation CR issues.	

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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
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