

# **ITIB Commonwealth IT Solutions Committee**

## **Project Review**

**Department of Rehabilitative Services (DRS)/  
Disability Services Agencies (DSA) –  
Integrated Financial Management System (IFM)**

Presented by

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# **Business Problem Statement**

- **The Disabilities Services Agencies (DSA) current Fiscal System resides on the HP 3000/987 platform and has since 1988.**
- **Since 2002, Hewlett Packard discontinued the HP 3000 series of minicomputers. All support services were discontinued in 2007.**
- **Due to the demise of the HP, the DSA will have migrated all HP based application software to MS Windows servers by the end of 2008 EXCEPT the current Fiscal System.**
- **The DSA spends about \$200M per year.**
  - **About 10% is administrative purchases that use direct data entry.**
  - **About 45% is payroll expense that uses CIPPS.**
  - **The remaining 45% is direct client services that uses data exchange services with case management computer systems.**
- **To support the data exchange services, the DSA needs a fiscal system designed for data exchange.**
- **The current DSA fiscal system is 20 years old. A more modern system should capitalize on a graphical user interface and the executive functions of Windows to expedite training and data exchange with MS Word and MS Excel.**

# IFM Functionality

- **General Ledger for Six State Agencies**
- **Daily Entry and Import of 1300-1400 Expense Transactions and Export to CARS**
- **Import of CIPPS Transactions and Payroll Processing for 1500+ employees**
- **Import of Case Management Payables and Export of Payment Data**
- **Import and Export Purchase Order and Contracts Information**
- **Grants Management Tracking and Analysis**
- **W9's and IRS1099's Processing**
- **Management Reporting and Statistical Tracking and Reporting**
- **End Of Month and End of Year Processing for Synchronization to CARS**

# Project Scope Statement

- The IFM Project is an effort to integrate all fiscal processes, fiscal data management systems and data exchange processes for five DSA agencies and their subordinate units into a single seamless application computer system.
  - Department of Rehabilitative Services, (DRS)
  - Woodrow Wilson Rehabilitation Center, (WWRC)
  - Department for the Blind and Vision Impaired, (DBVI)
  - Virginia Rehabilitation Center for the Blind and Vision Impaired (VRCBVI)
  - Virginia Department for the Deaf and Hard of Hearing (DDHH)
  - Virginia Board for People with Disabilities (VBPD)
- The proposed system will interface with all appropriate Commonwealth enterprise fiscal and purchasing systems, as well as internal data management systems which exchange financial information.

# Project Technical Solution

- The proposed system, Mitchell Humphrey's FMS II is already in production for the Department of Mental Health (DMH). The base product will be the DMH version, already operating a CARS interface. It will be customized for processing of federal, state, local and grant funding sources, data exchange with case management systems, data exchange with eVA and provide output files and reports required for specific compliance with our funding source authorities.
- The application server will be hosted and supported by VITA in the DRS Central Office and transferred to the new VITA facility when the center has stabilized and appropriate services are available and sustainable.
- Such a system will ride on an existing network infrastructure, current workstations and Information Services (IS) Division staff trained to operate and maintain the application software and underlying data base.

# Project Management Oversight Organization

- Project Manager: Interim - **Sue Kropp.**
- **The Full Time PM has been vacant since May 9. A new PM begins work 7/25/08. The last PM was using the Short Term Disability program from January through April, 2008.**
- Project Sponsor: **Agency Heads of the DSA including:**
  - **James Rothrock, Commissioner, DRS**
  - **Raymond Hopkins, Commissioner, DBVI**
  - **Ron Lanier, Agency Head, DDHH**
  - **Heidi Lawyer, Agency Head, VBPD**
- Date of Last IAOC Meeting: **June 25, 2008**
- Date of Last Secretariat Oversight Committee Meeting: None.
  - **Instead, as needed, meetings are informal, average every two months, occur on the phone between myself, Commissioner Rothrock and SHHR Deputy Secretary Gail Jaspén. We discuss project issues and mitigation plans.**

# Major Project Milestones

<b>Milestone</b>	<b>Planned Start Date</b>	<b>Actual Start Date</b>	<b>Planned Completion Date</b>	<b>Actual Completion Date</b>
Project Initiation (Development Approval)	7/11/2006	7/11/2006	3/27/2007	1/17/2007
Initiation Phase	6/11/2006	7/11/2006	5/23/2007	4/30/2008
<b>Project Execution</b>				
Execution Phase IV&V (if required)	5/1/2008	5/1/2008	7/11/2008	
Discovery Phase	2/25/2008	2/25/2008	6/11/2008	6/25/2008
Design Phase	6/11/2008	6/26/2008	8/27/2008	
Development Phase	10/1/2008		1/15/2009	
Testing Phase	1/16/2009		3/30/2009	
Training Phase	4/1/2009		5/1/2009	
Implementation Phase	5/1/2009		3/20/2010	
Final Acceptance	3/21/2010		3/31/2010	
Project Closeout	4/1/2010		4/30/2010	
Closeout Phase IV&V	4/1/2010		4/30/2010	

# Project Budget Baseline & Expenditures to Date

<b>Expense Category</b>	<b>Project Baseline</b>	<b>Planned Cost to Date</b>	<b>Actual Cost to Date</b>
Internal Staff Labor	191,250	30,000	25,000
Services	648,000	162,000	81,000
Software Tools	162,000		
Hardware	45,000	45,000	1,385
Maintenance	0		
Facilities	0		
Telecommunications	5,000		
Training	20,000		
IV & V	140,000		
Contingency	120,000		
<b>Total</b>	<b>\$1,329,098</b>	<b>\$302,832</b>	<b>107,385</b>

# Summary of Baseline Changes

Baseline Event	Date	Baseline (Schedule/Cost/Scope) Impact
Development Approval Granted	3/27/2007	Established Baselines
Extension of project schedule	3/26/2008	Original project planned for 2 agencies to be implemented on 7/21/2008. Approved plan changes to all 6 agencies to be implemented by 4/01/2010. Internal & IV & V cost increased from \$1,310,000 to \$1,329,098.
Change in Project Manager	05/01/2008	Upon the illness and then the, resignation of the Samantha Cruz-Hill, Sue Kropp will be Acting PM until a permanent PM can be hired.
Pending Change Request	None	

# Anticipated Benefits

- Replacing Outdated Software Operating on Unsupported Hardware. (Overall Cost Savings)
- New software to have look and feel of Windows environment.
- Improve operational efficiencies that result from the merger of all fiscal management systems into:
  - a single modern platform,
  - database and programming language.
  - streamline processing and management reporting.
- Combine and integrate systems.
- Utilize a system that is operated by other agencies in Virginia to share the knowledge base.

# Preliminary Complexity Analysis

## Project Complexity Model

<b>Interim Score</b>	<b>174</b>
<b>Low Complexity</b> 55-124 Range	<b>Score</b>
<b>Medium Complexity</b> 125-210 Range	<b>Score</b> <b>174</b>
<b>High Complexity</b> 211-338 Range	<b>Score</b>

<u>Required Documentation</u>
Planning - Project Plan Executive Summary (template) Planning - Project Performance Plan (template) Planning - Work Breakdown Structure (template) Planning - Project Schedule (template) Planning - Budget Plan (template) Planning - Procurement Plan (template) Planning - Risk Management Plan (template) Planning - Communications Plan (template) Planning - Change and Configuration Management Plan (template) Planning - Quality Management and IV&V Plan (template) Execution - Status Report (template) Execution - Issue Log and Issue Management (template) Execution - User Acceptance (template) Execution - Close Report (template) Ops & Support - Post Implementation Report

<b>Question Number</b>	<b>Project Complexity Question</b>	<b>Answer Lists</b> (Note--when you click in each answer cell, a drop down list arrow will appear)
1	What is the total project cost?	Greater than \$1 Million
2	What is the estimated total cost for hardware?	Less than \$100,000
3	What is the estimated total cost for software?	Between \$100,000 and \$500,000
4	What is the estimated cost of application development or software configuration services?	Between \$100,000 and \$500,000

# Preliminary Complexity Analysis - Continued

5	How much confidence is there in the expenditure and funding projections?	Accuracy of budget estimate is greater than 95% and less than or equal to 100%.
6	What percentage of the agency budget does the project represent?	Project is less than 2% of the agency budget
7	Is the project sponsor fully resourcing the project?	Sponsor has control of some of the resources needed
8	What is the size of the Project Team (Full Time Equivalents)?	2 to 5 people
9	What is the Project Manager's Authority over the project?	Moderate
10	To what degree are the project team members collocated?	50%-90 of team in same location
11	What is the project's duration?	Duration is 6 to 12 months
12	How much variation in the timeframe can be tolerated?	Schedule can tolerate minor variations
13	Are there any dependencies and/or inter-related projects?	There are some dependencies and/or inter-related projects, but considered low risk
14	Has the agency and/or vendor executed similar projects?	Agency and vendor have executed many similar projects successfully
15	Does the project address State and Federal mandates?	The project enhances accomplishment of State and Federal mandates
16	How will the failure of the project impact the customers?	Impact of project failure on customers is high
17	What is the anticipated involvement of the End Users with System Design and Testing?	Highly involved with development team, provide significant input and have significant ownership of system

# Preliminary Complexity Analysis-Continued

18	What is the anticipated involvement of the End Users in the Definition of Project Requirements and Scope?	Requirements well-established, baseline defined, user acceptance high, and few changes
19	How important is the project to successful execution of agency core business activities?	The project is important to the organization core business activities
20	How significant will the project's impact be on the business process?	Critical business processes are impacted
21	How large of an organizational impact will the project have in the Commonwealth?	Impacts a number of business units
22	Is the project using proven technology?	The technology is proven and has been available for a number of years
23	Is the proposed solution applied in a New, Proven, or Tried way?	Application of the technology is tried and proven
24	Does this project require data conversion?	Data conversion from other sources has some impact
25	What is the overall risk evaluation of the project (see Project Proposal)?	Medium risk

# & Preliminary Risk Analysis

Project Risk Model			
A	B	C	D
<b>Project Risk Model</b>			
<b>Total Project Risk Score</b>			<b>Component Risk Assessments</b>
	<b>Interim Score</b>	<b>34</b>	
	<b>Low Risk</b>	<b>Score</b>	<b>Low Budget Risk</b>
	<b>1 - 35</b>	<b>34</b>	<b>Med External Dependencies Risk</b>
	<b>Medium Risk</b>	<b>Score</b>	<b>Low Management Risk</b>
	<b>36 - 72</b>		<b>Med Mission Critical Risk</b>
	<b>High Risk</b>	<b>Score</b>	<b>Med Failure Risk</b>
	<b>&gt; 72</b>		<b>Low Complexity Risk</b>
	<b>Question Number</b>	<b>Project Risk Question</b>	<b>Answer Lists</b> (Note--when you click in each answer cell, a drop down list arrow will appear)
<b>Budget Risk</b>	1	What is the estimated total project cost?	Project cost is greater than or equal to \$1 million and less than or equal to \$5 million.
	2	What percentage of the agency budget does the project represent?	The project is less than 2% of the agency budget.
	3	Have sufficient project funds been budgeted and allocated?	All funding is budgeted and allocated.
	4	How much confidence is there in the expenditure and funding projections?	Accuracy of budget estimate is greater than 95% and less than or equal to 100%.
	5	Is funding available for maintenance of the project deliverable after project closure?	Maintenance funding is available.
<b>Dependencies</b>	6	Is this project dependent on another projects deliverable?	The project will utilize other project deliverables.

# Current Risks & Issues

<b>Risk Name</b>	<b>Probability</b>	<b>Impact</b>	<b>Impact Description</b>
Loss of experienced personnel	30%	4	Business knowledge base would be diminished.
Schedule slippage from external causes/sources	50%	5	Delays in Approvals from Central Agencies, IV & V delays, Hardware and software delivery delays.
User Community resistance to change	20%	4	User buy in to the project is critical to the success of the project.
Unable to validated converted data	10%	4	Converted data could cause errors in historical data and will need to be reconciled by the users.
Scheduling with vendor staff to meet delivery dates.	10%	3	Complete cooperation and timely response from the Vendor will be essential to the success of the project.

# Measures of Success (Project Charter)

Objective	Performance Goal	Methodology
<p>Replace existing HP3000 financial management software</p>	<p>Have the look, feel and operation of a Windows operating environment, reducing training efforts and increasing ease of use.</p>	
<p>Improve operational efficiencies that result from the merge of all fiscal management systems into a single, modern platform, database and programming language.</p>	<p>Reduce cost and improve response time for the users.</p>	
<p>This is the most significant information technology initiative of the Disability Services Agencies. It focuses the use of information technology resources towards activities that maximize improvements in agencies' mission performance. These activities are linked to costs of customer services provided and tracked and managed in our fiscal processing systems, through management reporting and accountability reporting to the funding authorities.</p>	<p>Provide the users and management with tool to track cost and add statistics capture capability so that unit cost can easily be computed.</p>	
<p>Provide IFM practices using a single computer operating system, database system and application system, reducing information technology development and maintenance costs. Integrate what is currently a variety of systems and paper files into one secure and organized location. Minimize risks associated with security and confidentiality of data. System must be accessible by and adaptable to changing and numerous client (PC) hardware configurations.</p>	<p>Combine and integrate systems and move to a more secure environment and reduce maintenance efforts on hardware and software.</p>	

# Project Manager/Agency Project Sponsor Assessment of the Project

- Recruitment of the Permanent Project Manager
  - Interviews have been held and an offer has been extended and accepted.
  - New PM to start July 25, 2008
- The status of the IV&V review that is being done.
  - The date of a Planning Phase IV&V was set for Spring, 2008. With approval of the Change to the Project Charter in March, 2008, the IV&V was postponed to allow completion of the Initiation and Discovery Phases and availability of critical project staff.
  - Contract Awarded in late May, 2008
  - Study was completed in June, 2008,
  - Draft forwarded to DRS July 9, 2008. Initial assessment is that we already have a reasonably strong project. There are errors in the report, however, that need to be corrected.
- Overall Progress of the Project.
  - Discovery Phase is Completed & Approved.
  - Have moved into Design Phase
  - Progress over the past two months is moving us back on schedule.
  - Agency moved from “yellow” status in April, 2008 to “green” status for the past two months.