UC MODERNIZATION PHASE 2B - REQUIREMENTS	PROJECT STATUS REPORT FOR JANUARY 2011	AGENCY FOR WORKFORCE INNOVATION

AS OF FEBRUARY 4, 2011

SECTION I — PROJECT SUMMARY (TRW)

Table I – Project Summary			
Agency/Department Information		**TRW Information**	
Executive Sponsor: Cynthia Lorenzo		**Received Date:**	
Project Director: Tom McCullion		**Status Meeting Date:**	
Project Manager: Linda Fuchs		**TRW Analyst:**	
Answer the following questions based on the last submitted Operational Work Plan.	**YES**	**NO**	
Is the project currently on schedule?	YES		
Do you expect the project to complete on schedule?	YES		
Are there any scope changes?		NO	
Are there any risks or issues that the agency is not successfully managing?		NO	
Is the project currently within budget?	YES		
Do you expect the project to remain within budget?	YES		

1) If the project is not on schedule, briefly explain why and what the agency is doing to bring the project back on schedule.

   N/A

2) If the project is not on budget, briefly explain why you do not expect the project to remain within budget and what the agency can do, if anything, to bring the project back within budget.

   N/A

3) Briefly summarize the impact of any necessary scope changes identified in Section II-D of this report.

   None

SECTION II — PROJECT PROGRESS

A. Project Milestones & Deliverables Accepted or in Progress this Reporting Period

From the last submitted Operational Work Plan (OWP), list in the following table the major milestones and deliverables that are in progress, accepted, or scheduled for acceptance during this reporting period and the next. Also list major milestones and deliverables that occurred but were not scheduled in the OWP during the reporting period. Identify the status of each line item and explain any actual or anticipated variance greater than 5% in planned vs. actual dates.

Table II-A — Project Milestones & Deliverables this Reporting Period				
Major Deliverable/Milestone & Description	**Planned Start Date**	**Planned Acceptance Date**	**Actual Acceptance Date**	**Status/Variance Explanation/Comment**
Project Administration (Ramp-up for Phase 3)	07/01/10	02/28/11		
Negotiations and Contract Development	10/08/10	01/13/11		**Awaiting BAFO**
Final Contract Approval	**01/14/11**	**02/28/11**		

B. Major Project Tasks & Activities Accepted or in Progress this Reporting Period

From the last submitted OWP, list in the following table the tasks and activities from the project's work breakdown structure that are in progress, accepted or scheduled for acceptance during this reporting period. Explain any actual or anticipated variance greater than 5% in planned vs. actual dates.

Table II-B — Major Project Tasks & Activities this Reporting Period				
Task/Activity Item & Description	**Planned Start Date**	**Planned Acceptance Date**	**Actual Acceptance Date**	**Status/Variance Explanation/Comment**
Negotiations	10/08/10	12/17/10		**Awaiting BAFO**
Intent to Award Recommendation	**12/13/10**	**12/13/10**		**Scheduled for 02/09/11**
Posting of Intent to Award	12/17/10	12/17/10		**TBD – based on outcome of the Intent to Award Recommendation**
Contract Final Execution by the Agency	**02/25/11**	**02/25/11**		
Contract Start	**02/28/11**	**02/28/11**		

C. Reports & System Interfaces Accepted or in Progress this Reporting Period

From the last submitted OWP, list in the following table the reports and system interfaces that are in progress, accepted or scheduled for acceptance within this reporting period. Indicate whether each item meets federal, state, or local reporting requirements. Explain any actual or anticipated variance greater than 5% in planned vs. actual dates.

Table II-C — Reports & System Interfaces this Reporting Period				
Report/System Interface & Description	**Planned Start Date**	**Planned Acceptance Date**	**Actual Acceptance Date**	**Status/Variance Explanation/Comment**
None				

D. Scope Changes Identified this Reporting Period

List in the following table any changes from the original project objectives and deliverables that impact the project schedule or budget. Items listed should be all scope changes identified during this reporting period, including those that may impact the project in later reporting periods.

Table II-D — Scope Changes this Reporting Period					
	Cost Impact		Schedule Impact		
Scope Change Description	Yes/No	Cost	Yes/No	Schedule Change	Explanation of Need and Cost/Schedule Change Impact
Have proposed to move from a three-phase implementation to one.	Yes	TBD	Yes	TBD	A single phase implementation will reduce the overall timeline, cost, and risk to the project.

SECTION III — PROJECT ISSUES

An issue is an immediate problem that requires resolution or an important, unanswered question related to the project. Issues can roll in/out as they arise and are dealt with by the project team. Issues can be operational, functional, or technical in nature (e.g. user satisfaction/buy-in, process change requirements, training attendance, reporting, deployment, and staff acquisition), and may impact the project's timeline, resources, and/or quality of deliverables. Unlike a risk, the project team can usually resolve an issue.

Project Issues this Reporting Period

List in the following table any problems requiring immediate resolution. Items listed should include all open issues and those resolved within this reporting period, as well as issues identified during this reporting period, including those that may impact the project in later reporting periods.

Table III — Project Issues					
Issue Description	Status (Open/ Closed)	Project Impact	Resolution Approach	Resolution Date	Owner
2) F.S. 443-1113 will need to be revised, removing all references to a phased implementation.	Open	Planned project implementation would be out of compliance with F.S. 443-1113.	Work with AWI Leadership Team to propose revised language and reinstate project compliance with the intent of the law.	5/1/11	Project Director / AWI Leadership Team

SECTION IV — PROJECT RISKS

Risks are factors that may cause a failure to meet the project's objectives. Risks usually relate to future events which may not be under the control of the project team and usually cannot be eliminated. Major risks must be mitigated throughout the project lifecycle. Examples of risks include statutory changes, stakeholder resistance, budget reduction, project size/complexity, project duration, project cost, process change requirements, and contractor reliance.

Project Risks this Reporting Period

List in the following table any factors that may cause a failure to meet the project's objectives. Items listed should include all risks recurring within this reporting period, as well as all risks identified during this reporting period.

Table IV — Project Risks					
Risk Description	**Probability of Occurrence**	**Risk Tolerance Level**	**Mitigation Strategy**	**Mitigation Status**	**Owner**
19) The conceptual To Be system may encompass functionality and/or capabilities not currently supported (or contrary to) existing statute, rule, and/or policy. Impact: Failure to align statute, rule, and policy language may restrict To Be system functionality.	Low	Medium	• Mitigate: Complete a careful review of system functionality and compare/contrast existing language in statute, rule and policy during Requirements Validation in Phase 3. Once the assessment is complete, pursue legislative language changes in concert with AWI legal counsel.	Open	Project Director SI Project Director UC Program Director
20) Due to many unknown factors outside of the project's control (number of responders, negotiations, gubernatorial changes, availability of resources & funding, etc.) the schedule to complete the procurement process may be unrealistic given the current project constraints, risks, and status. Impact: Unattainable or unrealistic project milestones may encourage staff to take inappropriate shortcuts in order to meet the goal.	Low	Low	• Accept: Ensure project planning and scheduling are in full alignment with project realities, the work to be performed, and the expected outcomes of those activities. Continuously monitor scheduled deliverables and milestones in weekly status meetings. Develop a plan to address issues impacting the project schedule. Escalate to Executive Steering Committee if needed.	Open	Project Director
21) (IV&V) The governance structure does not contain a decision framework in sufficient detail to properly govern the project. As a result, it is not clear how risks, issues and changes are escalated through the governance tiers, as well as who is responsible for making decisions.	Low	Low	• Mitigate: This will be addressed as part of the PMO PMP planning for Phase 3.	**CLOSED**	PMO Project Manager
22) (IV&V) Program processes, controls, and disciplines are not in place and not properly institutionalized within the UC2 project. This has resulted in incomplete project planning, inadequate integrated master schedules, lack of appropriate performance management, resource management, and overall poor program visibility.	Low	Low	• Mitigate: This will be addressed as part of the PMO PMP planning for Phase 3.	**CLOSED**	PMO Project Manager
23) Potential Legislative statute changes results in new requirements, not included in the ITN or covered in requirements validation.	**Medium**	**Medium**	• **To Be Determined: Depends on statute chances.**	**Open**	**Business Analysts Manager**

SECTION V — PROJECT SPENDING PLAN

The project spending plan portion of the status report consists of this section and an Excel worksheet. After first updating the Excel project spending plan, complete this section based on the worksheet. Also provide the same information planned for the next reporting period.

A. Discuss the major project costs incurred by the project for this reporting period.
> Negotiation and Contract Support
> Project Management Office
> IV&V Services

B. Identify the major project costs planned for the next reporting period.
> Negotiation and Contract Support
> Project Management Office
> IV&V Services
> Project Kick-Off

C. Specify planned project costs vs. actual project costs based on the last submitted OWP. For the major categories, provide the following information:
1. **Staffing**
   i. State FTE positions: (9.0) Re-engineering Staff & SMEs   Planned: $112,500   Actual: $56,250
   (Not in project cost)
   ii. OPS positions: None
   iii. Contractor positions:

This Period:				
	(3.0) North Highland – Negotiation/ Contract Support	Planned: $75,000	Actual:	$35,375
	(3.0) KPMG – PMO	Planned: $100,000	Actual:	$73,855
	(1.0) ISF – Systems Architect	Planned: $25,833	Actual:	$15,300
	(1.5) Ernst & Young – IV&V	Planned: $41,456	Actual:	$41,456
	(2.0) Faneuil – Business Analysts Team Leads Project Admin Assistant	Planned: $25,000	Actual:	$12,990
Next Period:	(3.0) North Highland – Negotiation/ Contract Support	Planned: $75,000		
	(3.0) KPMG – PMO	Planned: $100,000		
	(1.0) ISF – Systems Architect	Planned: $25,833		
	(1.5) Ernst & Young – IV&V	Planned: $295,076		
	(3.0) Faneuil – Business Analysts Team Leads, Project Admin Assistant	Planned: $25,000		

2. **Deliverables**
   i. This period: Updated Project Management Plans.

   ii. Next Period: Contract.

3. **Major Project Tasks**
   N/A *from a funding perspective.*

4. **Hardware**
   N/A

5. **COTS Software**
   N/A

6. **Miscellaneous Equipment**
   N/A

7. **Other major project costs**
   N/A

8. **Progress payments**
   N/A

D. Indicate the budget vs. actual costs and variance up to and including the reporting period. Discuss any variance from the submitted spending plan in the OWP.
   Budget: $2,728,884
   Actual: <u>$1,739,960</u>
   Variance: $988,924

   Current Spend Plan is based upon a projection back in June 2010 and indicates Expenses as over budget. Sufficient funding has been provided to the project via the LBR and LBC processes to meet expenditures. Once a contract has been finalized with the selected contractor, and the overall project budget baselined, a new Spend Plan will be generated aligning the Project Budget, the Project LBR and LBC authorizations as appropriate.

   No significant variance to plan.

E. Indicate the specific appropriation amount and discuss any variance between the submitted spending plan and the appropriation.
   $26.3M appropriated for this Fiscal Year.

   No variance to plan.

SECTION VI — PROJECT OVERVIEW

This section should provide concise background information (one page or less) regarding the project to a reader of this report who may not be familiar with the project. This information should be similar to what the agency provided in the project charter section of the last submitted OWP, unless scope changes have modified the project's objectives and deliverables since the last submitted OWP. If the project charter has changed since the last submitted OWP, identify the changes and provide the latest project charter.

A. Scope Statement

The scope of this project will include a significant business process analysis and requirements development effort as well as the design, development, testing, user training and state-wide implementation of a new business system that supports the following UC functions:

- Claims and Adjudications
- Customer Support
- Benefit Operations, including:
  - Wage Determinations
  - Special Payments
  - Employer Charges
  - Special Programs
- Benefit Payment Control
- UC Reengineering
- UC Appeals
- Quality Improvement and Federal Reporting

The project scope will include development of the following customized interfaces:

- Online claimant portal
- Online employer portal
- Workforce services interface

> **Also Included in the Project Scope**
>
> - Establishment of a Project Management Office
> - Organizational Change Management
> - Independent Verification and Validation (IV&V)
> - Data conversion and migration
> - Data warehouse design and development
> - Statewide system implementation
> - Content development for training materials and system help screens
> - End-user training
> - Operations and maintenance planning
> - Reporting functions

B. Business Objectives

Business Objective #1
Create flexible, integrated UC applications, information, and business processes for UC Benefits and Appeals in order to create operational efficiencies.

Business Objective #2
Provide a consolidated system with user-friendly search criteria to provide internal and external stakeholders, partners, and the general public with easily accessible, secured and "on demand" access to claims data.

Business Objective #3
Provide a system that is fully compliant with Federal and State laws and statutes as well as Agency procedures and rules.

Business Objective #4
Provide a state-of-the-art technology system architecture that will effectively support the dynamic application processes and modifications required because of legislative changes and Agency needs.

C. Critical Success Factors

   a. Benefits to the State:
       - Comply with all requirements established in federal and state law for unemployment compensation.
       - Integrate with the Department of Revenue's statewide unified tax system that collects unemployment compensation taxes.
       - Cost savings from reduced call volume, fewer non-monetary determinations and a reduced number of appeals if the new system creates efficiency gains similar to what other states have experienced (15%).
       - Reduced benefit overpayments if the new system facilitates the rate of improvement in overpayment reduction of 15% following the introduction of the new benefits system.
       - Additional interest revenue due to reduced UC Trust Fund disbursements if the new system creates the projected efficiencies and improvements observed elsewhere.
   b. Benefits to the Agency:
       - Wherever cost-effective and operationally feasible, eliminate or automate existing paper processes and enhance any existing automated workflows in order to expedite customer transactions and eliminate redundancy.
       - Integrate benefit payment control with the adjudication program and collection system in order to improve the detection of fraud.
       - Reduced UC Trust Fund disbursements by reallocating resources away from low value, high volume processing tasks to high value administrative tasks such as eligibility reviews that can contribute to shortened claim length.
       - Reduced UC Trust Fund disbursements through the automation of low value, high volume processing tasks to high value tasks.
   c. Benefits to the Public:
       - Enable on-line, self-service access to claimant and employer information and federal and state reporting.
       - Reduced claim durations through greater integration with the Workforce Program and an emphasis on re-employment activities such as claimant profiling.

D. Key Dates

July 20, 2010	ITN Responses due Agency – **Complete**
August 2, 2010	PMO Start (KPMG) – **Complete**
August 4, 2010	Evaluations Complete – **Complete**
August 10, 2010	Posting of Short-list Vendors – **Complete**
September 24, 2010	Demonstrations Complete – **Complete**
October 8, 2010	Notice of Intent to Negotiate – **Complete**
~~December 17, 2010~~	~~Posting of Intent to Award~~ – ***Delayed***
February 9, 2011	Posting of Recommendation of Intent to Award
February 28, 2011	Phase 3 Kick-off