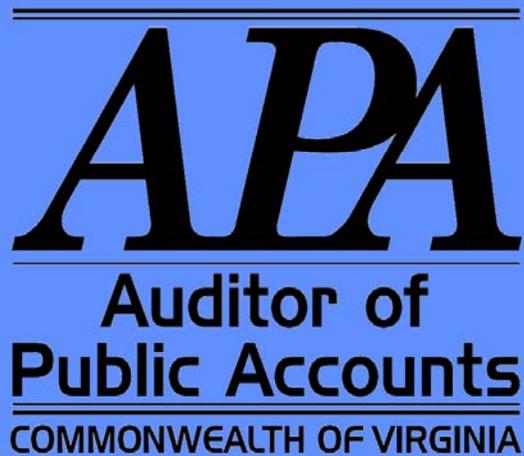


**PROGRESS REPORT ON  
SELECTED  
INFORMATION TECHNOLOGY PROJECTS  
IN THE COMMONWEALTH**

**JANUARY 2009**



## REPORT SUMMARY

This report reflects our on-going review of Commonwealth systems development projects totaling over \$281 million in budget. We have excluded the over \$300 million STARS at Virginia State Police from this report, but plan to issue a follow-up report in the first quarter of 2009 to our previous STARS report issued in January 2008.

Our goal with these reviews is to detect problems at the earliest possible point and alert decision makers to this information, thereby reducing potential project failures. In this report, we will highlight the progress of selected projects we are actively monitoring along with recommendations we have to improve their project management. Specifically, this report highlights the following systems development projects.

- Virginia's Enterprise Application Program, the Commonwealth's multi-year, multi-phase statewide applications replacement initiative.
- EAGLES, the web-enabled application to replace the current licensing and enforcement system for the Department of Professional and Occupational Regulation.
- ChildWINS, an update on the project's cancellation and a summary of our prior report on overall project management at the Department of Social Services.
- Drivers License Central Issue, Motor Vehicle's new, more secure, driver's license issuing system.

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# INTRODUCTION

## Objectives and Scope

We audit a number of systems development projects on an on-going basis, as summarized in Appendix A. The objectives of our audits are to determine that:

- the project manager complies with the Commonwealth's Project Management Standard, as issued by the Virginia Information Technologies Agency (VITA); or, if the agency is exempt from VITA, that the project manager complies with project management best practices, and
- the project remains on time, within budget, and on scope.

## Methodology

We continuously monitor many resources to identify potential systems development projects, including but not limited to the Information Technology Investment Board, Legislative meetings, the Appropriation Act and Budget Bill, agency management and systems professionals, and VITA's Project Management Division. Once we identify a potential systems development project, we maintain a record of that system.

The volume of projects ongoing at any one time dictates that we identify and follow only those that represent the most risk to the Commonwealth. To achieve this we accumulate information about the system based on meetings with agency personnel and use this information to calculate a risk score. We re-evaluate risk at least three times a year so that new projects, or ones whose risk has increased, can undergo a detailed review. Since our last report dated January 2008, we have either reduced or eliminated several projects from our review regimen, since we believe their overall risk has decreased or the agency either cancelled or completed the project. The chart in Appendix B lists these projects and the reason we stopped their review.

Our reviews generally include examining documents including the project charter, project planning documents, and risk mitigation strategies. We regularly attend project meetings to note any issues affecting the project and meet with the project managers to offer suggestions and recommendations based on our experience monitoring implementations throughout the Commonwealth.

Our goal is to detect problems at the earliest possible point and alert decision makers to this information, thereby reducing project failures. During our review process, we also gain an understanding of the system and its controls that will allow us to plan future audit work involving that system. Earlier releases of this report contain a detailed explanation of our review process, which we have not included with this report.

## Results

During the year, we reported the results of our reviews in different ways, depending on the circumstances. Often we include project background and status information within the annual audit report of the agency. However, if there is a legislative request that we review a system, we will prepare a written report specifically addressing the legislative request. Finally, if we identify project management concerns that are

## Introduction

serious and not being resolved timely, we immediately prepare a report that details our concerns and the recommended corrective action.

The purpose of this report is to provide a progress report of selected projects we are actively auditing along with any recommendations we have to improve the project management. Specifically, this report highlights the following systems development projects:

- Virginia Enterprise Application Project (VEAP)  
Office of Governor
- Electronic Access to Government Licensing and Enforcement System  
Department of Professional and Occupational Regulation
- ChildWINS and Overall Project Management  
Department of Social Services
- Drivers License Central Issue (DLCI)  
Department of Motor Vehicles

A background and history of all the projects we are currently following is in Appendix A; therefore, we do not repeat the background and history for the projects highlighted below. Instead, we focus only on our observations, recommendations, and audit response strategies relative to these projects.

We verified the accuracy of all information included in this report with all of the agencies; however, since there were no new findings presented in this report, we did not conduct an exit conference or receive an agency response. The Auditor of Public Accounts website at [www.apa.virginia.gov](http://www.apa.virginia.gov) has all the historical reports released related to these projects and they are available by searching on the specific agency name.

## HIGHLIGHTS OF SELECTED SYSTEMS DEVELOPMENT PROJECTS

### Virginia Enterprise Application Project (VEAP) Office of the Governor

Our audit found that the VEAP does not have a formal strategic plan or direction. In addition, without resolving the question of information technology governance in the Commonwealth, the future need for the VEAP is questionable; and, without a reliable funding stream, the VEAP's ability to perform work is doubtful. The Commonwealth received value from the VEAP's original products provided under the public-private partnership with CGI, an information technology service provider; however, these products are time sensitive and their value will fade if the Commonwealth does not use them or regularly update them.

The Appropriations Act created the VEAP effective July 1, 2006, giving the VEAP Director the powers necessary to direct the Commonwealth's efforts to modernize central administrative systems. The VEAP was provided \$11 million in general fund support for the 2007-2008 biennium and the Information Technology Investment Board (ITIB) is responsible for approving the VEAP's implementation strategy including its milestones, deliverables, funding requirements, and budget.

In September 2008, we issued our report on the Virginia Enterprise Applications Program (VEAP) at the request of the ITIB. The primary reason the ITIB requested our review is the VEAP has experienced leadership, funding and directional changes since its origination and the VEAP has modified its approach to enterprise applications in response to these changes. The ITIB and others have had difficulty understanding and keeping current with the direction the VEAP is taking, and this confusion has raised concerns over the effective use of and value received from the resources committed to this project.

### Electronic Access to Government Licensing and Enforcement System (EAGLES) Department of Professional and Occupational Regulation

The Department of Professional Occupation and Regulation (DPOR) is implementing a licensing and enforcement system called EAGLES that will expand public access through online licensing and permitting services and will eliminate the maintenance costs associated with their current system. DPOR's current licensing and enforcement system uses a programming language that the vendor no longer supports. EAGLES is a commercially available product provided by the Canadian-based vendor, VERSA. VERSA has implemented licensing software in several other states and DPOR staff are working collaboratively with VERSA resources to implement the system.

EAGLES project execution began in October 2007 and has a scheduled project closeout in January 2010. The project cost estimate is approximately \$2.9 million and is currently within budget. DPOR will implement the project in three phases. Phase 1 has two releases; the first release went live in June 2008, and the second release of phase 1 should go-live in February 2009. Phases 2 and 3 are set to go-live in April 2009 and December 2009, respectively.

The EAGLES project team is currently implementing the second release for phase 1, which had a go-live date originally set for September, but the team has delayed this release by five months. We have noted in the past that project management issues within DPOR were the cause for previous project delays. These issues included an insufficient project plan and insufficient project documentation. DPOR worked to resolve these issues and now the primary reason for the current delays relates to VERSA. VERSA is having problems addressing project issues in a timely manner and has yet to provide DPOR with system documentation and user manuals. The lack of system documentation and user manuals is impacting project

testing. DPOR is currently working with VERSA to resolve the issues so they can go-live with the second release for phase 1. We will continue to monitor this project closely throughout its implementation.

ChildWINS  
Overall Project Management Review  
Department of Social Services

During the fall of 2007, we had concerns regarding the satisfactory development progress on the ChildWINS project. In response, we reviewed the Department of Social Services' overall project management policies and procedures while the Virginia Information Technologies Agency's Project Management Division (PMD) reviewed documents related to ChildWINS. We found that although the Social Services' project management process is rigorous and ensures evaluation by all necessary levels within the agency, the following areas required improvement.

- Policies should address the classification of a project as major or non-major per the Commonwealth Project Management Standard.
- Policies should include when Social Services should direct a project to the PMD for Commonwealth governance.
- A process should be developed to evaluate and determine when the ongoing operational costs outweigh the benefit of the system to help identify when it should replace the system altogether.
- Project managers should follow existing processes to ensure Social Services properly identify new systems development projects and request approval and oversight from the Chief Information Officer (CIO) and the Information Technology Investment Board (ITIB) as required by the Commonwealth's Project Management Standard.
- Policies should be in-line with the Commonwealth Project Management Standard and include all documents essential for project success.

*Details on these findings can be found in the 2007 Secretary of Health and Human Resources audit report.*

In July 2007, the Commonwealth CIO conditionally suspended ChildWINS and brought the project under the ITIB governance and oversight. Social Services employed an independent verification and validation review (IV&V) in the spring of 2008, which revealed the same conclusions as PMD and APA, including the need for Social Services to reassess the decision to develop ChildWINS as a custom application. In April of 2008, Social Services cancelled the ChildWINS project.

In October 2008, the APA followed up on Social Services progress in addressing the recommendations listed above. We found that Social Services has made progress by linking its internal policies and procedures to the Commonwealth's Project Management Standards and revising them to address the recommendations issued the previous year.

Drivers License Central Issue (DLCI)  
Department of Motor Vehicles

In May 2005, the CIO of the Commonwealth approved an Agency Procurement Request (APR) totaling \$16 million for DMV's procurement of a new drivers license issuance system. DMV stated that this new system would move the Commonwealth closer to REAL ID compliance by issuing a more secure driver's license/identification card. DMV described the system procurement as a "turn-key" implementation, meaning DMV would purchase the program (both hardware and software) that should require minimal work to begin issuing licenses with the new product. DMV began vendor selection through the RFP process but then cancelled the procurement and later reissued the RFP. DMV awarded the procurement in February 2008 to Canadian Bank Note (CBN) for \$40 million over seven years and soon thereafter DMV asked VITA's Project Management Division (PMD) whether DMV would need a VITA certified project manager to lead this project. This question caused PMD to look at the procurement a little closer, and finally they determined this system was no longer a procurement, as suggested by the original APR, but rather a major IT project. The DMV Commissioner and the Commonwealth's CIO agreed on this fact in May 2008.

At the July 2008 Commonwealth Information Technology Solutions meeting, a subcommittee of the Information Technology Investment Board (ITIB), DMV presented the project hoping to receive their recommendation to present the project to the full ITIB for project development approval. However, DMV had already moved the project past the ITIB approval point when they signed the contract back in February 2008. According to the Code of Virginia, all major projects require approval from the ITIB before moving into the execution phase.

The Commonwealth Information Technology Solutions committee required DMV to go back and complete the required project initiation documents and to send those documents through the proper approval procedures. The ITIB received the project documents the first week of August 2008 and the ITIB asked DMV to present the information at the October 2008 ITIB meeting. DMV Commissioner, D.B. Smit, presented the project and requested the ITIB approval to move the project into execution. The ITIB had several issues with the project including DMV signing a \$40 million contract that they had initially estimated would cost \$16 million, but ultimately DMV addressed the concerns and the project received development approval. The highlights section of this report contains details on this project, including a high-level timeline and various other project information.

## Appendix A

The systems development projects listed alphabetically by agency below are those projects we are actively monitoring. While this list is not inclusive of all current projects across the Commonwealth, it does represent those that we consider of the highest importance due to risk, budget, phase, and/or impact of the system. All these projects appear to be on schedule, within budget and within scope and those with additional information are discussed earlier in this report in the section entitled, “Highlights of Selected Systems Development Projects”

<u>Agency</u>	<u>System Name</u>	<u>System Budget</u>	<u>Page</u>
Community Colleges	Administrative Information System	\$ 10,740,435	7
Community Colleges	Human Resource Information System (HRIS)	9,162,700	8
Motor Vehicles	Customer-centric, Service-oriented, State-of-the-Art, Secure, and Intelligent (CSI)	64,300,000	9
Motor Vehicles	Traffic Records Electronic Data Systems (TREDS)	6,086,662	10
Motor Vehicles	Drivers License Central Issue (DLCI)	5,391,875	11
Planning and Budget	Performance Budgeting (PB)	TBD	12
Professional and Occupational Regulation	Electronic Access to the Government Licensing and Enforcement System (EAGLES)	2,959,705	13
Radford University	Radford University Database Initiative (RUDI)	16,164,286	14
Rehabilitative Services	Integrated Fiscal Management System (IFS)	1,329,098	15
Retirement System	Modernization Program	46,000,000	16
Transportation	Financial Management System II (FMS)	37,938,852	17
Transportation	Roadway Network System (RNS)	6,700,000	18
University of Virginia	Student System Project	51,200,000	19
University of Virginia Medical Center	Integrated Healthcare Information Management System (IHIMS)	53,800,000	20
Total Budget		<u>\$311,773,613</u>	

Since our last report dated January 2008, we have added Planning and Budget’s Performance Budgeting project and Motor Vehicle’s Drivers License Central Issue project. Projects that were removed since our last report can be found in Appendix B

Administrative Information System

The Virginia Community College System (VCCS) has chosen to implement Oracle PeopleSoft Financials. VCCS plans to replace its legacy mainframe-based financial, asset management, and limited procurement functionality with the Oracle PeopleSoft solution. In addition to the replacement of legacy software, the implementation of an Administrative Information System (AIS) for finance will include re-engineering of automated and manual business processes and development and implementation of interfaces to VCCS and Commonwealth of Virginia systems with the objective of improving service delivery to VCCS customers.

<b>Sponsoring Agency Information</b>	Secretary of Education: Dr. Thomas R. Morris Project Sponsor: Karen Peterson, Executive Vice Chancellor Project Leader: Marcia Webb Project Manager: Valerie Adkins
<b>Current Phase of Development</b>	Execution & Control
<b>Project Timeline</b>	<p><b>Phase I</b> – General Ledger, Accounts Payable Plan &amp; Design December 2006 System Testing and User Acceptance Training/Testing June 2007 Close Project Phase I September 2007</p> <p><b>Phase II</b> – Asset Management/Query Instance/P-Card Plan &amp; Design November 2007 System Testing and User Acceptance Training/Testing January 2008 Close Project Phase II March 2008</p> <p><b>Phase III</b> – Integration between eVA and AIS Planning May 2008 Design October 2008 System Testing and User Acceptance Training/Testing February 2009 Go-Live February 2009 Close Project Phase III April 2009</p>
<b>Total Budget</b>	\$10,740,435
<b>Funding</b>	100% General funds
<b>Actual Costs (As of 10/31/08)</b>	\$9,274,869
<b>Outside Contractor(s)</b>	Software Vendor: Oracle Implementation Services Provider: BearingPoint IV&V: Collaborating with Virginia State University IV&V Services Provider: Catalyst First Inc. - Rodney Fowlkes
<b>Additional Information</b>	All VCCS colleges are supportive of this implementation and have been participating in this project. Phase I went live successfully in July 2007. Phase II went live successfully in February 2008. Phase III will go-live on February 1, 2009.
<b>Prior APA Report and Issue Date</b>	No report issued to date.

Human Resource Information System (HRIS)

The Virginia Community College System (VCCS) has begun the preliminary planning stages to seek development approval for a major IT project to implement a Human Resource Information System (HRIS) supported by Oracle/PeopleSoft. VCCS is planning to replace the current Human Resource system due to its limitations for advanced functional and technological capabilities that support the educational and public needs of VCCS stakeholders. The new HR system will improve core business workflows and major business processes by enhancing the interoperability with both internal VCCS and external Commonwealth of Virginia applications. VCCS is currently in the vendor evaluation and selection phase now and expects to complete this work by the first or second quarter of 2009, pending available funding in the budget. The VCCS will make the project’s Go/No Go decision upon resolving these issues. After vendor selection, VCCS will develop a more detailed project timeline, including major milestones if required.

<b>Sponsoring Agency Information</b>	Secretary of Education..... Dr. Thomas R. Morris Project Sponsor..... Karen Petersen, Executive Vice Chancellor Project Leader..... Marcia Webb Project Manager..... Valerie Adkins
<b>Current Phase of Development</b>	Preliminary Planning
<b>Project Timeline</b>	<p><b>Phase I: Planning</b></p> <ul style="list-style-type: none"> <li><input type="checkbox"/> Project Definition <ul style="list-style-type: none"> <li>• HR Objectives by Module..... May 2008</li> <li>• Project Organization Structure ..... May 2008</li> <li>• Environmental Requirements..... May 2008</li> <li>• Technical Architecture ..... May 2008</li> </ul> </li> <li><input type="checkbox"/> Released Statement of Need..... July 2008</li> <li><input type="checkbox"/> HR Proposal and Charter Authoring ..... To be determined</li> <li><input type="checkbox"/> Vendor Selection and Negotiations ..... To be determined</li> <li><input type="checkbox"/> Submission to VITA for Oversight Approvals..... To be determined</li> <li><input type="checkbox"/> Future phases and deliverables <ul style="list-style-type: none"> <li>• Project Initiation..... To be determined</li> <li>• Plan &amp; Design ..... To be determined</li> <li>• Build &amp; Unit Test..... To be determined</li> <li>• System &amp; Integration Test ..... To be determined</li> <li>• User Acceptance Testing &amp; Training..... To be determined</li> <li>• Close Project ..... To be determined</li> </ul> </li> </ul>
<b>Total Budget</b>	\$9,162,700
<b>Funding</b>	100% General funds
<b>Actual Costs (As of 10/31/08)</b>	Not applicable
<b>Outside Contractor(s)</b>	Implementation Services Provider: To be determined IV&V Services Provider: To be determined
<b>Additional Information</b>	None noted
<b>Prior APA Report and Issue Date</b>	No reports issued to date.

Customer-centric, Service-oriented, State-of-the-Art, Secure, and Intelligent (CSI)

The Department of Motor Vehicles (DMV) has initiated a project to replace and re-engineer their Citizen Services System (CSS). The project is currently in the second phase of a three-phase approach.

- Phase I: Project Initiation and High Level Business Process Re-engineering
- Phase II: Detailed Business Process Re-engineering and Solution Procurement
- Phase III: Phased System Development and Implementation

The project will replace the aging CSS system, which includes over 12 information technology applications to process transactions and maintain customer records. The proposed solution will be more flexible and secure, and allow easier updates to accommodate legislative changes, new technology and customer demands.

DMV held the project kickoff meeting in October 2006, which included an integrated DMV/CACI project team as well as DMV Executive staff and Division Directors. Phase II is underway and consists of a detailed business process analysis and re-engineering effort and development and issuance of an RFP to select a solution provider for Phase III.

<b>Sponsoring Agency Information</b>	Secretary of Transportation: Pierce Homer Department of Motor Vehicles Project Sponsor: Karen Chappell, Deputy Commissioner and Project Sponsor Project Manager: Tully Welborn, Project Manager CSI	
<b>Current Phase of Development</b>	Initiation	
<b>Project Timeline</b>	Initial Business Process Analysis Completion <b>Phase I Closeout</b> <b>Phase II Project Milestones:</b>	December 2005 February 2007
	<ul style="list-style-type: none"> <li>• Complete Re-engineering Training, Preparation, Orientation</li> <li>• Begin Procurement Process (Release RFP)</li> <li>• Complete Solution Procurement and Contracting Process</li> <li>• Complete Detailed Re-engineering/Future Business Model</li> </ul>	May 2007 August 2007 January 2009 January 2009
	<b>Phase III Project Milestones:</b>	
	<ul style="list-style-type: none"> <li>• Begin Detailed Design Forum</li> </ul>	January 2009
<b>Total Budget</b>	\$1,670,700 for the Initial Business Process and Impact Analysis only (Pre-CSI) \$64,300,000 current estimate for implementation of the system	
<b>Funding</b>	100% Non General funds	
<b>Actual Costs (As of 10/31/08)</b>	\$4,506,946	
<b>Outside Contractor(s)</b>	CGI-AMS: business process analysis, business impact analysis, risk assessment CACI: phase I and II NG (Iconix): phase II – mentoring, business process modeling CGI (CapTech): data quality strategic planning *Additional contracts may be signed as the project progresses.	
<b>Additional Information</b>	None noted.	
<b>Prior APA Report and Issue Date</b>	No report issued to date.	

Traffic Records Electronic Data System (TREDS)

The Traffic Records Electronic Data System (TREDS) project intends to address several key issues surrounding the collection, analysis, and management of traffic related data by addressing the following.

- Streamlining and simplifying data collection for law enforcement
- Improving data quality by the use of automated edit checks
- Eliminating duplicate data entry by multiple state agencies of the same crash report
- Providing data in a flexible architecture to address different analysis and reporting needs
- Eliminating manual data entry backlogs

TREDS will result in an automated process and application for use by local, state, and federal agencies in Virginia. This system will support collection of information, provide a central data repository, and offer a set of flexible analytical and reporting tools.

<b>Sponsoring Agency Information</b>	Secretary of Transportation: Pierce Homer	
	<u>Department of Motor Vehicles</u>	
	Project Sponsor:	Dave Burhop, Chief Information Officer David Mitchell, Deputy Commissioner
	Project Manager:	Jennifer Peters/Christopher Linde, DMV TREDS IT
	Business Owner:	Angelisa Jennings, Deputy Director
	<u>Virginia Department of Transportation</u>	
	Project Sponsor:	Connie Sorrell, Chief of Systems Operations Gary Allen, Chief of Technology, Research and Innovation
	Project Manager:	Bob Rasmussen, VDOT Process and Grant Administrator Ray Haynes, IT Project Manager
	<u>Virginia State Police</u>	
	Project Sponsor:	Lt. Col. Eugene Stockton, Director of Field Operations
	Project Manager:	Bud Cox, Business Analyst
<b>Current Phase of Development</b>	Development/Test – Phase III	
<b>Project Timeline</b>	Business Requirements / Solution Recommendation Completed	
		April 2006
	Phase I (Implement Crash form and Alpha Release)	
		January 2008
	Phase II (Statewide FR300 Rollout and FR300 Beta Release)	
	July 2008	
Phase III (Implement TREDS back-end reporting)		
	November 2008	
Phase IV (TREDS final cut-over/Initiate Statewide Rollout)		
	March 2009	
<b>Total Budget</b>	\$6,086,662	
<b>Funding</b>	86% Federal funds	
	14% General funds	
<b>Actual Costs (As of 10/31/2008)</b>	\$3,900,712	
<b>Outside Contractors</b>	CACI and CAI:	project management, business analysis and technical staff
	Infusion:	sole source development tools and environment configuration
	Visual Statement:	sole source front end software development
	DataCap:	sole source provider of scanning software and equipment
<b>Additional Information</b>	None noted	
<b>Prior APA Report and Issue Date</b>	No report issued to date.	

Driver License Central Issue (DLCI)

In February 2008, DMV signed a seven-year contract with Canadian Bank Note (CBN) to produce for the Commonwealth a new and more secure identification card, including driver's licenses. The contract requires CBN to build a facility in the Commonwealth, which is underway in Danville, Virginia to produce the licenses centrally. Customer service centers throughout the Commonwealth will no longer produce licenses; instead, they will be printed and mailed from the Danville facility.

The DLCI project received development approval from the Information Technology Investment Board (ITIB) at their October 2008 board meeting. DMV plans to implement this new licensing methodology in June 2009. However, should this date not be met, they have negotiated a second extension with the current license producer Digimarc to issue licenses through October 2009.

The new licenses will have increased security features making it very difficult to commit fraud. This project and its results will support the REAL ID Act set forth by the federal government. Commonwealth citizens will receive their new license when their current license expires. DMV anticipates issuing 11million licenses in this new format over five years.

<b>Sponsoring Agency Information</b>	Secretary of Transportation: Pierce Homer Department of Motor Vehicles <ul style="list-style-type: none"> <li>• Project Sponsor: DB Smith, Commissioner and Project Sponsor</li> <li>• Project Manager: David Bigness, Project Manager DLCI</li> </ul>	
<b>Current Phase of Development</b>	Execution	
<b>Project Timeline</b>	Project Charter and Schedule approval Customer approval Card Designs DMV approval of SRD 1.3 (Front-end, HQ, CPC) DMV/VITA approval of Architecture ITIB Project Approval CISS (VITA) Test/Development Environment DMV DLCI Production Environment Ready CPC Building Fit-up Complete DMV DLCI Change Request Freeze Photo Conversion Complete Ready for Pre-Alpha Test Ready for Alpha Test CBN STI Software Code freeze Ready for Beta Test All Training Sites Implemented Ready for CSC Deployment CSC Deployment Complete	June 2008 July 2008 October 2008 August 2008 October 2008 August 2008 November 2008 December 2008 January 2008 January 2009 January 2009 March 2009 March 2009 March 2009 May 2009 April 2009 June 2009
<b>Total Budget</b>	\$ 5,391,875 development costs.	
<b>Funding</b>	100% Non General funds	
<b>Actual Costs (As of 10/31/08)</b>	\$ 102,772	
<b>Outside Contractor(s)</b>	Primary Contractor: Canadian Bank Note Company, Limited IV&V Contractor: Morton Consulting	
<b>Additional Information</b>	None noted.	
<b>Prior APA Report and Issue Date</b>	No report issued to date.	

Performance Budgeting (PB)

In the spring of 2007, the Department of Planning and Budget and the Virginia Enterprise Application Program lead an effort to evaluate the current performance budgeting processes to identify opportunities for improvements to the processes and applications supporting them. The performance budgeting process areas evaluated were:

- Strategic Planning
- Operating Budget Development
- Six-Year Financial Plan
- Budget Reductions
- Capital Budget Development
- Agency Spending Plans
- Budget Execution
- Publishing

As a result of this process, Planning and Budget released a request for proposal February 2008 to purchase a commercial off the shelf software product that would support the changes desired for the above processes as well as modernize and integrate a series of disparate applications currently used by the Commonwealth. In June 2008, Planning and Budget canceled the procurement without award.

Planning and Budget released a new request for proposal in December 2008 for software and implementation services and will begin reviewing the responses in January 2009. As a result, limited information concerning the project is available at this time. We will be following the results of the procurement, and, should the procurement be successful, the resulting development and implementation activities.

<b>Sponsoring Agency Information</b>	Secretary of Finance: Richard D. Brown Department of Planning and Budget: Project Sponsor: Dan Timberlake, Director, DPB Functional Manager: Mitch Rosenfeld, DPB Project Manager: Jo Jo Martin, VEAP
<b>Current Phase of Development</b>	Initiation
<b>Project Timeline</b>	To be determined
<b>Total Budget</b>	To be determined
<b>Funding</b>	VEAP Line of Credit
<b>Actual Costs (As of 10/31/08)</b>	\$0
<b>Outside Contractor(s)</b>	Primary Contractor: To be determined IV&V Contractor: The North Highland Company
<b>Additional Information</b>	None noted.
<b>Prior APA Report and Issue Date</b>	No reports issued to date.

Electronic Access to Government Licensing and Enforcement System (EAGLES)

The Department of Professional Occupation and Regulation (DPOR) is implementing a licensing and enforcement system called EAGLES that will expand public access through online licensing and permitting services and will eliminate the maintenance costs associated with their current system. The vendor no longer supports DPOR's current licensing and enforcement system. EAGLES is a commercially available product provided by the Canadian-based vendor, VERSA.

EAGLES' project execution began in October 2007 and will continue through January 2010 when project closeout will take place. The project cost estimate is approximately \$2.9 million and is currently within budget. DPOR will implement the project in three phases. Phase 1 is broken into two releases; the first release went live in June 2008, and the second release of phase 1 is set to go-live in February 2009. Phases 2 and phase 3 are set to go-live in April 2009 and December 2009, respectively.

<b>Sponsoring Agency Information</b>	Secretary of Commerce & Trade: Patrick O. Gottschalk Department of Professional and Occupational Regulation: Project Sponsor: Steve Arthur Project Director: Jay DeBoer Project Managers: Jeanne Branch & Brenda Thomas
<b>Current Phase of Development</b>	Execution and Control
<b>Project Timeline</b>	Phase 1 Release – Part 1 June 2008 Phase 1 Release – Part 2 December 2008 Phase 2 Release May 2009 Phase 3 Release December 2009 Project Closeout January 2010
<b>Total Budget</b>	\$2,959,705
<b>Funding</b>	100% Non-General funds
<b>Actual Costs (As of 10/31/08)</b>	\$ 1,374,936
<b>Outside Contractor(s)</b>	Primary Contractor: VERSA IV&V Contractor: North Highland
<b>Additional Information</b>	This project is currently experiencing issues with the vendor. The vendor is having difficulty providing quality work products in a timely manner as well as system documentation.
<b>Prior APA Report and Issue Date</b>	No reports issued to date.

Radford University Database Initiative (RUDI)

Radford University (Radford) has sought solutions to replace their outdated existing administrative systems. They have chosen to replace their legacy systems with the Banner solution provided by SunGard Higher Education. The goal of the Banner installation is to:

- Provide better service to students, faculty, staff, parents, the community, alumni, business and ultimately to all taxpayers.
- Deliver operational efficiencies to the institution.

Radford plans to replace their major business cycles with Finance, Student, Human Resource, Advancement, and Financial Aid modules. The project also includes implementing an Operational Data Store for reporting, and an Enterprise Data Warehouse. The integrated design of this solution will support a modern workflow strategy and enable seamless electronic communication to constituents, via an Internet portal.

<b>Sponsoring Agency Information</b>	Secretary of Education: Dr. Thomas R. Morris Radford University: Project Sponsor: Danny Kemp, Vice President of IT & CIO Project Manager: Randa McDonald, Radford Project Manager
<b>Current Phase of Development</b>	Execution & Control
<b>Project Timeline</b>	Project charter approved April 2007 Phase I initiation April 2007 Phase I execution begins May 2007 Phase II initiation May 2007 Phase II execution begins August 2007 Project execution completed July 2011 Project closed December 2011
<b>Total Budget</b>	\$16,164,286
<b>Funding</b>	100% General funds
<b>Actual Costs (As of 10/31/08)</b>	\$6,026,447
<b>Outside Contractor(s)</b>	Primary Contractor: SunGard Higher Education IV&V Service Provider: Virginia Commonwealth University - James Thomas,
<b>Additional Information</b>	RUDI is broken out into two separate phases: <ul style="list-style-type: none"> <li>• Phase I – Financial Aid modules</li> <li>• Phase II – Finance, Student, Human Resources modules and the Luminis Portal</li> </ul>
<b>Prior APA Report and Issue Date</b>	No report issued to date.

Integrated Fiscal Management System (IFM)

The Department of Rehabilitative Services (DRS) existing legacy financial system resides on an unsupported platform and uses proprietary language that cannot transfer to another platform. While the efforts under way with the Virginia Enterprise Application Program through VDOT's FMS project may ultimately provide an appropriate solution for DRS, given the critical nature of this application and the proposed timeline for the project, DRS received approval to proceed.

DRS will replace the legacy system with a financial management system from Mitchell Humphrey & Co., presently used by DMHMRSAS and several other state agencies, using a collaborative approach. The system will include general ledger, accounts payable, purchasing, cost accounting, and employee budget module that will interface with statewide systems (CARS, CIPPS and eVA) as well as internal applications. Also participating in the project are the other disability service agencies within the Health and Human Services Secretariat to whom DRS provides accounting support.

The original project timeline did not include substantial time for project slippage because of contracting and hardware procurement delays and competing resource needs with the Integrated Case Management project underway at DRS. These constraints, along with project leadership changes, have resulted in DRS management changing the project team and a re-base-lining of the project schedule. The revised schedule extends the project by eight months and provides for the phased implantation of the participating agencies as reflected below.

<b>Sponsoring Agency Information</b>	Secretary of Health and Human Resources: Marilyn B. Tavenner Department of Rehabilitative Services: Project Sponsor: James Rothrock, Commissioner, DRS Program Managers: Jim Roberts, Information Technology Director, DRS Project Manager: Regina Mann, Information Technology Project Manager, DRS	
<b>Current Phase of Development</b>	Execution and Control	
<b>Project Timeline</b>	Project Initiation Project Re-baseline Discovery Design Development Testing Training Level 1 Implementation (DDHH and VBPD) Level 2 Implementation (remaining agencies and certain interfaces) Level 3 Implementation (additional modules and interfaces) Project Closeout	March 2007 March 2008 April 2008 July 2008 November 2008 February 2009 May 2009 July 2009 November 2009 March 2010 May 2010
<b>Total Budget</b>	\$1,240,000 – original \$1,329,098 – revised	
<b>Funding</b>	100% Federal funds	
<b>Actual Costs (As of 10/31/08)</b>	\$238,407	
<b>Outside Contractor(s)</b>	Primary Contractor: Mitchell Humphrey & Co. IV&V Contractor: The North Highland Company	
<b>Additional Information</b>	The project is now on its third project manager, who was hired effective July 25, 2008.	
<b>Prior APA Report and Issue Date</b>	No reports issued to date.	

### Modernization Program

In fiscal year 2006, the Virginia Retirement System (VRS) board of directors approved a six year effort to update technology systems, business processes, and customer services. This effort represents more than just a technology initiative, as it includes a complete review and revision of policies and processes both automated and manual, as well as requests for changes to the *Code of Virginia* where appropriate.

During fiscal year 2008, VRS developed and issued a request for proposals to support the replacement of the Retirement Information Management System (RIMS) and other ancillary systems that aid them in the administration of the Commonwealth's pension and other benefit plans. In the fall of 2008, VRS signed a contract with Sagitec Solutions, LLC to provide application and implementation services.

VRS has completed project initiation activities and the project team is preparing for detailed planning, which will begin in January 2009. Initial planning activities indicate that over the next four years, VRS will replace the existing software systems with a web-based platform to support VRS's "no wrong door" customer service vision. VRS has estimated an overall budget for the entire program, but has not developed a specific budget for the RIMS and ancillary system replacement. As a part of detailed planning, VRS will finalize the project budget and schedule. Our future reports will provide this information as it becomes available.

<b>Sponsoring Agency Information</b>	Virginia Retirement System: Project Sponsors: L. Farley Beaton, Jr., Chief Technology Officer, VRS , Donna Blatecky, Deputy Director of Customer Relations, VRS Program Manager: Denise Rasmussen, Program Manager, VRS
<b>Current Phase of Development</b>	Initiation
<b>Project Timeline</b>	To be determined
<b>Total Budget</b>	Program: \$46 million Project: To be finalized.
<b>Funding</b>	Agency funds
<b>Actual Costs (As of 10/31/08)</b>	Program: \$822,270 Project: \$0
<b>Outside Contractor(s)</b>	Primary Contractor: Sagitec Solutions, LLC IV&V Contractor: Not applicable at this phase of the project.
<b>Additional Information</b>	Total Program Budget does not include salary costs of VRS staff assigned to project.
<b>Prior APA Report and Issue Date</b>	No reports issued to date.

Financial Management System II (FMS)

In April 2008, the Department of Transportation received the Information Technology Investment Board's (ITIB) approval to begin development of their financial management system. Transportation's project will result in a new financial management system while also providing a base enterprise application for the Commonwealth. The Commonwealth's base application will include general ledger and accounts payable and essentially replace the current Commonwealth Accounting and Reporting System (CARS). Transportation's system will expand beyond the base general ledger and accounts payable provided to the Commonwealth to include functionality such as accounts receivable, project accounting, and time entry.

Transportation assured the ITIB they were committed to following the system requirements established by the Virginia Enterprise Applications Project (VEAP) office during its planning phase for a new enterprise financial management system. The VEAP's enterprise financial system project had been on hold since January 2008 due to lack of funding. Transportation had been an active participant in developing the requirements for the enterprise financial system and agreed that those requirements were relevant to their business needs. Transportation estimated the system would cost about \$38 million, including software and expert systems implementation services, and expects project completion by June 2012.

Following ITIB approval, Transportation released a request for proposal (RFP) and required vendor responses by September 2008. Transportation is currently evaluating the responses to their RFP and hope to select a software and system implementer sometime in Spring 2009.

<b>Sponsoring Agency Information</b>	Secretary of Transportation: Pierce Homer Department of Transportation: Project Sponsor: Gregory Whirley Virginia Enterprise Applications Program Director: Peggy Feldmann
<b>Current Phase of Development</b>	Development
<b>Project Timeline</b>	RFP for Software and Systems Implementer April - December 2008 VDOT System Project Execution February 2009 – January 2011 VDOT System Post Production Support February 2011 – January 2012 COVA Base Project Execution February 2011 – October 2011 COVA Base Post Production Support November 2011 – February 2012 Project Close out March 2012 – June 2012
<b>Total Budget</b>	\$37,938,852
<b>Funding</b>	100% Non-General funds
<b>Actual Costs (As of 10/31/08)</b>	\$ 223,502
<b>Outside Contractor(s)</b>	To be determined
<b>Additional Information</b>	None noted
<b>Prior APA Report and Issue Date</b>	No report issued to date.

Roadway Network System (RNS)

The RNS project creates a replacement system for the aging Highway Traffic Records Information System (HTRIS) at the Department of Transportation. The new system incorporates a relational database, links geo-spatial data and business attributes to the roadways, and provides web accessibility to users to retrieve roadway data. The scope of work includes the following.

- the migration of all the data from the old system to the new
- ensuring the roadway geo-spatial data is aligned with the roadways
- connecting the business data to the geo-spatial roadway data
- building a web-based system for retrieving the roadway and business data
- improving business processes that have been limited due to the older technology

The RNS Project released several production modules during the past six months and has moved from development to phased implementation. The RNS Steering Committee decided to revise the scope and schedule of the RNS Project in order to complete the remaining major components by April 2009 at a reduced budget of \$6.7 million.

In October 2008, VITA delivered to Transportation a complete roadway centerline dataset from their Virginia Geographic Information Network (VGIN). While this dataset did not meet Transportation quality requirements, the two agencies have met and developed a plan to pilot a quality improvement process. In preparation for this transition, Transportation is now updating their centerlines with recent construction project data. Transportation’s transition to the VGIN roadway centerline dataset is being coordinated with the RNS Program schedule.

<b>Sponsoring Agency Information</b>	Secretary of Transportation Department of Transportation Project Sponsors: Systems Operations Program Manager: Project Manager:	Pierce Homer  Gary Allen, Chief of Technology and Constance Sorrell, Chief of  Joe Pugh, IT Applications Manager Scott McCombe
<b>Current Phase of Development</b>	Execution and Control – Phased Implementation	
<b>Project Timeline</b>	Scheduled Execution and Control Completion Scheduled Project Closeout	April 2009 May 2009
<b>Total Budget</b>	\$6,700,000 (see funding note below)	
<b>Funding</b>	Federal funding for RNS will total \$2,100,000 (31%). The remaining funds (69%) are from the transportation information technology division operating funds.	
<b>Actual Costs (As of 10/31/08)</b>	\$6,300,329	
<b>Outside Contractor(s)</b>	GeoDecisions, Timmons, WorldView	
<b>Additional Information</b>	RNS project completion is dependent on completion of a number of external systems such as the new VDOT Pavement Management System, and the DMV TREDS.	
<b>Prior APA Report and Issue Date</b>	No Report Issued to date	

Student System Project

The University of Virginia is presently in the Execution and Control phase of the Student System Project, which is the third component of the University’s plan to replace its core administrative information systems. The first two components of this integrated systems project, Finance and Human Resources, concluded in 2001 and 2002, respectively.

The Student System Project seeks to transform student-related administrative processes that support the teaching, research, service, and health care missions of the University. This project will ultimately include the implementation of a new student information system as well as activity pertaining to the review and re-engineering of institutional policies and processes.

<b>Sponsoring Agency Information</b>	Secretary of Education: Dr. Thomas R. Morris University of Virginia: Project Sponsor: Dr. Arthur Garson, Jr., Executive Vice President and Provost Project Director: Susan Barr, Project Director																								
<b>Current Phase of Development</b>	Execution & Control																								
<b>Tentative Project Timeline</b>	<table border="0"> <tr> <td>Business Requirements and Planning Completed</td> <td>January 2007</td> </tr> <tr> <td>Campus Community self-service rollout</td> <td>March 2008</td> </tr> <tr> <td>Admissions prospects loaded</td> <td>March 2008</td> </tr> <tr> <td>Final conversion of Course Catalog</td> <td>August 2008</td> </tr> <tr> <td>Admissions application and decisions entered</td> <td>November 2008</td> </tr> <tr> <td>Biographic/demographic conversion</td> <td>January 2009</td> </tr> <tr> <td>Financial Aid self-service rollout</td> <td>January 2009</td> </tr> <tr> <td>Academic Advisement and Student Records self-service rollout</td> <td>March 2009</td> </tr> <tr> <td>Student Financials self-service rollout</td> <td>April 2009</td> </tr> <tr> <td>Student Account balance conversion</td> <td>July 2009</td> </tr> <tr> <td>Grading rollout</td> <td>September 2009</td> </tr> <tr> <td>Project closeout</td> <td>December 2009</td> </tr> </table>	Business Requirements and Planning Completed	January 2007	Campus Community self-service rollout	March 2008	Admissions prospects loaded	March 2008	Final conversion of Course Catalog	August 2008	Admissions application and decisions entered	November 2008	Biographic/demographic conversion	January 2009	Financial Aid self-service rollout	January 2009	Academic Advisement and Student Records self-service rollout	March 2009	Student Financials self-service rollout	April 2009	Student Account balance conversion	July 2009	Grading rollout	September 2009	Project closeout	December 2009
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<b>Total Budget</b>	\$51,200,000																								
<b>Funding</b>	100% through University funding (University debt, University private funding, contributions from University auxiliary operations, a technology fee assessed to students, an allocation of Higher Education Equipment Trust Funds, and, potentially, a state general fund allocation (to be requested as a 2008-10 budget amendment).																								
<b>Actual Costs (As of 10/31/08)</b>	\$23,000,000																								
<b>Outside Contractor(s)</b>	Primary Contractor: Oracle/PeopleSoft Primary Implementation Partner: CedarCrestone IV&V Contractor: Gartner, Inc.																								
<b>Additional Information</b>	Student enrollment, grading, and graduation data for the Summer and Fall 2008 semesters completed entirely within the new Student Information System.																								
<b>Prior APA Report and Issue Date</b>	No reports issued to date.																								

Integrated Healthcare Information Management System (IHIMS)

The University of Virginia Health System (the Medical Center) has been implementing the IHIMS solution with support from clinical system vendors. The IHIMS project solution will connect the Medical Center with its affiliates and ambulatory clinics in an integrated and transferable electronic medical records processing system. GE’s Centricity Enterprise, formerly known as the IDX Carecast software application, integrates results and medical chart data together. This electronic medical records repository provides doctors with timely online access to patient results, such as laboratory or radiology images, patient allergies, prescriptions, and problems, but it has not achieved the full functionality and benefits that UVA sought in the RFP and subsequent contract.

GE failed to deliver several crucial software components as contractually scheduled. While UVA is completing the ambulatory clinics with the software that GE has delivered, UVA will not be able to achieve the primary project objective of a single electronic medical record across all care environments.

Specifically, UVA has not received clinical documentation, hospital pharmacy and inpatient functionality from GE and intends to replace GE as soon as UVA identifies and selects an alternative vendor. The UVA project team has implemented the available GE ambulatory software in 137 out of 140 UVA ambulatory clinics and will complete this work in 1<sup>st</sup> quarter 2009 as a stopgap measure to allow partial functionality among clinics until UVA can replace the GE product.

<b>Sponsoring Agency Information</b>	University of Virginia Medical Center Project Sponsor: Barbara Baldwin, CIO Project Manager: Cindy Perry	
<b>Current Phase of Development</b>	Execution and Control	
<b>Project Timeline</b>	Contract signed and Board Of Visitors approved Interim Clinical Results Archive System implemented Resequencing of IDX phases and amended agreement Multi-year data conversion and result repository Pilot ambulatory clinic conversions PICIS (critical care) first unit implementation Ambulatory Clinics implementation completion RFP Issued Anticipated Board of Visitor Approval for new Agreement Implementation of Replacement EMR Scheduled project closeout	May 1999 August 2001 July 2002 November 2004 July 2005 March 2007 March 2009 October 2008 February 2009 March 2011 October 2011
<b>Total Budget</b>	\$53,800,000, subject to change upon execution of contract with replacement vendor	
<b>Funding</b>	100% internal funded through the Medical Center revenues.	
<b>Actual Costs (As of 10/31/08)</b>	\$38,894,516	
<b>Outside Contractor(s)</b>	Primary Contractor: GE Centricity Enterprise (GE acquired IDX in Jan. 2006) IV&V Contractor: University of Virginia Internal Audit	
<b>Additional Information</b>	GE has missed some critical milestones. Consequently, UVA has withheld payments and is seeking alternatives.	
<b>Prior APA Report and Issue Date</b>	No reports issued to date.	

## Projects the APA No Longer Follows

The projects below are those we have ceased following since our last progress report. We have grouped these projects by reason for the change.

The projects below are no longer high risk or are receiving adequate follow-up review by VITA's PMD.

<u>Agency</u>	<u>Project Name</u>	<u>Project Budget</u>
Forestry	Integrated Forest Resource Information System – Forest Protection and Mobile Computing	\$1,307,633
Corrections	VirginiaCORIS – Phases II and III	\$17,700,000

### Terminated projects

<u>Agency</u>	<u>Project Name</u>	<u>Project Budget</u>
Social Services	ChildWINS	\$17,000,000

### Completed projects

<u>Agency</u>	<u>Project Name</u>	<u>Project Budget</u>
Longwood	Banner, Longwood's Implementation Strategy for Success (BLISS)	\$7,359,421
Rehabilitative services	Integrated Case Management (ICM)	\$5,084,691
Taxation	Virginia Tax Online (VTOL) Upgrade	\$1,774,595
Virginia Commonwealth University	Administrative Re-engineering through Integrating Electronic Services (ARIES)	\$11,400,000
Virginia Employee Commission	Virginia Workforce Network Information System (VWINS)	\$3,567,800
Virginia State University	Project New Horizons	\$5,947,291



# Commonwealth of Virginia

**Walter J. Kucharski, Auditor**

**Auditor of Public Accounts  
P.O. Box 1295  
Richmond, Virginia 23218**

February 16, 2009

The Honorable Timothy M. Kaine  
Governor of Virginia

The Honorable M. Kirkland Cox  
Chairman, Joint Legislative Audit  
And Review Commission

We are currently conducting audits of the systems development process for several major information technology projects and submit our report entitled, **“Progress Report on Selected System Development Projects in the Commonwealth”** for your review.

We found that for the major information technology projects included in this progress report, the project managers comply with the Commonwealth’s Project Management Standard, as issued by the Virginia Information Technologies Agency or with project management best practices where exempt from the Commonwealth standard. In Appendix A, we have provided a summary of each of the projects we are currently following. Further, we include additional information on the following projects to highlight unique aspects of their status.

- Virginia Enterprise Application Project (VEAP)  
Office of the Governor
- ChildWINS and Project Management  
Department of Social Services
- Drivers License Central Issue  
Department of Motor Vehicles
- Electronic Access to the  
Government Licensing and  
Enforcement System  
Department of Professional  
and Occupational Regulation

This progress report does not include new audit recommendations for any of the projects we are currently following, but instead describes project history, activities, and status. We verified the accuracy of this information with all of the agencies; however, since there were no audit recommendations, we did not conduct an exit conference or receive an agency response.

AUDITOR OF PUBLIC ACCOUNTS