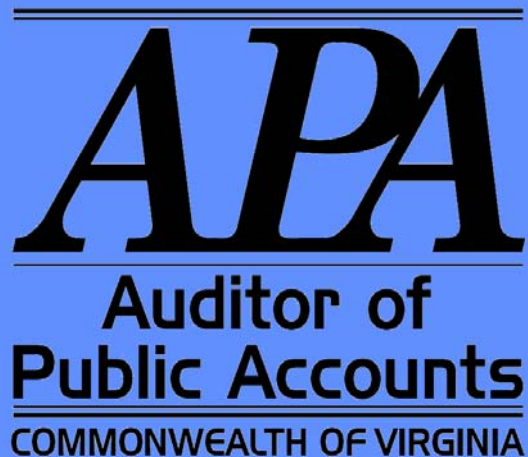


**PROGRESS REPORT ON SELECTED
SYSTEMS DEVELOPMENT PROJECTS
IN THE
COMMONWEALTH**

MARCH 2010



REPORT SUMMARY

This report reflects our on-going review of Commonwealth systems development projects totaling about \$410 million in budget. The Virginia State Police's STARS project will not be included in this report as the Auditor of Public Accounts (APA) has performed a separate interim review of this project, valued over \$300 million, in November 2009. A final close-out audit will be performed once the project is completed in January 2011.

Our review goal is the detection of problems at the earliest possible point and to alert decision makers to this information, thereby reducing potential project failures. In this report, we highlight the progress of selected projects we are actively monitoring; along with any recommendations that pertain to improving their practices in project management. Specifically, this report highlights the following systems development projects.

- EAGLES, the web-enabled application to replace the current licensing and enforcement system for the Department of Professional and Occupational Regulation.
- Performance Budgeting, Planning and Budget's project to replace aging and disparate budgeting applications with an integrated enterprise budgeting system.
- Integrated Financial Management System, Rehabilitative Service's project to implement a COTS application to support financial operations.
- Cardinal, Transportation's project to replace their financial system with a more modern enterprise wide financial management system that will eventually become a statewide application.
- CSI Systems Redesign, Motor Vehicle's reengineering project designed to replace its aging customer service system.

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INTRODUCTION

Objectives and Scope

The APA audits a number of systems development projects across the Commonwealth, and Appendix A has our on-going summary of these projects. The objectives of our audits are to determine that:

- the project manager complies with the Commonwealth's Project Management Standards, as issued by the Virginia Information Technologies Agency (VITA); or, if the agencies 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 various resources when identifying potential systems development projects, including but not limited to the former Information Technology Investment Board, Legislative meetings, the Appropriation Act and Budget Bill, agency management and systems professionals, and VITA's Project Management Division. Once a potential systems development project is identified, we maintain a record of that system as it progresses through its development lifecycle.

The volume of ongoing projects at any one time dictates that we identify and follow only those that represent the most risk to the Commonwealth. In calculating risk, we accumulate and use information pertaining to the system under development to calculate a risk score. Several times a year, we re-evaluate both new and current projects to determine if any significant changes in risk level took place.

When a project risk is higher than previously shown, then the project undergoes a detailed review. Since our last report dated January 2009, we have begun following several projects from our review regimen, since we believe their overall risk has increased since the issuance of the previous progress report. The section *Highlights of Selected Systems Development Projects* below lists these projects, along with detail on significant events taking place throughout the 2009 calendar year.

Our reviews generally include examining documents such as 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 project managers to offer suggestions and recommendations based on our experience monitoring system 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 as well as costs. 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 particular system. Earlier releases of this report contain a detailed explanation of our review process, which we have not included with this report.

Since the issuance of the 2009 progress report, the following projects have been completed and therefore, no longer followed: Community College's Administrative Information System, Motor Vehicle's Driver's License Central Issue, Motor Vehicle's Traffic Records Electronic Data Systems, and the University of Virginia's Student System Project.

Results

During the year, we report the results of our project 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 that request. Finally, if we identify serious project management concerns, which the agency has not resolved in a timely manner, we immediately prepare a report detailing the concerns and any recommended corrective action(s).

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

- Electronic Access to Government Licensing and Enforcement System
Department of Professional and Occupational Regulation
- Performance Budgeting
Department of Planning and Budget
- Integrated Financial Management System
Department of Rehabilitative Services
- Cardinal
Department of Transportation
- Customer-centric, Service-Oriented, State-of-the-Art, Secure, and Intelligent
Department of Motor Vehicles

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

All agencies with a project included in this report have verified the accuracy of all information included in this report. However, since there were no new findings presented in this report, we did not conduct a formal exit conference or receive an agency response. Previously released reports relating to these projects can be found by searching a specific agency name on the Auditor of Public Accounts' website at www.apa.virginia.gov.

HIGHLIGHTS OF SELECTED SYSTEMS DEVELOPMENT PROJECTS

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. This system will expand public access through online licensing and permitting services, while also eliminating the maintenance costs associated with their current system. DPOR's current licensing and enforcement system uses a programming language no longer supported by the vendor. EAGLES is a commercially available product provided by the Canadian-based vendor, VERSA. VERSA has implemented licensing software in several states and DPOR staff are working collaboratively with VERSA resources to implement this system for Virginia.

The EAGLES' project execution began in October 2007 and was re-baseline in November 2009 due to project delays resulting from the issues described below. The re-baseline extends the project until February 2014; when project closeout takes place. The re-baseline increases the overall project costs by approximately \$5.35 million, bringing the total project costs to just over \$8.3 million. DPOR successfully implemented Phase 1 in September 2009; seven months after the original planned go-live date. DPOR will implement two more phases: Phase 2 is set to go-live in July 2011 and Phase 3 in November 2013.

We have noted previous project management issues within DPOR, as well as issues with VERSA, that resulted in project delays during Phase 1. DPOR addressed these issues and in turn, VERSA assigned full-time dedicated resources to the project. The dedicated VERSA resources subsequently developed continuity to help DPOR successfully implement Phase 1. Iron Data has recently purchased VERSA and it is currently unknown how this may affect EAGLES. The APA will continue to monitor this project closely throughout its implementation.

Performance Budgeting (PB)

Department of Planning and Budget

Jointly sponsored by the Department of Planning and Budget (Planning and Budget) and the Virginia Information Technologies Agency (VITA) Enterprise Applications Division, this project focuses on replacing the legacy budgeting systems, PROBUD and FATS, and other ancillary databases, spreadsheets, and documents currently supporting the Commonwealth's strategic planning and budgeting processes. The Commonwealth has contracted with Project Performance Corporation (PPC) to develop the new PB system using Beacon Software Innovations' BIDS software.

Planning and Budget serves as the primary business owner for the project and provides functional leadership with input from agency personnel who will use the system. VITA's Enterprise Applications Division is providing project management services and working with Planning and Budget to ensure the resulting enterprise application meets the Commonwealth's needs. Project oversight comes from an executive steering committee comprised of Planning and Budget staff as well executive branch agency representatives.

Funding for this \$11.4 million project comes from a working capital advance administered by the Chief Applications Officer. The Governor and Secretary of Finance have secured funding sources to repay the working capital advance, which were in the Governor's 2010 budget proposal.

Phase I of the project will address four functional areas - budget development, both operating and capital; six-year financial planning; and budget execution. Planning and Budget anticipates going live with this phase on August 15, 2010. The remaining two functional areas, agency spending plans and strategic planning, will be addressed in Phase II, scheduled for implementation on March 15, 2011.

The project team has spent the first six months of the project focused on detailed planning and design activities and has just recently begun development activities. While this has caused some slippage in the original project schedule, the project team does not believe the additional time spent in planning and design will impact their final go-live date as the design activities have streamlined many of the development tasks. It is difficult to gauge the validity of this assessment, since the project manager has not updated the project schedule to reflect these changes. We will continue to monitor the project's progress against its revised schedule, once available, for slippage that would impact the planned go-live date.

Of greater concern in the near term, PPC notified the Commonwealth in mid-December 2009 that Beacon Software Innovations, PPC's Australian based partner and supplier of the BIDS software, was undergoing an administrative restructuring; the Australian equivalent of filing for bankruptcy. The implications of the restructuring are unknown at this time, but will likely involve the selling of Beacon's assets, including the BIDS software.

Planning and Budget is moving forward with the project; as they do not anticipate learning the final disposition of restructuring until April 2010 and believe they have sufficient risk mitigation options available to them to support the project long-term. However, in the interim, the executive steering committee has asked the project team to provide a formal risk analysis of the potential scenarios resulting from Beacon's administrative restructuring. We will continue to monitor the project's progress and the implications resulting from this event.

Integrated Fiscal Management System (IFM) Department of Rehabilitative Services

The Department of Rehabilitative Services (Rehabilitative Services) legacy financial system resides on an unsupported platform and uses proprietary software language that is non-transferable to another platform. While the efforts under way to replace the Commonwealth's Accounting and Reporting System may ultimately provide an appropriate solution for Rehabilitative Services, given the critical nature of this application to Rehabilitative Services and the proposed timeline for both projects, Rehabilitative Services received approval to proceed on its own project.

Rehabilitative Services contracted with Mitchell Humphrey and Co. in 2007 to replace their legacy system with Mitchell Humphrey's FMS II, presently used by the Departments of Behavioral Health and Developmental Services, Veterans Services, and Emergency Management. The other disability service agencies within the Health and Human Resources Secretariat to whom Rehabilitative Services provides accounting support are participating in Rehabilitative Services' project.

Mitchell Humphrey's FMS II provides greater functionality than Rehabilitative Services' existing system. Rehabilitative Services' original project scope intended to leverage this additional functionality. As a result, Rehabilitative Services developed a project plan and schedule that went beyond the replacement of their financial system. The original project had three levels or phases of implementation, with the first two levels needed to meet the principle objective of moving off the unsupported platform, and the final level to address enhancements and FMS II's additional functionality.

Since the project's inception, Rehabilitative Services has rebaselined the project twice. The first rebaselining extended the project duration by more than one year, transforming the original project into a program, and reducing the scope of the initial project under the new program to focus on moving off the unsupported platform. The second rebaselining occurred when the project experienced several significant issues impacting the schedule, including the loss of key team members and Mitchell Humphrey not performing sufficient testing of custom coding.

In November 2009, after identifying additional issues, Rehabilitative Services decided to place the project pilot on hold and sent a letter to Mitchell Humphrey detailing outstanding and minimum items that Mitchell Humphrey needed to complete for the pilot test to take place. In December 2009, Mitchell Humphrey responded to the letter, addressing each item of concern.

During this time, Rehabilitative Services also contacted their Independent Verification and Validation (IV&V) contractor to do an in-depth project assessment, evaluating Rehabilitative Services as well as Mitchell Humphrey. The IV&V contractor released the formal results of this assessment in February and Rehabilitative Services believes the findings support moving forward with the project. However, the IV&V contractor also identified issues requiring improvement by Rehabilitative Services and Mitchell Humphrey necessary to successfully conclude the project.

Based on the extent of the restructuring activities underway, Rehabilitative Services will request that VITA suspend the project in early April 2010. To bring the project back on track Rehabilitative Services is restructuring the project team, revising the project management plan, completing contract renegotiations, revising detail design documents, and developing a new project schedule with revised implementation dates. They hope to complete these activities and reinitiate the project by October 2010.

We concur with Rehabilitative Services decision to suspend the project. Further, we have encouraged them to consider the efforts underway with the Cardinal project, discussed below, and what impact it may have on their efforts should there be further delays with IFM.. We will continue to monitor Rehabilitative Services' progress to restructure and reinitiate the project. .

Cardinal Project Virginia Department of Transportation

Cardinal represents a joint project between the offices of the Secretary of Transportation, Secretary of Finance and the Virginia Information Technologies Agency to replace the Commonwealth's financial system (CARS) and the Virginia Department of Transportation's (Transportation) financial system with a modern enterprise wide financial system (base financial system). Cardinal will implement the base financial system in two phases. The first phase implements Transportation's financial system that will go-live July 1, 2011, and the second phase implements the Commonwealth's base financial system at the Department of Accounts (DOA) set to go-live July 1, 2012. The Commonwealth's base financial system will include PeopleSoft's general ledger and accounts payable modules, as well as an accounts receivable module component to address funds receipting functionality.

The project team has planned future phases of Cardinal, but has not yet requested and received approval or funding. These future phases include (1) transitioning agencies who use CARS as their primary financial system over to the Cardinal system, (2) interfacing agencies who use a system other than CARS as their primary financial system to the Cardinal system, and (3) expanding the functionality of the Cardinal system (adding additional modules such as full Accounts Receivable, Project Accounting, Time and Attendance, etc.). At the completion of items one and two (listed above), DOA could retire CARS. As the

project team initiates item three, it is possible that the Commonwealth could decommission other agency financial systems.

Cardinal planning and development began in April 2008 when Transportation received the Information Technology Investment Board's (ITIB) approval to begin development of their financial management system. Transportation assured the ITIB they would follow the system requirements previously established by the Virginia Enterprise Applications Project (VEAP) office during its planning phase for a new base enterprise financial management system that was later cancelled 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. At that time, Transportation estimated the system would cost about \$38 million, including software and expert systems implementation services, with completion scheduled for June 2012.

On August 27, 2009, the Commonwealth, through a multi-agency evaluation committee, awarded Accenture a multi-year contract valued at \$38.5 million for the purchase of Oracle's PeopleSoft licenses, as well as implementation services to configure the software and provide project management support. The project's total budget through July 1, 2012 is now \$58.3 million, \$20 million more than its original estimate in April 2008 before conducting the competitive procurement. The total budget includes all software, hardware, consulting services, and internal staff resources.

The project is currently in the analysis and design phase whereby the project is comparing detailed business processes and requirements with the PeopleSoft system and configuration and making decisions how to implement the software. This phase will continue through late-May 2010.

Customer-centric, Service-Oriented, State-of-the-Art, Secure, and Intelligent (CSI) Virginia Department of Motor Vehicles

The Virginia Department of Motor Vehicles (DMV) has cancelled its \$24.8 million contract with vendor SAIC who was to redesign their core systems. In February 2009, DMV awarded a contract to SAIC (with 3M as the subcontractor) for detailed design, development and implementation activities. However, after a detailed evaluation of 3M's framework, DMV determined that the framework, as it exists today, could not work as the foundation for the CSI solution unless there were significant modifications to comply with the Commonwealth's architecture standards. DMV relied on SAIC's Request for Proposal (RFP) response to state that the proposal would comply with Commonwealth standards. DMV attempted to modify the contract with SAIC to no avail. Therefore, both parties came to a mutual decision to terminate the contract. Effective October 2, 2009, DMV terminated the contract; however, prior to the termination, DMV paid SAIC \$1.62 million for services rendered. DMV is using products produced by SAIC to continue detailed design activities.

Since terminating the contract, DMV has begun restructuring their approach to the project. The current project effort only includes design activities which will produce the conceptual architecture for inclusion in a new RFP to outsource the development and implementation activities. The design activities are being completed with internal resources and minimal staff from Gartner who providing assistance in refining and validating the design artifacts and conceptual architecture. DMV will be requesting Planning Approval from the Chief Information Officer (CIO) in early 2010 along with an agency procurement request for approval to conduct this procurement. DMV anticipates releasing a RFP in Spring 2010 followed by the awarding of a contract prior to year end 2010.

Comprehensive List of Systems Development Projects Currently Under Review

Listed alphabetically by agency below are the systems development projects we are currently following. While this list is not inclusive of all current projects across the Commonwealth, this represents projects we consider of the highest importance due to risk, budget, and/or impact of the system. The projects below appear to be on schedule, within budget and within scope. However, any emerging project issues are discussed within that project's grid and summary.

<u>Agency</u>	<u>System Name</u>	<u>System Budget</u>	<u>Page</u>
* Alcoholic Beverage Control	Point-of-Sale System Upgrade	\$ 10,022,890	8
Community Colleges	Human Resources Management System (HRMS)	11,056,098	9
* Employment Commission	Financial Management System	4,446,266	10
* Employment Commission	Unemployment Insurance Modernization Project	58,567,513	11
* Medical Assistance Services	Medicaid Management Information System Rebid	15,271,042	12
* Motor Vehicles	Customer-centric, Service-Oriented, State-of-the-Art, Secure, and Intelligent (CSI)	61,040,906	13
Planning and Budget	Performance Budgeting	11,400,000	14
Professional and Occupational Regulation	Electronic Access to the Government Licensing and Enforcement System (EAGLES)	8,308,645	15
Radford University	Radford University Database Initiative (RUDI)	16,164,286	16
Rehabilitative Services	Integrated Fiscal Management System (IFM)	1,143,169	17
Retirement System	Virginia Retirement System Modernization	46,000,000	18
* Social Services	Automated Child Care Subsidy System	20,364,802	19
* State Police	Law Enforcement Activity Management System (LEAMS)	3,361,400	20
* Supreme Court	Court Case Management System	17,500,000	21
* Supreme Court	Court Financial Management System	3,500,000	22
Transportation	Cardinal Project	58,337,353	23
University of Virginia Medical Center	EpicCare	<u>63,855,614</u>	24
Total Budget		<u>\$410,339,984</u>	

* Projects added since January 2009 progress report.

Point-of-Sale System Upgrade

The Virginia Department of Alcohol Beverage Control (ABC) is currently upgrading their point-of-sale (POS) system in all 330+ store locations. The current system is no longer in compliance with the Payment Card Industry (PCI) Data Security Standards. A system upgrade is necessary to continue processing credit card payment purchases, which makes up 42 percent of total sales volume.

The Transactionware and Transnet applications are the main focus of the upgrade. Transactionware provides front-end, back-end, and mobile POS functionality for management and reporting purposes. Transnet serves as the communication link between store locations and the ABC Central Office. The majority of expenses will be hardware purchases for the replacement of cash registers, printers, scanners, servers, and cables that are currently at the end of their useful life and are no longer supportable. Software purchases will go towards software upgrades for servers and workstations.

The project team has procured hardware materials such as backroom scanners and printers. ABC is still awaiting the delivery of the final version of the SAP software. Software issues delaying delivery include fixing an inventory report that will not run properly and physical inventory count errors when staff use scanning guns during inventory. ABC plans to re-evaluate the current project schedule when SAP delivers the final software, and currently estimates the software delays have impacted the scheduled go live date by at least 30 days. The project still remains within the original budget.

Sponsoring Agency Information	Secretary of Public Safety..... Marla Decker Co-Sponsor Virginia Adams, Director Wholesale/Retail, ABC Co-Sponsor Craig Vanderland, Chief Financial Officer, ABC Project Manager..... Don Tyson, ABC
Current Phase of Development	Execution and Control
Project Timeline	☐ Project Planning March 2009 ☐ Analysis Phase..... May 2009 ☐ Vendor System Delivery August 2009 ☐ Transition Phase January 2010 ☐ Identify and Order New Hardware November 2009 ☐ Configure New Hardware December 2009 ☐ Hardware/Software Integration February 2010 ☐ Store Hardware/Software Rollout March 2009 ☐ Final IV&V Review June 2010 ☐ Project Completion Signoff..... June 2010
Total Budget	\$10,022,890
Funding	100 percent General funds
Actual Costs (As of 12/31/09)	\$1,555,000 (Software: \$625,000 and Hardware: \$930,000)
Outside Contractor(s)	Implementation Service Providers: Hardware vendor services will be provided by Dalcom Consulting Inc. Software vendor services will be provided by SAP. IV&V Services Provider: Delayed due to contractual issues. Purchase order has been issued and the scope of work is currently being finalized.
Additional Information	Charles Moore, Director of Info Tech Services and formerly the project sponsor retired from ABC. His position as project sponsor has been filled with two co-sponsors (identified above).
Prior APA Report and Issue Date	No reports issued to date.

Human Resource Management System (HRMS)

The Virginia Community College System (VCCS) is implementing a Human Resource Management System (HRMS) supported by Oracle/PeopleSoft. The new HR system will improve core business workflows and major business processes by enhancing the interoperability between VCCS and external Commonwealth of Virginia applications (e.g. CIPPS, BES, and PMIS).

Deloitte Consulting LLP is VCCS' implementation partner for the HRMS project. The project has finalized its planning phase and started the execution phase. The project team has completed Current System ("As Is") process documentation and is in the final stages of the requirements refinement. The team is currently developing the HRMS Future System Design ("To Be") process documentation. The Steering Committee has approved the overall Oracle/PeopleSoft Modules design assumptions.

Sponsoring Agency Information	Secretary of Education..... Dr. Gerard Robinson Project Sponsor..... Karen Petersen, Executive Vice Chancellor Project Director..... Dr. Christopher Lee Project Manager..... Valerie Adkins
Current Phase of Development	Planning and Execution
Project Timeline	☐ Begin HRMS Implementation Project May 2009 ☐ Obtain Project Development Approval August 2009 ☐ Award Service Contract September 2009 ☐ Plan and Design Complete June 2010 ☐ Build and Unit Test Complete..... January 2011 ☐ System and Integration Test Complete..... December 2010 ☐ User Acceptance Testing/Training February 2011 ☐ Training Complete April 2011 ☐ Go-Live Complete..... March 2011 ☐ Post Implementation Support Complete..... June 2011 ☐ Project Closeout Complete July 2011
Total Budget	\$11,056,098
Funding	100 percent General funds
Actual Costs (As of 12/31/09)	\$855,796
Outside Contractor(s)	Implementation Services Provider: Deloitte Consulting LLP IV&V Services Provider: To Be Determined
Additional Information	The HRMS website provides non-sensitive project documents for viewing: http://info.vccs.edu/HR/main.htm
Prior APA Report and Issue Date	No reports issued to date.

Financial Management System

The Virginia Employment Commission (Employment Commission) plans to implement a modern, integrated, financial management system to replace their 40 year old, mainframe batch system. The Employment Commission will procure an off-the-shelf solution and configure the solution to meet the requirements of both the Commonwealth and the Department of Labor. Implementation will include adjusting the Employment Commission's internal business processes to meet the abilities of the solution.

The Employment Commission relies heavily on the current mainframe system to support both administrative and complex unemployment insurance financial activities. In addition to implementing a new financial management system, the Employment Commission is developing the Unemployment Insurance Modernization Project (UI Mod), which will completely replace the Employment Commission's UI service delivery applications. The Financial Management System will interface with the UI Mod system, thus increasing the criticality and the time sensitivity of the Financial Management System implementation. Significant resources would be required to interface the existing mainframe system with the UI Mod Project in order to meet the minimum requirements of the UI Mod Project. Therefore, it is necessary for the Financial Management System to be implemented prior to the UI Mod Project.

While the efforts under way to replace the Commonwealth's accounting system through the Department of Transportation's Cardinal project may ultimately provide an appropriate solution for the Employment Commission, given the critical nature of this application and proposed timeline, the Employment Commission received VITA's approval to proceed with a separate solution. The Employment Commission is evaluating vendor proposals and expects to begin the project in early 2010, with an estimated completion date of December 2011.

Sponsoring Agency Information	Secretary of Commerce and Trade..... Jim Cheng Project Sponsor Eddie Sparkman, Controller, VEC Project Sponsor Kim Lee, IT Project Manager, VEC
Current Phase of Development	Initiation
Project Timeline	☐ Project Initiation..... October 2009 ☐ Project Execution Spring 2010 ☐ Project Closeout December 2011
Total Budget	\$4,446,266
Funding	67 percent Federal Funds and 33 percent Special Revenue Funds
Actual Costs (As of 12/31/09)	\$0
Outside Contractor(s)	The Employment Commission is currently reviewing vendor proposals.
Additional Information	Vendor presentation occurred in January 2010 in response to the RFP
Prior APA Report and Issue Date	No reports issued to date.

Unemployment Insurance Modernization Project

The Virginia Employment Commission (Employment Commission) is developing an unemployment insurance (UI) system called the Unemployment Insurance Modernization Project (UI Mod). UI Mod will support the UI program, which has three major components: payment of UI benefits to unemployed workers, collection of UI taxes from employers, and accumulation of wage data for all citizens in the Commonwealth. The current systems supporting the UI program are 20 to 30 years old, which imposes risks and limitations to the Employment Commission and their ability to adequately administer the UI program.

UI Mod will reengineer the Employment Commission's business processes in order to provide expanded customer services, increased efficiency for Employment Commission staff, allow for a more timely responsiveness to legislative changes, ability to meet all Department of Labor reporting requirements, improved system stability and reliability, and reduced information technology infrastructure costs. The Commonwealth approved an allocation of \$45 million from the UI Trust Fund under provisions of the Reed Act to fund UI Mod. Additional funding is coming through the American Recovery and Reinvestment Act of 2009.

Sponsoring Agency Information	Secretary of Commerce and Trade Jim Cheng Project Sponsor Shelby Robinson, Assistant Commissioner for Field Operations, VEC Project Manager Mark Tomczak, VEC
Current Phase of Development	Detailed Planning
Project Timeline	☐ Information Technology Investment Board Approval September 2009 ☐ Vendor Selection and Contract Negotiation January 2010 ☐ Project Plan Complete March 2010 ☐ Project Execution Begins April 2010 ☐ UI Tax System Complete March 2012 ☐ UI Benefit System Complete April 2013 ☐ System Integration and Deployment April 2013 ☐ Project Execution Completed June 2013 ☐ Project Closeout November 2013
Total Budget	\$58,567,513
Funding	100 percent Federal funds
Actual Costs (As of 12/31/09)	\$34,655
Outside Contractor(s)	Noblis; Department of Labor's Information Technology Service Center Additional vendors undetermined.
Additional Information	VEC is awaiting VITA's approval of the vendors' contract
Prior APA Report and Issue Date	No reports issued to date.

Medicaid Management Information System (MMIS) Re-bid

The Department of Medical Assistance Services (DMAS) is implementing a takeover of their Medicaid Management Information System (MMIS). The contract with the current vendor, First Health, for system support and operational services will terminate June 30, 2010. The contract with First Health was four years in duration with four one-year options. DMAS exercised the last option year on July 1, 2009.

The objective of this takeover project is to implement a new fiscal agent relationship with the vendor ACS, including the transfer of the current MMIS System to ACS. The project also includes implementing additional automated Medicaid Enterprise Services, specifically a new web-based Provider Enrollment system and Drug Rebate application with a new vendor, SXC.

DMAS began project execution in May 2009, which will continue until project closeout in October 2010. The project lasts 16 months with a total budget of approximately \$15.2 million. Federal funding encompasses approximately 66 percent of the project budget, with the remaining 34 percent being General funds. DMAS has fixed-price contracts with both ACS and SXC.

The MMIS takeover portion of the project is experiencing schedule slippage due to turnover at key positions within ACS. DMAS is working on mitigation strategies with ACS to ensure the completion of all required tasks prior to them assuming the fiscal agent responsibilities. The DMAS project team is aware of the schedule slippage and is engaging ACS proactively to keep the project on schedule. We will continue to monitor the project closely throughout its implementation.

Sponsoring Agency Information	Secretary of Health and Human Resources... Dr. William Hazel Project Sponsor Scott Crawford, DMAS Project Director Sylvia Hart, DMAS Project Manager Frank Guinan, DMAS	
Current Phase of Development	Execution and Control	
Project Timeline	☐ Begin Project Execution ☐ Test Plan Execution ☐ Takeover Implementation Complete ☐ Project Closeout	May 2009 February 2010 July 2010 October 2010
Total Budget	\$15,271,042	
Funding	66 percent Federal and 34 percent General funds	
Actual Costs (As of 12/31/09)	\$3,063,301	
Outside Contractor(s)	Primary Contractors: ACS and SXC IV&V Contractor: CACI	
Additional Information	The project has fixed-price contracts. DMAS only pays the contractors when a major milestone meets DMAS's acceptance criteria.	
Prior APA Report and Issue Date	No reports issued to date.	

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

The Virginia Department of Motor Vehicle (DMV) has cancelled its \$24.8 million contract with vendor SAIC who was to redesign their core systems. In February 2009, DMV awarded a contract to SAIC (with 3M as the subcontractor) for detailed design, development and implementation activities. However, after a detailed evaluation of 3M's framework, DMV determined that the framework, as it exists today, could not work as the foundation for the CSI solution unless there were significant modifications to comply with the Commonwealth's architecture standards. DMV relied on SAIC's Request for Proposal (RFP) response to state that the proposal would comply with Commonwealth standards. DMV attempted to modify the contract with SAIC to no avail. Therefore, both parties came to a mutual decision to terminate the contract. Effective October 2, 2009, DMV terminated the contract; however, prior to the termination, DMV paid SAIC \$1.62 million for services rendered. DMV is using products produced by SAIC to continue detailed design activities.

Since terminating the contract, DMV has begun restructuring their approach to the project. The current project effort only includes design activities which will produce the conceptual architecture for inclusion in a new RFP to outsource the development and implementation activities. DMV will be requesting Planning Approval from the Chief Information Officer (CIO) in early 2010 along with an agency procurement request for approval to conduct this procurement. DMV anticipates releasing a RFP in Spring 2010 followed by the awarding of a contract prior to year end 2010.

Sponsoring Agency Information	Secretary of Transportation Sean Connaughton Project Sponsor Karen Chappell, Deputy Commissioner, DMV Project Manager..... Tully Welbom, Project Manager, DMV
Current Phase of Development	Initiation
Project Timeline	☐ Initial Business Process Analysis Completion December 2005 ☐ Phase 1 Completed..... February 2007 ☐ Phase 2 Completed..... February 2009 ☐ Phase 3 Milestones:..... - o Complete Conceptual Design Activities December 2009 - o Complete Validation Activities (Garner) January 2010 - o Begin Procurement Process (Release RFP) March 2010 - o Complete Procurement/Contracting Process..... December 2010 ☐ Phase 4 Development and Implementation Activities January 2011
Total Budget	\$1,670,700 for Initial Business Process and Impact Analysis only (Pre-CSI). \$61,040,906 is the current estimate for implementation of the system.
Funding	100 percent Non General funds
Actual Costs (As of 12/31/09)	\$5,925,574
Outside Contractor(s)	CGI-AMS: Business Process Analysis, Business Impact Analysis, and Risk Assessment CACI: Phase 1 and Phase 2 NG (Iconix): Phase 2 – Mentoring and Business Process Modeling CGI (CapTech): Phase 2 - Data Quality Strategic Planning Gartner: Phase 3 – Conceptual Design Validation
Additional Information	Additional outside contracts may be signed as the project progresses.
Prior APA Report and Issue Date	No report issued to date.

Performance Budgeting (PB)

Jointly sponsored by the Department of Planning and Budget (Planning and Budget) and the Virginia Information Technologies Agency (VITA) Enterprise Applications Division, this project focuses on replacing the legacy budgeting systems, PROBUD and FATS, and other ancillary databases, spreadsheets, and documents currently supporting the Commonwealth's strategic planning and budgeting processes. The Commonwealth has contracted with Project Performance Corporation (PPC) to develop the new PB system using Beacon Software Innovations' BIDS software.

Planning and Budget serves as the primary business owner and provides functional leadership with input from agency personnel who will use the system. VITA is providing project management services and working with Planning and Budget to ensure the enterprise application meets the Commonwealth's needs. Project oversight comes from an executive steering committee comprised of Planning and Budget staff as well executive branch agency representatives.

PPC notified the Commonwealth in mid-December 2009 that Beacon Software Innovations, PPC's Australian based partner and supplier of the BIDS software, was undergoing an administrative restructuring; the Australian equivalent of filing for bankruptcy. The implications of the restructuring are unknown at this time, but will likely involve the selling of Beacon's assets, including the BIDS software. At this time, Planning and Budget is moving forward with the project; as they do not anticipate learning the final disposition of restructuring until April 2010 and believe they have sufficient risk mitigation options available to them to support the project long-term. In the interim, the executive steering committee has asked the project team to provide a formal risk analysis.

Sponsoring Agency Information	Secretary of Finance: Richard D. Brown Project Sponsor: Dan Timberlake, Director, DPB Functional Manager: Mitch Rosenfeld, DPB Project Manager: Jo Jo Martin, VITA's Enterprise Application Division
Current Phase of Development	Execution and Control
Project Timeline	☐ Planning September 2009 ☐ Phase I, Design November 2009 ☐ Phase I, Development May 2010 ☐ Phase I, Go-Live August 2010 ☐ Phase II, Begins September 2010 ☐ Phase II, Go-Live April 2011 ☐ Project Closeout August 2011
Total Budget	\$11.4 million
Funding	Chief Applications Officer's Working Capital Advance (Line of Credit)
Actual Costs (As of 12/31/09)	\$3,430,115
Outside Contractor(s)	Primary Contractor: Project Performance Corporation Sub-Contractor: Beacon Software Innovations (software vendor); CapTech Ventures IV&V Contractor: The North Highland Company
Additional Information	Working capital advance repayment sources included in the Governor's 2010 budget proposal.
Prior APA Report and Issue Date	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 that 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 was rebaselined in November 2009. The re-baseline extends the project until February 2014 when project closeout takes place. The re-baseline increases the overall project costs by approximately \$5.35 million; bringing the total project cost to just over \$8.3 million. DPOR successfully implemented Phase 1 in September 2009; although this was seven months after the original planned go-live date. DPOR will implement two more phases, Phase 2 and Phase 3, set to go-live in July 2011 and November 2013, respectively.

Sponsoring Agency Information	Secretary of Commerce and Trade Jim Cheng Project Sponsor Steve Arthur, DPOR Project Director Jay DeBoer, DPOR Project Managers Jeanne Branch and Brenda Thomas, DPOR
Current Phase of Development	Execution and Control
Project Timeline	☐ Phase 1 Release..... September 2009 ☐ Phase 2 Release..... July 2011 ☐ Phase 3 Release..... November 2013 ☐ Project Closeout February 2014
Total Budget	\$8,308,645
Funding	100 percent Non-General funds
Actual Costs (As of 12/31/09)	\$2,848,313
Outside Contractor(s)	Primary Contractor: VERSA IV&V Contractor: North Highland
Additional Information	The project was rebaselined in November 2009. The re-baseline extends phases 2 and 3 until 2013, with project closeout occurring in 2014. The overall costs will increase by approximately \$5.35 million.
Prior APA Report and Issue Date	http://www.apa.virginia.gov/reports/DPOR_08-09.pdf

Radford University Database Initiative (RUDI)

Radford University (Radford) is replacing their legacy systems with the Banner solution provided by SunGard Higher Education. The new Banner installation will provide better service to students, faculty, staff, parents, the community, alumni, business, and ultimately to all taxpayers. The new system will also deliver increased operational efficiencies to the institution.

Radford has already completed implementing most modules, but continues to work on workflows, document management, 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.

Sponsoring Agency Information	Secretary of Education: Dr. Gerard Robinson Radford University: Project Sponsor: Danny Kemp, Vice President of IT and CIO Project Manager: Randa McDonald, Radford Project Manager
Current Phase of Development	Execution and Control
Project Timeline	☐ Project Charter approved April 2007 ☐ Financial Aid Phase 1 Complete February 2008 ☐ Finance and Advancement Phases I Complete July 2008 ☐ Luminis Portal Complete February 2009 ☐ Operational Data Store Complete July 2009 ☐ Admissions and Xtender Document Mgt Complete August 2009 ☐ Finance Phase II Complete September 2009 ☐ Student Registration Complete November 2009 ☐ Student and HR Complete January 2010 ☐ Advancement Phase II March 2010 ☐ Workflow to be Complete April 2010 ☐ Project Execution to be Complete July 2010 ☐ Project Closeout December 2010
Total Budget	\$16,164,286
Funding	100 percent General funds
Actual Costs (As of 12/31/09)	\$9,867,789
Outside Contractor(s)	Primary Contractor: SunGard Higher Education IV&V Service Provider: Virginia Commonwealth University - James Thomas
Additional Information	RUDI is broken into two phases: Phase I – Financial Aid modules and Phase II – Finance, Advancement, Student, Human Resources and the Luminis Portal
Prior APA Report and Issue Date	No report issued to date.

Integrated Fiscal Management System (IFM)

The Department of Rehabilitative Services' (DRS) legacy financial management system resides on an unsupported platform and uses proprietary software language that is non-transferable to another platform. DRS has contracted with Mitchell Humphrey and Co. to replace their legacy system with a system presently used by Department of Behavioral Health and Developmental Services and several other state agencies.

DRS has rebaselined the schedule twice. Subsequent to the second re-baseline in July 2009, the project experienced several issues impacting the schedule, including the loss of key team members and the vendor insufficiently testing changes to coding before delivery. Therefore, in November 2009, DRS placed the project pilot on hold and contacted Mitchell Humphrey asking for remediation of the issues that led to stopping the pilot. In February 2009, the IV&V contractor released its formal results of a review and the results support moving forward with the project. However, the report identifies the need for improvement by DRS and Mitchell Humphrey to reach a successful conclusion to the project.

Based on the extent of the restructuring activities underway, DRS will request that VITA suspend the project in early April 2010. To bring the project back on track DRS is restructuring the project team, revising the project management plan, completing contract renegotiations, revising detail design documents, and developing a new project schedule with revised implementation dates. They hope to complete these activities and reinitiate the project by October 2010. We concur with DRS' decision to suspend the project. Further, we have encouraged them to consider the efforts underway with the Cardinal project, discussed below, and what impact it may have on IFM.

Sponsoring Agency Information	Secretary of Health and Human Resources: Dr. William Hazel Project Sponsor: James Rothrock, Commissioner, DRS Interim Business Owner: Ernie Steidle, Deputy Commissioner, DRS Project Manager: Regina Rice, Information Technology Project Manager, DRS
Current Phase of Development	Execution and Control
Project Timeline	☐ Project Initiation..... March 2007 ☐ Project Re-Baseline..... March 2008 ☐ Project Re-Baseline..... July 2009 ☐ Pilot (Placed on Hold)..... November 2009 ☐ Independent Assessment..... January 2010 ☐ Anticipated Assessment..... March 2010 ☐ Level 1 and Level 2 implementation; Project Closeout TBD
Total Budget	The current budget is \$1,143,169 based on second re-baseline.
Funding	100 percent Federal funds
Actual Costs (As of 12/31/09)	\$467,280
Outside Contractor(s)	Primary Contractor: Mitchell Humphrey and Co. IV&V Contractor: The North Highland Company
Additional Information	Contract re-negotiations will occur which may negatively/positively impact the project budget.
Prior APA Report and Issue Date	No reports issued to date.

Modernization Program

In fiscal year 2006, the Virginia Retirement System (VRS) initiated a six year effort to update technology systems, business processes, and customer services. This effort includes a complete review, revision, and replacement of policies and processes, both automated and manual, as well as requests for changes to the Code of Virginia, where appropriate.

In the fall of 2008, VRS signed a contract with Sagitec Solutions, LLC to provide application and implementation services, signaling the initiation of the most significant project under the Modernization program. Over the course of this project, VRS will replace their existing software systems with a web-based platform to support VRS's "no wrong door" customer service vision and change the way employers and members interact with VRS.

VRS has divided this project into four phases. VRS will complete Phases 1 and 2 during calendar year 2009 and focus on detailed planning, business process re-engineering, and developing key project management documents, and plans to support the project. Phase 3, starting in August 2009, will primarily focus on replacing those aspects of their existing software that support employer interactions with VRS. Phase 4 will address member related business processes as well as any outstanding employer business processes. VRS anticipates closing out the project in 2014.

Sponsoring Agency Information	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
Current Phase of Development	Execution and Control
Project Timeline	❑ Phase 1 – Project Planning..... January 2009 ❑ Phase 2 – Reengineering..... March 2009 ❑ Phase 3 – Employer Related Business Processes - o Design August 2009 - o Development October 2009 - o System Testing..... February 2010 - o User Testing and Training..... May 2011 - o Go-Live November 2011 ❑ Phase 4 – Member Related Business Processes - o Anticipated Start March 2011 - o Anticipated Go-Live March 2013
Total Budget	Total program budget is \$46 million, while the project budget is \$36.2 million
Funding	Agency funds
Actual Costs (As of 12/31/09)	Program: \$822,270 Project: \$6,927,267
Outside Contractor(s)	Primary Contractor: Sagitec Solutions, LLC IV&V Contractor: CACI, Inc
Additional Information	Total program budget does not include salary costs of VRS staff assigned to project.
Prior APA Report and Issue Date	No reports issued to date.

Automated Child Care Subsidy System

The Department of Social Services (Social Services) will be implementing a solution to automate the Child Care subsidy program for use by state and local workers. The current Child Care systems are outdated and do not include the functionality required to meet the Federal mandate for error tracking and reporting of improper payments. The Automated Child Care Subsidy system will be an integrated solution which reduces duplicate entries and better serves the current child care business model.

Sponsoring Agency Information	Secretary of Health and Human Resources ... Dr. William Hazel Project Sponsor..... Dottie Wells, Director Early Childhood Dev, DSS Project Director Larry Raab, Division of IT Project Manager, DSS
Current Phase of Development	Initiation
Project Timeline	☐ Project Initiation May 2009 ☐ Development Approval and Contract Award January 2010 ☐ System Design March 2010 ☐ Execution and Control June 2010 ☐ System Integration Testing..... January 2011 ☐ User Acceptance Testing March 2011 ☐ Pilot and Training April 2011 ☐ Software Deployment May 2011 ☐ Project Closeout..... October 2011
Total Budget	\$20,364,802
Funding	100 percent Federal funds
Actual Costs (As of 12/31/09)	\$192,474
Outside Contractor(s)	Deloitte: Solution and Implementation services
Additional Information	None
Prior APA Report and Issue Date	No reports issued to date.

Law Enforcement Activity Management System (LEAMS)

The Virginia State Police (VSP) initiated LEAMS to provide a comprehensive system to support the documentation of criminal investigations and related law enforcement activities currently performed using paper-based workflows and legacy technologies. With LEAMS, VSP intends to upgrade process controls, enhance managerial/supervisory oversight, improve data quality and access, improve processing timeliness, and facilitate intra/inter-agency cooperation needed to maintain law enforcement records.

VSP divided the project into multiple phases and sub-phases. The current project focuses on Phase 1 and its sub-phases. VSP anticipates initiating additional LEAMS related projects once this phase is complete. In March 2009, VSP refined the scope of the sub-phases and rebaselined the project. Through their rebaselining efforts, VSP expanded their project plans to address all sub-phases within Phase 1 as opposed to just the first five; refined their budgetary estimates; and enhanced the project schedule to address all sub-phases, extending the project schedule by almost one year.

In the Fall of 2009, the project team recognized that the development process was adding unnecessary complexities to the system, so the team began working with the vendor to change their approach. VSP does not believe this change will impact the project scope or budget; however, it will impact the project schedule. They anticipate finalizing their assessment of the schedule impact by the end of February 2010 and will update the schedule accordingly.

Sponsoring Agency Information	Secretary of Public Safety: John W. Marshall Project Sponsor: Lt. Col. Robert G. Kemmler, VSP Director, Admin and Support Services Program Manager: Captain Anita B. Sebillio, VSP Director, Information Technology Project Manager: Kathy Venable, VSP Systems Analyst, Information Technology
Current Phase of Development	Execution and Control
Project Timeline	❑ Project Initiation..... January 2007 ❑ Contract Award..... March 2008 ❑ Project Planning Complete/Development Initiated..... June 2008 ❑ Project Re-base lined March 2009 ❑ Initial Implementation (Sub-Phases 1.1-1.5)..... November 2009 ❑ Second Implementation (Sub-Phase 1.6) January 2010 ❑ Third Implementation (Sub-Phases 1.7-1.8) July 2010 ❑ Fourth Implementation (Sub-Phases 1.9-1.10) November 2010 ❑ Project Closeout February 2011
Total Budget	\$3,361,400 is the revised budget. The original budget was set at \$3,253,000
Funding	19 percent General funds and 81 percent Federal funds
Actual Costs (As of 12/31/09)	\$1,764,300
Outside Contractor(s)	Primary Contractor: Eden Systems Corporation IV&V Contractor: North Highland Group
Additional Information	General funds cover the cost of internal staff supporting the project.
Prior APA Report and Issue Date	No reports issued to date.

Court Case Management Systems (CMS)

The Office of the Executive Secretary of the Supreme Court of Virginia (OES) has multiple projects to replace the case management systems for all levels of Virginia's courts. Currently, OES provides case management systems to 320 of Virginia's 323 courts including The Supreme Court of Virginia, The Court of Appeals of Virginia (CAV), 117 circuit courts, 77 general district courts, 75 juvenile and domestic relations district courts, and 49 combined district courts. Due to differing workflow and legislative requirements, each level of court has a case management system unique to that level of court.

OES has operated the current case management systems for over 20 years, and has expanded and changed the systems over time, to include new functionality, address legislative changes, and user change requests. The re-engineering efforts on these systems designs will take advantage of new technologies, provide greater flexibility in the development process, and increase service to the users.

Sponsoring Agency Information	Executive Secretary, Office of the Exec Secretary, Supreme Court of VA: Karl Hade Project Sponsor Bob Smith Project Managers..... Jerry Berman, Mike Riggs, Dave Savage, Brent Sizemore
Current Phase of Development	Appellate Court CMS for Supreme Court and Court of Appeals is currently in the design phase. Circuit Courts CMS is in the deployment phase. Juvenile and Domestic Relations District Courts is in the development phase. General District Courts CMS has not yet started.
Project Timeline	ACM for SCV Milestones: ☐ Workflow Analysis Complete June 2009 ☐ Development Complete August 2010 ☐ User Acceptance Testing (UAT)..... September 2010 ☐ Deploy January 2011 CC CMS Milestones: ☐ Initial Requirements Gathering Complete July 2008 ☐ Development and UAT Complete December 2009 ☐ Deploy to Pilot Court January 2010 ☐ Statewide Deployment Complete January 2011 JDR CMS Milestones: ☐ Release 1 (Scheduling, Civil, Delinquency) to UAT November 2009 ☐ Release 2 (Adult, Hearing Date, Name Search) to UAT January 2010 ☐ Release 3 (Interfaces and remaining modules) to UAT..... April 2010 ☐ Deploy to Pilot Court November 2010 ☐ Statewide Deployment Complete March 2011
Total Budget	\$17,500,000
Funding	Ten percent General funds and 90 percent Court Technology fund
Actual Costs (As of 12/31/09)	\$7,171,291
Outside Contractor(s)	Data Concepts, Imaging Technologies, Traore Corporation – Staff augmentation
Additional Information	Appellate Court, Court of Appeals and general district courts timeline to be determined.
Prior APA Report and Issue Date	No reports issued to date.

Court Financial Management System

The Office of the Executive Secretary of the Supreme Court of Virginia (OES) has a project to replace the financial management system used in 320 of Virginia's courts.

The current financial management system (FMS) has operated for over 20 years. Over time, OES has expanded FMS to include new functionality, legislative changes, and user change requests. The re-engineering efforts on this system will take advantage of newer technologies, provide greater flexibility in the development process, and increase service to the users.

Sponsoring Agency Information	Executive Secretary, Office of the Exec Secretary, Supreme Court of VA: Karl Hade Project Sponsor Bob Smith Project Manager Dave Winecoff
Current Phase of Development	Individual Account for Circuit is in development phase. FMS is currently in the requirements gathering phase
Project Timeline	Phase I Milestones: ☐ Initial Requirements Gather Complete June 2009 ☐ Individual Account Module for Circuit CMS Development .. January 2010 ☐ Deploy Individual Account for Circuit CMS to Pilot Court... March 2010 Phase II Milestones: ☐ Individual Account Module Complete August 2010 ☐ Receipt Module and Journal Voucher Module Complete October 2010 ☐ Disbursement Module Complete..... December 2010 ☐ Development Complete..... January 2011 Phase III Milestones: ☐ User Acceptance Testing Complete April 2011 ☐ Deploy to Production July 2011
Total Budget	\$3,500,000
Funding	Ten percent General funds and 90 percent Court Technology fund
Actual Costs (As of 12/31/09)	\$198,711
Outside Contractor(s)	Data Concepts – Staff augmentation
Additional Information	None
Prior APA Report and Issue Date	No reports issued to date.

Cardinal Project

Cardinal represents a joint project between the offices of the Secretary of Transportation, Secretary of Finance, and the Virginia Information Technologies Agency to replace the Commonwealth's financial system (CARS) and the Virginia Department of Transportation's (VDOT) financial system with a modern enterprise wide financial system (base financial system). Cardinal will implement the base financial system in two phases. Phase 1 implements VDOT's financial system on July 1, 2011, and Phase 2 implements the Commonwealth's base financial system at the Department of Accounts (DOA) by July 1, 2012. A future phase of the project includes converting all other executive branch state agencies to the Cardinal financial system, at which time DOA has the opportunity to retire CARS and potentially other redundant financial systems.

In August 2009, the Commonwealth awarded Accenture a multi-year contract at \$38.5 million for the purchase of Oracle's PeopleSoft licenses as well as implementation services to configure the software and provide project management support. The project's total estimated budget through July 1, 2012 is \$58.3 million and includes all software, hardware, consulting services, and internal staff resources. The project is in the analysis and design phase where the project team is comparing the detailed business process and requirements to the PeopleSoft system and configuration.

Sponsoring Agency Information	Project Sponsor Greg Whirley, VDOT Chief Deputy Commissioner Program Manager Peggy Feldmann, Chief Applications Officer Project Manager Ned O'Neill, VDOT
Current Phase of Development	Analyze and Design
Project Timeline	Phase 1: Through June 30, 2011 ☐ Analysis and Design May 2010 ☐ Execution and Construction October 2010 ☐ System and User Test April 2011 ☐ Cutover and Go-Live July 2011 Phase 2: July 2011 – June 2012 ☐ Analysis and Design November 2011 ☐ Execution and Construction February 2012 ☐ Testing and Training May 2012 ☐ Cutover and Go-Live July 2012 Project Closeout: March 2013
Total Budget	\$58,337,353
Funding	All but \$5.6 million from special revenue funds. The \$5.6 million represents the Commonwealth's funding for Phase 2 and comes from the Chief Application Officer's Working Capital Advance.
Actual Costs (As of 12/31/09)	\$9,517,005 of which \$4.6 million represents software
Outside Contractor(s)	Implementation Service Providers: Accenture IV&V Services Provider: CACI
Prior APA Report and Issue Date	No reports issued to date.

EpicCare

The University of Virginia Health System (the Medical Center) is implementing EpicCare (formerly Integrated Healthcare Information Management System) solution with support from clinical system vendors. The project solution will connect the Medical Center with its affiliates and ambulatory clinics in an integrated and transferable electronic medical records processing system. Electronic medical records repository will provide doctors with timely online access to radiology images, patient allergies, prescriptions, and digital documentation of the care process.

During the 2008 calendar year, Medical Center experienced several problems with the project vendor, GE. Throughout the project's development, GE failed to deliver critical software components as contractually obligated. Specifically, UVA did not receive clinical documentation, hospital pharmacy, and inpatient functionality from GE. Due to the failure of vendor services, UVA terminated the contract in the first quarter of 2009. Epic Systems Corporation was selected as the replacement vendor through a competitive procurement process.

The newly revised project began in March 2009. Clinicians began designing, building and validating the new Electronic Medical Record that will deliver patient care. Clinicians have also begun reviewing EpicCare's Model System and are updating database content as of the close of 2009. The EpicCare Electronic Medical Record project is on schedule and within budget.

Sponsoring Agency Information	University of Virginia Medical Center Project Sponsor: Marshall Ruffin, MD, MPH, MBA, CPE, FACPE Chief Technology Health Info Officer Project Manager: Robert Reynolds, MD, DrPH	
Current Phase of Development	Execution and Control	
Project Timeline	☐ Contract Signed and BOV Approved May 1999 ☐ Interim Clinical Results Archive Systems Implemented August 2001 ☐ Re-sequencing of IDX Phases and Amendment Agreement .. July 2002 ☐ Multi-Year Data Conversion and Result Repository November 2004 ☐ Pilot Ambulatory Clinic Conversions..... July 2005 ☐ PICIS (Critical Care) First Unit Implementation..... March 2007 ☐ Clinical Staff Retreat/EpicCare Project Kickoff..... March 2009 ☐ Implementation of Replacement Ambulatory EMR September 2010 ☐ Implementation of Replacement Inpatient and ED EMR March 2011	
Total Budget	\$63,855,614	
Funding	100 percent internal funded through the Medical Center revenues.	
Actual Costs (As of 12/31/09)	\$16,897,284	
Outside Contractor(s)	Primary Contractor: Epic Systems Corporation IV&V Contractor: UVA Internal Audit, NorthShore University and Gartner	
Additional Information	Marshall Ruffin, MD, MPH, MBA, CPE, FACEP is the new project sponsor.	
Prior APA Report and Issue Date	No reports issued to date.	



Commonwealth of Virginia

Walter J. Kucharski, Auditor

**Auditor of Public Accounts
P.O. Box 1295
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March 19, 2010

The Honorable Robert F. McDonnell
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 projects at the Departments of Professional and Occupational Regulation, Rehabilitative Services, Planning and Budget, Motor Vehicles, and Transportation to highlight unique aspects of their status.

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

KKH/clj