QUALITY ASSURANCE TEAM

Legislative Budget Board ♦ State Auditor's Office ♦ Department of Information Resources

TO: Governor Rick Perry

Lt. Governor David Dewhurst	Speaker Tom Craddick
Senator Steve Ogden	Representative Jim Pitts
Senator Robert Duncan	Representative Fred Hill
Senator John Whitmire	Representative James Keffer
Senator Judith Zaffirini	Representative Vilma Luna

FROM: John O'Brien, Deputy Director, Legislative Budget Board
John Keel, CPA, State Auditor, Office of the State Auditor
Larry A. Olson, Chief Technology Officer, Department of Information Resources

DATE: December 21, 2005

SUBJECT: 2005 Quality Assurance Team (QAT) Annual Report

State major information resource projects monitored by the QAT provide oversight and assistance necessary to support successful completion of major information resource projects.

A guiding principle for QAT is to review all the state's major information resource projects with consideration to three factors when agencies/institutions requested and received funding. These are functionality, budget and time.

Project risk from the perspective of the QAT has been defined as the likelihood that one or more of these factors will not fully be met. The QAT will act to reduce the risk involved in the state's major information resource projects. The following items will be incorporated over fiscal year 2006 and will be reflected in future QAT reports to the Legislature.

- Establish consistent risk and benchmark criteria.

- Establish an intuitive tracking mechanism for the health of major information resource projects.

- Explore/develop a score carding system that summarizes risk.

Score carding is a system that the United States Office of Management & Budget (OMB) utilizes and appears to have a powerful impact on motivating behavior by summarizing complex factors into more intuitive indicators.

The report will be available on the LBB website at http://www.lbb.state.tx.us. If you have any questions, please contact John O'Brien or Richard Corbell of the Legislative Budget Board at (512) 463-1200, John Keel or Ralph McClendon of the Office of the State Auditor at (512) 936-9500, or Larry Olson or Dustin Lanier of the Department of Information Resources at (512) 475-4700.

Attachments

ANNUAL REPORT

Quality Assurance Team

Summary

During fiscal year 2005, 31 projects representing $671.3 million in technology investments were subject to the Quality Assurance Team (QAT) review. Investments in major information resource projects have continued to decline for the past several years. Nine of these projects, with a total cost of $98.5 million, concluded by fiscal year end. Collectively, the final costs for completed projects came in under budget by $5.2 million when compared to initial estimated project costs. Variances were due to fluctuations in functionality and uncertain initial project assumptions.

Appendix A provides an overview of 19 monitored projects that will be active during fiscal year 2006. Appendix B provides a list of the projects completed during fiscal year 2005. Appendix C lists projects that the QAT considers low-risk and has waived from further review at this time. Appendix C also includes two canceled projects. Both were suspended by the agencies. Information in the appendix is based on the most recent reports received by affected agencies.

The QAT identifies projects from agency and university Biennial Operating Plans that meet certain criteria. Specifically, an information technology project must have development costs greater than $1.0 million and meet one or more of the following criteria: (a) requires a year or more to reach operational status; (b) involves more than one agency or governmental unit; or (c) materially alters the work methods of agency or university personnel or the delivery of services to agency or university clients. QAT activities include review of these projects, research, agency and legislative assistance, and project monitoring.

As the QAT monitors projects, specific projects stand out because of their impact on state government and the business processes of the affected agency or university. Such projects warrant more scrutiny than other monitored projects. Projects of particular significance include:

> **Texas Integrated Eligibility Redesign System (TIERS)**
> This project is significant because of the number of agencies involved in the project - the Department of Aging and Disability Services, the Health and Human Services Commission, the Department of State Health Services, and the Texas Workforce Commission - and because of the impact it will have on the way these agencies do business. TIERS is a comprehensive effort that will replace multiple eligibility applications and improve business processes. Current cost estimate is $296,736,899 and have slightly increased from the estimate in last year's QAT report.

> **Crash Records Information System (CRIS)**
> International Business Machines Corp. (IBM) did not meet the terms for payment under the CRIS Agreement and had not received payment since March of 2005. Department of Public Safety (DPS) issued a Notice to Cure to IBM on August 3, 2005. DPS and Texas Department of Transportation's (TxDOT) legal staff jointly reviewed the CRIS Agreement prior to the Notice to Cure being issued. Under the terms of the Notice to Cure IBM had 55 days to complete all Configuration Phase II deliverables and deploy the CRIS application. IBM was to deliver an acceptable work plan to DPS within 10 days of receipt of the Notice to Cure. DPS terminated the IBM CRIS contract on August 17, 2005. The QAT was not notified of the contract termination until August 2005.

Offender Information Management Phase Three, Period One

Through multiple phases of development, the project re-engineers the Department of Criminal Justice's business processes and applications related to the supervision and management of felons. Two phases are now complete at a cost of $14,470,539. These phases include development of a road map for re-engineering, review of business processes, and redesign of systems to support the re-engineering effort which concentrates on the parole-related processes. Completion of this project phase entails two releases. Implementation of Release 1 functionality was accomplished on September 12, 2004. Staff made significant progress during the month of October 2004 in the resolution of system performance issues and effectively improved response, Central Processing Unit utilization, and user satisfaction. Staff is continuing to support the user community in their transition to the new system.

Review of functionality associated with the Parole Violation / Revocations functions has identified several operational changes implemented since completion of the System Design. In addition, policy and rule changes promulgated by the Board of Pardons and Paroles have necessitated changes to the code associated with the Pre-Release functions. Implementation of these changes has delayed the completion of the development activities and will delay testing, training, and implementation of the Release 2 functionality. Original planning reflected implementation of the Pre-Release functionality in August 2005, and Violation / Revocation functionality in late October 2005.

Oil and Gas Migration

This Texas Railroad Commission project re-engineers the Oil and Gas Division's internal business processes and moves the Commission's outdated computer mainframe technologies to a new computer platform. The project should provide the oil and gas industry and the citizens of Texas with the ability to submit and access electronic information more accurately and in a timelier manner. The project's cost was initially $12,425,906, and it increased by $3,052,600 when the Electronic Compliance and Approval Project (ECAP) was closed and its unfinished components were combined into this project because of their similar goals. During the summer of fiscal year 2004, the agency terminated the contract with the project's vendor because the effort was seriously underestimated. The agency has decided to manage the completion of the project using its own and contract staff. The estimated cost to complete the project is now $27,608,223, and the completion date is now February 2012, six and one-half years from the initial estimated August 2005 completion date. Delays in this project will result in the agency having to incur costs for maintaining two computer hardware systems.

Appendix A contains additional information on each of these projects.

Issues and Observations

Issue:
Many agencies and universities do not routinely practice quality assurance (QA) as a component of their management of technology projects.

A State Auditor's report regarding this issue, *A Review of State Entities' Quality Assurance Procedures*, is available on the Legislative Budget Board Web site at http://www.lbb.state.tx.us. The February 2002 report provides details on the issue of quality assurance practiced by state agencies.

Observation:
The QAT has long emphasized the need for improved guidance and clarification on when and how to comply with state QA standards. DIR should consider enhancing its guidelines with specific directions and examples for small automation projects to assist agencies and universities that are unable to devise their own processes. In addition, agency and university Information Resources Strategic Plans should contain a statement on compliance with QA standards.

Status:
DIR has developed a comprehensive project delivery framework tailored to the needs of Texas State Government. The framework establishes a structure through which agencies can deliver, review, evaluate, and document outcomes throughout a project's life cycle. The framework provides the methods, tools, and best practices to strengthen agency accountability. This framework offers the guidance and direction agencies need to improve project performance and quality, and an initiative involving aligning many of the state oversight practices with the Framework. The Texas Project Delivery Framework became a permanent tool set through legislation of HB 1516, 79th Regular Session, 2005.

Issue:
Several projects are considered high-risk due to the lack of an effective contract that clearly delineates expected vendor performance.

Observation:
Most major information resource projects use the services of one or more contractors to provide necessary technical skills to develop and implement complex hardware and software systems. It is up to individual agencies to contract for the acquisition of these services while balancing cost with needed quality and acceptable risk. Unless an agency has funds to hire expertise in contract development and negotiations, it is usually at a disadvantage when dealing with vendors that undertake contract negotiations on a frequent basis. There is a need for agencies to have access to expertise and examples in developing explicit statements of work and contract terms and conditions.

Status:
Texas Building and Procurement Commission, the Office of the Attorney General, Comptroller of Public Accounts, DIR, and the State Auditor's Office jointly published the *State of Texas Contract Management Guide* in October 2004. This guide provides practical suggestions and best practices as assistance to improve agencies' contracting processes. In addition, DIR is currently developing enhanced contract management guidelines consistent with the project delivery framework. As a member of the Contract Advisory Team, DIR is developing a specific technology contracting addendum for the contract management guide that will be integrated into the Texas Project Delivery Framework.

Project Review and Monitoring Activity

The QAT reviewed 31 projects in fiscal year 2005. Agencies/Institutions completed nine projects and canceled two projects. Substantively, the QAT waived one project from further review assuming there are no changes to the project. Waived projects have the lowest risk. If the project plan or financial expenditures for a project change, the QAT will re-evaluate the project's risk and may reassign the risk level.

Although the State's dramatic reduction in investment in major information technology projects continues, budget pressures still demand that agencies provide more services to the State's growing constituents for less cost. The appropriate deployment of technology has historically provided both the private and public sector with the ability to improve efficiencies and increase service. Some agencies continue to face challenges in maintaining their existing information technology infrastructure. This leaves limited resources to dedicate to identifying opportunities for new technology investment that would result in improving the cost-effectiveness of government services. While some large development projects become complete during fiscal year 2005, the number of projects subject to QAT oversight will increase slightly in 2006, as will the total expenditures for information technology. The QAT monitored 19 projects with approximately $560.8 million in development costs. This compares to last year's 52 monitored projects with approximately $952 million in development costs.

Figure 1 shows the status of projects subject to QAT oversight.

Figure 1: QAT Projects by Status
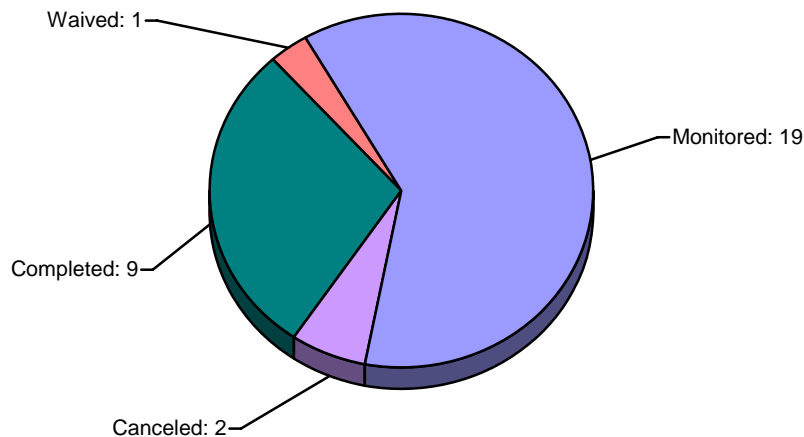
As information relating to projects changes, the monitoring status of these projects may change during the fiscal year. Monitoring encompasses various activities including participation in project steering committee meetings, reviewing project schedules and expenditures, and/or providing project management consultation to the project team.

The QAT assigns a level of risk to all projects that meet oversight thresholds based on initial review of information provided in the Biennial Operating Plan project description and knowledge of the agency developing the project. The level of risk is determined through a multiple-step process of evaluating project risks, the risks' potential impact on the success of the project, and the consequences of failure. Projects receive risk ratings of high, medium, or low. These ratings and the corresponding level of monitoring can change as the project progresses.

High-risk projects are projects that are currently assigned the highest level of QAT oversight. All high-risk projects provide the QAT with periodic reports that detail progress, changes in cost and schedule, changes to risk, and changes to scope. Medium-risk projects are projects that warrant requests for additional reporting to the QAT (for example, initial risk analysis questionnaires, project development plans, and/or previous monitoring) but do not provide ongoing status reports. In most instances, the QAT waives further review for low-risk projects usually based on the nature of the project. These projects usually involve the purchase of equipment and its deployment to users.

Figure 2 illustrates the number of projects subject to QAT review by risk level.
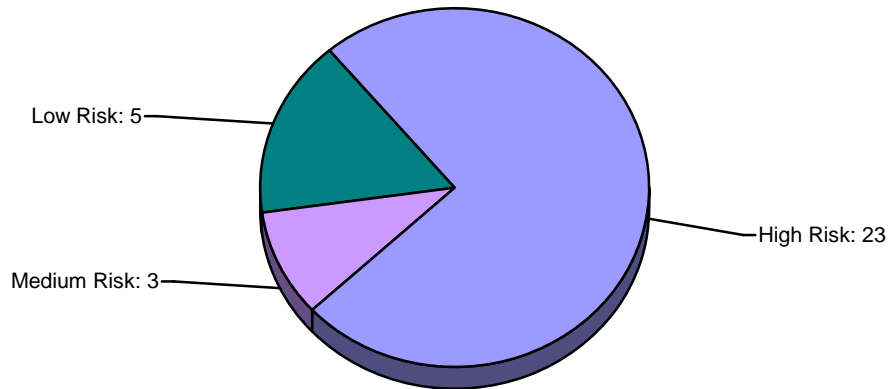
Figure 2: Number of Projects at Each Risk Level

Figure 3 depicts the project costs (rounded) associated with projects in each risk level. Total project life cycle costs for all projects subject to QAT oversight is $671,313,668. Life cycle cost includes all costs over the development life of the project – from inception to implementation – and usually covers more than one biennium.

Figure 3: Total Project Life Cycle Cost by Risk Level
(in millions of dollars)
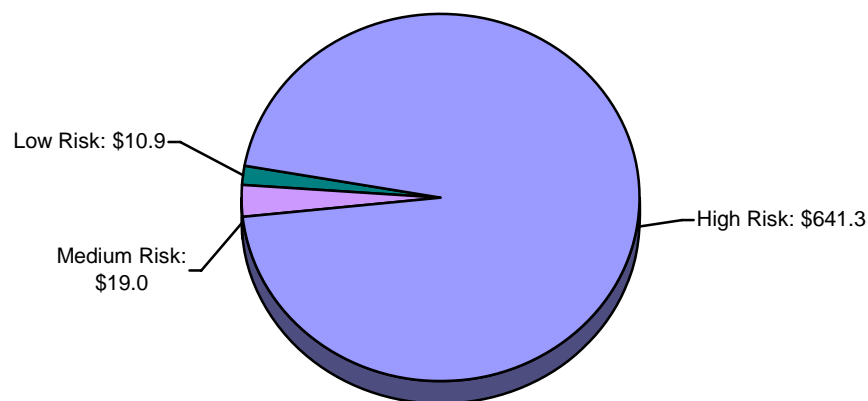
Appendix A provides additional information about the status and life cycle costs of each monitored project as reported in the respective agency's/university's Biennial Operating Plan or current monitoring report. Information includes initial estimates of cost, benefit, and implementation date for projects compared to current project estimates.

Background

The QAT originated during the 73rd Legislature, (1993) within Senate Bill 381 and in the General Appropriations Act. Its existence has continued under the General Appropriations Acts of the 74th through 79th Legislatures. In addition, Senate Bill 1701 (78th Legislature, 2003) codified several duties of the QAT in the Texas Government Code.

QAT responsibilities include establishing rules and guidelines to govern the quality assurance process and review of major information resources projects.

Texas Government Code, Chapter 2054 (Sections 158, 118, 1181-1183), and Article IX, Sections 9.01 and 9.02, of the General Appropriations Act (79th Legislature, 2005) contain comprehensive details of all QAT responsibilities.

APPENDIX A: MONITORED PROJECTS

ARTICLE I – GENERAL GOVERNMENT

Agency:	**Attorney General, Office of the (OAG)**
Project Name:	**Child Support Division's Texas Integrated Eligibility Reengineering System (TIERS) – Texas Child Support Enforcement System (TXCSES) Interfaces**
Description:	Develop interfaces for data sharing with *Department of Health and Human Services*.
Benefits:	Improve Child Support Division's (CSD) service delivery to clients, counties, district clerks, and the public though data sharing and data integrity.
Status/ Explanation of Changes:	The end date has increased from 8/31/2006 to 9/30/2007. The project is 8.8% complete. In FY 2005, meetings were held with Health and Human Services Commission to discuss design, data issues, the implementation schedule, and testing plans. The CSD continues to conduct system tests of interfaces when new TIERS builds affect the interface files. Health and Human Services Commission introduced changes in scope and timeline to the TIERS project resulting in estimated costs for FY06-07. The FY06-07 cost estimates include the use of in-house resources and the use of contractors to jointly complete the project. These estimates also include the cost of a referral filter process that ensures the quality of data posted to TXCSES and reduces workload for CSD staff. Health and Human Services Commission announced the final award of the Integrated Eligibility (IE) contract with Accenture in July 2005. QAT has identified this project as high risk. Current expenditures to date are $242,391.

Original Timeline:	10/01/01 – 08/31/05	**Current Timeline:**	10/01/01 – 9/30/2007
Initial Costs:	$5,562,904	**Current Costs:**	$5,992,391

APPENDIX A: MONITORED PROJECTS

Agency:	Office of the Texas Secretary of State (SOS)		
Project Name:	**TEAM (Texas Election Administration Mgmt) System Implementation Project**		
Description:	Federal Help America Vote Act of 2002 (HAVA). This act requires the state to implement a single, unified, official, centralized, interactive, computerized statewide voter registration list that is defined, maintained, and administered at the state level.		
Benefits:	Help America Vote Act Training and Technical Assistance to Assist Protection and Advocacy Systems to Establish or Improve Voting Access for Individuals with Disabilities.		
Status/ Explanation of Changes:	A joint detailed schedule re-planning effort is underway with the goals of risk mitigation and Commercial Off-The-Shelf (COTS) product hardening. An announcement about moving the release date to the summer of 2006 has been made to the counties at the August 2005 Voter Registration Conference in Austin. From January until Texas Election Administration Management (TEAM) deployment, we plan to use the interfaces to Department of Public Safety and Social Security Administration for new voter registrant validation using the existing Texas Voter Registration System holding a master voter database (updated daily in batch fashion by all counties). The agency defines this as TEAM Release 0 (r0). This will permit the state to be HAVA compliant while the rest of TEAM is completed and deployed in the summer of 2006. Although not finalized by the Steering Committee yet, Project Change Requests will add about 3183 hours to the project plan, and will authorize IBM to draw upon about $450,000 of the available $545,238 budgeted 10% under-cap amount for all project deliverables, per contract, while extending the project end date to the end of 2006. QAT has identified this as high risk project. Current expenditures to date are $4,682,208.		
Original Timeline:	09/01/03 – 01/01/06	**Current Timeline:**	11/08/04 – 02/28/06
Initial Costs:	$15,000,000*	**Current Costs:**	$14,773,345*

* Includes implementation and four years of maintenance fees.

APPENDIX A: MONITORED PROJECTS

ARTICLE II – HEALTH AND HUMAN SERVICES
(QAT projects reflect ownership prior to consolidation of Article II agencies)

Agency:	**Health and Human Services Commission (HHSC)**
Project Name:	**Enterprise Health Insurance Portability and Accountability Act (HIPAA)**
Description:	HIPAA is a multi-agency project under HHSC project direction that will coordinate implementation of HIPAA privacy and security rules and ensure compliance with Electronic Data Interchange (EDI) standards specified in 42 Code of Federal Regulations (CFR).
Benefits:	HIPAA rules will result in modifications to policy and procedures, processes, automation systems, and software. Contractors that perform business functions on behalf of Medicaid or CHIP will be required to modify existing systems and/or processes to comply with HIPAA standards. Testing with providers and other entities will require significant planning and resource allocation by Medicaid and CHIP. When possible, HIPAA privacy and security rules will be implemented in conjunction with other state agencies, and compliance with state standards will also be instituted. Activities include systems assessment, analysis, requirements, specifications, remediation, testing, and implementation. Priorities include (1) HHSC, Department of Aging and Disability Services (DADS), and Department of State Health Services (DSHS) programs/systems that are covered by HIPAA and (2) coordination with related Department of Family and Protective Services (DFPS) and Department of Assistive and Rehabilitative Services (DARS) programs/systems and external entities (e.g., health services providers). Health and human services contractors that operate Medicaid or CHIP systems are required to comply with HIPAA.
Status/ Explanation of Changes:	Compliance with HIPAA security rules is required by April 20, 2005. Compliance with National Provider Identifier (NPI) rules is required by April 23, 2007. The agency has completed several key components, including the completion of security assessments of all health and human services agencies, gap analysis for all health and human services agencies, and development of draft remediation plans for all agencies. The security phase is budgeted at $5,500,000, current expenditures are $2,700,148, and balance is $2,799,852. The Security project is 75% complete. The NPI is federally mandated as part of the HIPAA rule; it is budgeted at $12,178,712, no cost to date. The NPI is the only provider identifier which will be allowed on all standard transactions which include (but are not limited to) client eligibility inquiry, response and claims submission and response. Provider enrollment processes must be modified to collect information for claims payment process. Lack of funding will result in agency being Non HIPPA compliant. QAT has identified this project as high risk. Current expenditures to date are $3,349,898.

Original Timeline:	09/01/03 – 08/31/05	**Current Timeline:**	09/01/03 – 04/30/07
Initial Costs:	$ 17,115,196*	**Current Costs:**	$ 17,678,712

* Original start date and costs were taken from the agency's Biennial Operating Plan 78(R).

APPENDIX A: MONITORED PROJECTS

Agency:	(TDHS) now Department of Aging and Disability Services (DADS)		
Project Name:	**Texas Integrated Eligibility Reengineering System (TIERS)**		
Description:	Replacement of multiple eligibility applications and improvement of business processes through the expansion of change centers and fraud prevention tools.		
Benefits:	• Quicker staff access to client data and eligibility determination; • More timely, precise information allowing for better informed decisions; • Better, automated communication among state and federal agencies; • Improve fraud prevention methods; and • Facilitate changes to system rules due to legislation, regulations, and policy.		
Status/ Explanation of Changes:	TIERS completed 97% requirements of its August 2007 build. The agency is continually closing outstanding interface defects. Open enrollment begins in the fall of 2005. Processes will be refined as specifications are developed based on final federal requirements released January 21, 2005. The deployment strategy and SAVERR transition to TIERS will be determined by the outcome of Integrated Eligibility (IE) decisions. DADS hopes to complete the design and development of Build 52 release due Oct 2005. Deloitte consulting is working with Accenture during knowledge transfer sessions for further development and operations providing a walk through of the TIERS conversion process to Accenture along with system documentation. Three key risk factors have been identified by HHSC and the agency has accomplished a risk plan to mitigate the issues. They are as follows: • Developed a tracking system to monitor individuals who apply (either online or through the mail) for the Medicare Rx Extra Help with the assistance of HHSC staff. • Developing requirements for Low Income Subsidy on Medicare Part D. • Developing a method to translate the Drug Plan number into a Plan Provider name in order for staff to effectively assist clients. Costs continue to fluctuate slightly. QAT has identified this project as high risk. Current expenditures to date are $296,736,899.		
Original Timeline:	06/09/97 – 08/31/04	**Current Timeline:**	09/01/99 – 10/31/05
Initial Costs:	$317,569,234*	**Current Costs:**	$298,689,192

Reflects initial reporting in the Biennial Operating Plan 77th Legislative Session

APPENDIX A: MONITORED PROJECTS

Agency:	**Health and Human Services Commission (HHSC)**
Project Name:	**Pharmacy Software System Replacement Project (WORx)**
Description:	The goal of this project is to select and implement a new, equally functional, and fully supported pharmacy system for use by the HHSC state facilities. HHSC's work methods and service delivery system will change little as a result of the new system.
Benefits:	The main opportunity for improvement is through the interfacing of the new pharmacy system with the Clinical Record System.
Status/ Explanation of Changes:	HHSC continues file building of the global files necessary for the pharmacy software to function and tailoring those global files for San Antonio State Hospital. Training completed San Antonio, Big Spring, Denton, all cities went live on WORx (pharmacy software inventory), as has training for WORx Basic and Infomaker (software that generates reports). Abilene, Mexia, Kerrville State School, Richmond, Corpus Christi and Lubbock completed operational training August 2005. Austin State school went live on WORx August 2005. Due to El Paso's different time zone, two toolkit servers must be obtained at a cost of $10,000. Medicare Part D was not negotiated during contract bids the additional functionality will add an additional $64,822 to the project cost. HHSC has consolidated the Texas Center for Infectious Disease (TCID) into the scope of this project. The agency is currently working with the vendor to get a fair price for the addition of one more hospital at a cost of $246,349 with the San Antonio State Hospital assuming pharmacy operations. The implementation date has been delayed due to the general release of the WORx 2.8 product the release date is September 2005. WORx Overall Percent Complete: 72%. QAT has identified this project as high risk. Current expenditures to date are $2,505,424.

Original Timeline:	09/01/02 – 02/28/04	**Current Timeline:**	09/01/02 – 04/30/06
Initial Costs:	$ 2,500,000	**Current Costs:**	$ 3,360,271

*Reflects the latest QAT Report dated 8/31/05

APPENDIX A: MONITORED PROJECTS

ARTICLE III – EDUCATION

Agency:	University of Houston System Administration
Project Name:	Student Financial HR Replacement System
Description:	A system to fully integrate financial, human resources and student information system for all system components (such as the University of Houston Clear Lake or the University of Houston Victoria). University of Houston Downtown is removed from this project due to budget cuts and the unforeseen Student Administration module is not as mature as other modules and caused considerable difficulty stabilizing the system. The complexity of implementing that module at the other universities required additional funding. There were no sources for that funding in current funds, so the implementation period was extended. Project focus narrowed from three universities to two (excluding UH-Downtown).
Benefits:	There is a need to provide an integrated, effective business environment to support the changing needs of the academic community. As institutions of higher education move toward service enhancement to its student and community environments, the need for the University of Houston (UH) systems to keep pace with these changes was paramount. The FAST project supports the coordination of operations within the UH System universities, enabling them to serve the higher education needs of all stakeholders in a comprehensive and cost-efficient manner. Phase one is complete. Replacement of the financial, human resource, and student information systems will benefit the three campuses of the UH System by enhancing decision quality and timeliness of the information services provided. Operating costs to support phase two services will be evaluated based upon the need for this information and optimized as each new service is implemented. Accenture began the work on plans, timetables and budgets in time for the December 2004 reporting period. The Student Administration module was not a mature as other modules thereby creating considerable difficulty in stabilizing the system.
Status/ Explanation of Changes:	The UH System wanted to separate this project into two projects representing two individual phases. The QAT advised the UH System to have the project remain as one project, allowing the UH System to show two phases with costs added together for the entire project. In September 2004, costs increased from $36,280,469 to $51,457,261 due to the addition of a new phase (Phase II - Student & Academic Administration (SAA) Rollout). Percent-to-completion is an estimate based on current QAT monitoring report information. Current expenditures to date are $35,892,635. Phase two began September 2003 planned end date is December 2007. Phase one cost equaled $32,921,706. Phase cost to date is $2,970,929. Accenture will complete the new plans, timetables and budgets during the next reporting period. QAT has identified this project as high risk.

Original Timeline:	03/01/99 – 08/31/02	Current Timeline:	03/01/99 – 12/31/07
Initial Costs:	$35,780,000	Current Costs:	$ 51,457,261

APPENDIX A: MONITORED PROJECTS

Agency:	**Criminal Justice, Texas Department of (TDCJ)**
Project Name:	**Offender Information Management Phase III – Period 1**
Description:	Reengineering of the agency's offender information management business processes and application of technology and tools. Efforts are concentrated on a management system to supervise and administer a range of options and sanctions available for felons' integration back into society following release from confinement. Phase III, Period I concentrates on parole-related processes.
Benefits:	Correct deficiencies, data inaccuracies, delays in processing information, redundant data entry, and intensive staff processing of information; and reduce numerous transports of hard copy files. In May 1995, an independent consulting firm estimated savings for the entire project in excess of $100 million through fiscal year 2002, assuming a 1995 start date and a 1999 completion date. Savings estimates using different criteria have varied throughout this project.
Status/ Explanation of Changes:	This project has been separated into multiple phases. Two earlier phases of the project have been completed at a cost of $14,470,539. These phases provided for the development of a road map for reengineering, a review of business processes, and the redesign of systems to support reengineering process. Completion of this project phase entails two releases. Implementation of Release 1 functionality was accomplished on September 12, 2004. Staff made significant progress during the month of October 2004 in the resolution of system performance issues and effectively improved response, Central Processing Unit utilization, and user satisfaction. Staff is continuing to support the user community in their transition to the new system. Review of functionality associated with the Parole Violation / Revocations functions has identified several operational changes implemented since completion of the System Design. In addition, policy and rule changes promulgated by the Board of Pardons and Paroles have necessitated changes to the code associated with the Pre-Release functions. Implementation of these changes has delayed the completion of the development activities and will delay testing, training, and implementation of the Release 2 functionality. Original planning reflected implementation of the Pre-Release functionality in August 2005, and Violation / Revocation functionality in late October 2005. The Parole Division believes that the implementation of pre-release functionality prior to the Spring of 2006 represents a very high level of risk in the management of the Division and its ability to effectively supervise 80,000 offenders. This delay will necessitate a corresponding delay in the implementation of Violations & Revocation (PAVR) functionality, as resources currently dedicated to completion of the Pre-Release functionality cannot be shifted to work required to complete Violations & Revocations functionality. QAT has identified this project as high risk. Current expenditures to date are $29,780,135.
Original Timeline:	09/01/99 – 08/31/01	**Current Timeline:**	09/01/99 – 05/31/2006
Initial Costs:	$31,435,650	**Current Costs:**	$29,826,236

APPENDIX A: MONITORED PROJECTS

Agency:	Public Safety, Texas Department of (DPS)		
Project Name:	Crash Records Information System (CRIS)		
Description:	DPS and the Texas Department of Transportation (TxDOT) are working cooperatively to restructure and redesign the Texas Traffic Accident/Crash Records systems.		
Benefits:	Implementation of a crash records information system provides enhanced efficiencies to capture, manage, and disseminate timely and accurate data to parties who need it to improve the safety of Texas roadways.		
Status/ Explanation of Changes:	IBM did not meet the terms for payment under the CRIS Agreement and had not received payment since March of 2005. DPS issued a Notice to Cure to IBM on August 3, 2005. DPS and Texas Department of Transportation's (TxDOT) legal staff jointly reviewed the CRIS Agreement prior to the Notice to Cure being issued. Under the terms of the Notice to Cure IBM had 55 days to complete all Configuration Phase II deliverables and deploy the CRIS application. IBM was to deliver an acceptable work plan to DPS within 10 days of receipt of the Notice To Cure. DPS terminated the IBM CRIS Contract on August 17, 2005. DPS has issued an assessment plan which includes: • Prepare to go-live with CRIS without IBM if necessary. • Get agreement on Transition of Services from IBM to the CRIS Project Team. • Transition Services request sent to IBM on August 25, 2005. • Conduct assessment of the application and data. • Bring Crash Records Bureau scanning and Extended Development Environment component of CRIS up as soon as possible to collect 2004-2005 data. • Secure additional resources to complete the project. • Deploy all components of the application in a phased fashion. Larry Olson at the DIR, with permission from DPS and TxDOT executive sponsors of the CRIS project, contacted John Nyland (GM, Public Sector, IBM Global Services) to ensure peer-to-peer communications were occurring between IBM and the State of Texas. Mr. Nyland assured Larry Olson that they (IBM) look forward to resolving the issues, in a committed and expeditious manner. It appears that IBM may come back to complete the project and correct these issues. It is important to note that the State of Texas owns all assets, so IBM can completely severe ties with DPS, and the CRIS system can be completed with existing funding. QAT has identified this project as high risk. Current expenditures to date are $10,754,502.		
Original Timeline:	10/01/95 – 09/30/98	Current Timeline:	10/01/95 – 07/31/06
Initial Costs:	$2,209,810	Current Costs:	$14,365,258

APPENDIX A: MONITORED PROJECTS

Agency:	Public Safety, Department of (DPS)		
Project Name:	National Crime Information Center 2000/Texas Law Enforcement Telecommunications System (NCIC 2000/TLETS)		
Description:	The National Crime Information Center (NCIC) is an on-line information service jointly maintained by the FBI and criminal justice agencies throughout the United States. In 1993, the FBI began a system design and implementation process to upgrade hardware and software of the NCIC system to increase capacity, update technology, add fingerprint and image processing functions.		
Benefits:	Creates an on-line information service to meet the federal NCIC standards that generates the ability of law enforcement to exchange criminal justice data at both the state and national level.		
Status/ Explanation of Changes:	DPS has not been able to complete the Central Repository Business rules. Resources in this project are being decreased and other projects (DLR, THP, etc.) are borrowing resources from the TLETS project. The core network has met with new hurdles. Cabling will need to be done to comply with new rules imposed by DPS Building Programs and DIR. The work in this area has been impacted by the recent Gulf Coast disasters which have imposed more delay on their completion. IMS Telecommunications Management has provided the project manager with a resource to assist with the documentation associated with the network component. DPS is concerned that the lack of progress being made on the Central Repository will impact the project. The project managers as well as the project sponsor met on August 25, 2005 to discuss mitigation of the issue. Datamaxx has indicated that the timeframe for completion is directly related to the ability of DPS to deliver the business rules. A formal issue with regard to the TLETS Core Network Component was raised on August 24, 2005. IMS Telecommunications Management was notified and responded with a plan to designate a responsible person to the project on August 29, 2005. All system training originally scheduled for fall of 2005 was postponed due to Hurricane Katrina. Formal training has been tentatively rescheduled for October 2005. Datamaxx will send an individual to work with the training staff informally prior to that date. One of the TLETS Training staff is vacating her position and that informal training will be scheduled based on progress for refilling that position. DPS was appropriated $4,549,574 in fiscal year 2006-07 for payments to the Master Lease Purchase Program. Current costs decreased from the previous report as a result of actual NCIC project expenditures. QAT has identified this project as high risk. Current expenditures to date for the NCIC 2000 application and TLETS satellite conversion are $20,803,003.		
Original Timeline:	01/01/97 – 12/31/99	Current Timeline:	09/01/98 – 12/31/05
Initial Costs:	$10,698,304	Current Costs:	$27,637,552

APPENDIX A: MONITORED PROJECTS

Agency:	Public Safety, Department of (DPS)		
Project Name:	**State Agency Sharing Initiative/Computerized Criminal History Re-Write (SASI/CCH)**		
Description:	Redesign and rewrite of the DPS Computerized Criminal History System.		
Benefits:	Conversion to use a state-of-the-art database (IBM's DB2 database software) will avoid future costs for maintenance of the existing application within DPS. Additionally, increased revenue will be realized by the use of efficient and economical technologies within the redesigned CCH system.		
Status/ Explanation of Changes:	Phase I components were implemented in December, 2004. In order to implement all of the contracted Phase I and Phase II deliverables, the contract timeline was extended from December 2004 to December 2005. Due to the complexity of some of the Phase II components, namely the Query, Push, Pull, Publish, Subscribe component, Austin Projects Group (APG) was unable to complete the project as initially scheduled. Multiple components have been completed and acceptance testing is currently underway for the remaining components; eXtensible Markup Language (XML) Component, Web Interfaces, Data Analysis Component Implementation, XML Component Implementation and Web Interfaces Implementation In September 2005 all remaining deliverables were invoiced. End of contract date was September 27, 2005. Project close out date is set for the end December 2005. QAT has identified this project as high risk. Current expenditures to date are $3,246,432 (fixed-priced contract).		
Original Timeline:	09/01/00 – 08/31/03	**Current Timeline:**	02/01/02 – 12/31/05
Initial Costs:	$2,500,000	**Current Costs:**	$3,246,432*

* Final costs will not be known until a Post Implementation Review report is filed with QAT

APPENDIX A: MONITORED PROJECTS

Agency:	Department of Public Safety (DPS)		
Project Name:	**Drivers License Reengineering Project**		
Description:	A full upgrade of hardware and software that will rewrite the Texas drivers license system to support the citizens of the state of Texas. This project will include new camera systems, as well as a new database housing all drivers license and identification card information.		
Benefits:	Consolidated systems will enable DPS to combine both data and image collection applications on an individual personal computer, thus providing a more efficient processing of applications. A more efficient programming environment will make the system easier to maintain and expedite implementation of necessary system modifications and enhancements. The project will replace the communications protocol providing a more cost-effective and efficient system. Additionally, the system will incorporate automated reports to strengthen monitoring capabilities and reduce the potential for internal fraud.		
Status/ Explanation of Changes:	Eleven additional use cases were identified during the "Fit-Gap Analysis" of the Business Process Reengineering (BPR) Phase. This "Fit-Gap Analysis" is the method by which the "As-Is" and "To-Be" are compared to identify the gaps that must be closed in order to deliver a new system that meets the project's goals. For the DLR project, this analysis involved identifying the gaps between the DLR project proposal requirements with the requirements identified in the "To-Be" state during the BPR phase. This validation, documented in the *Requirements Fit-Gap Analysis*, allowed identification of requirements that were not identified in the proposal documentation. These additional use cases required a Change Order that was submitted on September 29, 2005 in the amount of $352,000, this has not changed the scope of the project. Through correspondence with the QAT, DPS has negotiated a contract with BearingPoint, Inc. to end November, 2007. QAT has identified this project as high risk. Current costs have been set at $38,238,845. Expenditures to date are $1,946,592.		
Original Timeline:	01/06/04 – 01/30/07	**Current Timeline:**	01/06/04 – 08/31/07
Initial Costs:	$46,727,643	**Current Costs:**	$38,238,845

APPENDIX A: MONITORED PROJECTS

ARTICLE VI – NATURAL RESOURCES

Agency:	**Environmental Quality, Texas Commission on (TCEQ)**
Project Name:	**State Implementation Plan (SIP) Data Management**
Description:	Development of a central database to receive and store area and mobile source emissions inventory data.
Benefits:	Provide required emissions inventory data to various entities, as well as greater automation in importing, storing, formatting, managing, and compiling data for air emissions inventory reports and submissions.
Status/ Explanation of Changes:	All FY05 components have been completed, tested, and moved to Production on the external web site under the new public name of Texas Air Emissions Repository (TexAER). This includes the Report Creator, Control Strategy Reports and the ability to project future case emissions inventories. Some of the data to support the control strategy reports and projected inventories is being developed under a separate contract, and review by staff has not been completed. Therefore, these portions of the application will be turned off until the data is available

Beta testing of the TexAER system began and was completed by the third week in September 2005. Contractors began addressing issues that came up due to beta testing. Staff have been using TexAER to quality assure the supporting data and to prepare the data for public release.

Public release and demonstrations are planned for October 2005 for internal and external stakeholders. The contract amendment will have been signed and the first work order of the fiscal year will have been initiated. The first work order will include refining the scope of work and prioritizing the remaining requirements for the next two years.

For fiscal year 2006-07, TCEQ was appropriated $1,200,000. QAT has identified this project as low risk. Current expenditures are $1,874,778. |
| **Original Timeline:** | 09/01/99 – 08/31/03   **Current Timeline:**   02/21/01 – 08/31/07 |
| **Initial Costs:** | $1,417,705   **Current Costs:** $3,627,454 |

APPENDIX A: MONITORED PROJECTS

Agency:	Environmental Quality, Texas Commission on (TCEQ)		
Project Name:	Surface Water Quality Monitoring Information System (SWQMIS)		
Description:	Elimination of the existing, outdated and incomplete systems for managing Surface Water Quality Monitoring data into an integrated information system for the long term storage, management, and assessment of surface water quality data.		
Benefits:	This project will provide a basis for more accurate and timely assessment and management of Surface Water Quality Monitoring data at the TCEQ. One of the requirements of this project will be to provide the general public with more efficient access to the data.		
Status/ Explanation of Changes:	TCEQ has finalized software requirements specification, use cases, requirements traceability, and provide detailed changes needed to the existing data model so that development can proceed to the design phase (for both the database and application). Based on prioritized requirements, developed a plan (work plan, schedule, and budget) for the development of the rest of the system. Prepared for the establishment of a Java 2 Enterprise Edition (J2EE) architecture at TCEQ. Each program area will be required to identify and prioritize their goals to develop project phases. Requirements will be validated by the subject matter experts and by the contractor for meeting STOrage and RETrieval (STORET) requirements. Users and subject experts must focus on mandatory requirements and relegate innovations to later phases. TCEQ will implement requirements in most cost effective manner (to ensure that improvements are implemented without excessive design costs, elements and features). Staff is ensuring that test plans cover all requirements and their dependencies. TCEQ plans on invoking Rider 14 in Article VI of the General Appropriations Act, Senate Bill 1, 79th Legislature, Regular Session, which allows TCEQ the opportunity to maximize federal funds. These funds will purchase hardware, software and information technology contract services. For fiscal year 2006-07, TCEQ was appropriated $1,000,000. QAT has identified this project as low risk. Current expenditures are $396,858.		
Original Timeline:	02/01/04 – 08/31/06	Current Timeline:	02/01/04 – 08/31/06
Initial Costs:	$1,750,000	Current Costs:	$1,750,000

APPENDIX A: MONITORED PROJECTS

Agency:	Railroad Commission of Texas		
Project Name:	Electronic Compliance and Approval Process (ECAP)/Oil and Gas Migration (OGM)		
Description:	Automate all compliance processes for the oil and gas industry.		
Benefits:	ECAP provides replacement of expensive and time-consuming prepping, filming, and filing of paper documents with an efficient electronic system; reduces turnaround time for compliance and approval processes; and decreases costs for the industry. The OGM project is the backend process to migrate oil and gas database systems from the mainframe environment to newer technologies, thus enhancing business processes by increasing efficiency and productivity.		
Status/ Explanation of Changes:	The ECAP and OGM projects merged for integration of processes and work products. Based on the agency's review to date, the following modules are scheduled for deployment in FY 2005. The modules will be deployed in phases, with each phase having additional functionality and enhancements. **Drilling Permit** The Drilling Permit system will provide the ability for all drilling permits to be processed and stored in a Java 2 Enterprise Edition (J2EE) open system, including applications that are filed in paper format and updated by internal staff. The automated workflow component will be expanded to accommodate internal processing requirements for paper applications including key-entry and scanning, uploading, and routing of document images. Changes in the application and security infrastructure will make it easier for third party consultants to file electronically on behalf of operators. Over time, this will result in a reduction in the number of mail-in or walkthrough permit applications, therefore reducing the workload associated with data entry and scanning images from hard copies. The Drilling Permit query system will be expanded to include all drilling permit data, including historical data migrated from the existing mainframe database. **Production Reporting Module** This module was scheduled to be deployed in 3 phases. Phase 1 was deployed on February 11, 2005 after which an assessment was done of the planned Production Reporting (PR) Phase 2 and Phase 3 requirements. Phase 2 – Scheduled for deployment in September or October 2005. Phase 3 – Scheduled for deployment in October 2005. For fiscal year 2006-07, $3,852,184 was appropriated for the OGM project. Separate rider and contingency appropriations were passed stipulating an additional $1,495,646 contingent upon the agency assessing fees to cover the costs of the Pipeline Safety program (Rider 11). Project costs and timeline have increased as a result of the project merger. QAT has identified this project as high risk. Current expenditures are $ 10,766,779.		
Original Timeline:	09/01/99 – 08/31/05	Current Timeline:	09/01/99 – 02/01/12
Initial Costs:	$12,425,906	Current Costs:	$27,608,223

APPENDIX A: MONITORED PROJECTS

ARTICLE VII – BUSINESS AND ECONOMIC DEVELOPMENT

Agency:	**Transportation, Texas Department of (TxDOT)**
Project Name:	**Licensing Administration Certification and Enforcement (LACE)**
Description:	Update and integrate existing automated processes of the Motor Vehicle Division.
Benefits:	Cost avoidance through increased staff morale, decreased turnover, and improved worker productivity.
Status/ Explanation of Changes:	The project end date remains January 2006. Integration testing delays and a major functional issue have caused additional delays to first, second and third launch. The Project Board has been advised and accepted the launch delay with emphasis that the testing process be monitored. The project end date includes project closure and wrap-up. The project is 95% complete. QAT has identified this project as high risk. Cost and timeline increased from previous report as a result of vendor termination. Current expenditures to date are $7,562,875.

Original Timeline:	11/01/99 – 08/31/03	**Current Timeline:**	11/01/99 – 01/31/06
Initial Costs:	$4,226,942	**Current Costs:**	$7,909,081

APPENDIX A: MONITORED PROJECTS

Agency:	Transportation, Texas Department of (TxDOT)		
Project Name:	Motor Vehicle Information System		
Description:	Vehicle application system for Point of Sale sticker printing.		
Benefits:	Web-based capability to renew vehicle registrations.		
Status/ Explanation of Changes:	There are three sub-projects that comprise the MVIS project: The Quality Assurance Team has broken the project into three separate projects. **Special Plates Integration (SPI)** End date for project is TBD. Re-activation date was December 2004. Re-activation Date was added to reflect the date the project was re-activated. Current Project End Date cannot be estimated at this time. Project End Date will be supplied when more detailed project planning has occurred. The project is 20% complete). This project is an enhancement to the Registration & Title System (RTS). Staff assigned to this project also provides production support for RTS, a major production application, as their first priority. **Registration and Titling System Point of Sale Sticker Printing (POS)** (Sub-project was completed in April 2005). **Internet Enabling of the International Registration Plan** End date still remains TBD. Due to the other priorities at TxDOT, this project was temporarily delayed. The estimated life cycle has not been re-estimated. Project is 19% complete. The total of these projects is $8,612,548 (POS - $ 5,909,232, SPI - $1,367,000, Internet Enabling - $ $1,336,316). QAT has identified this project as high risk		
Original Timeline:	09/01/01 – 08/31/03	Current Timeline:	09/01/01 – TBD
Initial Costs:	$19,990,000	Current Costs:	$8,612,548

APPENDIX A: MONITORED PROJECTS

ARTICLE VIII – REGULATORY

Agency:	Texas Department Of Insurance (TDI)		
Project Name:	Business Process Reengineering/Architecture Development		
Description:	Business process reengineering to identify and streamline business processes.		
Benefits:	Modernization of agency's data processing functions that were deemed unreliable and insufficient by the Office of the State Auditor.		
Status/ Explanation of Changes:	Detailed planning continues, but is focused primarily on Tier One. Other project action items are listed above in the milestone section of this report. Due to staffing shortages (both with illnesses and vacancies of internal staff and the departure of contract positions) the agency experienced some unexpected delays throughout the spring months. Due to the uncertainty surrounding the TWCC/TDI merger, the agency also experienced additional departures that impacted the project in July and August. With the recent submission of the QAT Risk Action Plan, decisions regarding staffing the project and the project's direction have been finalized and will continue to be documented through an updated Project Charter that will define all roles and responsibilities for the Project. The Project Development Plan is also being updated to solidify direction of the project and will then be transferred into the state's Project Delivery Framework model. Agency provided significant detail as to how the remaining 18 months of the project will be approached. The QAT sent a letter on November 15, 2005 to Comissioner Geeslin of TDI notifying the agency of the review and approval of their Risk Assessment Plan. QAT has identified this project as high risk. Current expenditures are $9,274,332.		
Original Timeline:	01/01/99 – 12/31/02	Current Timeline:	12/07/99 – 08/31/07
Initial Costs:	$7,310,540	Current Costs:	$12,870,000

APPENDIX B: COMPLETED PROJECTS

Article I – General Government

Employees Retirement System
    Pensions and Payroll System
        Initial Timeline: 01/15/02 – 01/15/04   Final Timeline: 01/15/02 – 07/18/05
        Initial Cost: $2,500,000   Final Cost: $4,479,939

Article III – Education

Texas State University (formally Southwest Texas State University)
    Future Administrative System (FAS)
        Initial Timeline: 01/01/01 – 08/31/03   Final Timeline: 01/01/01 – 02/28/05
        Initial Cost: $4,750,000*   Final Cost: $21,318,666
*Project was severely underestimated at initiation.

University of Texas MD Anderson Cancer Center, The
    *MOSIAC Electronic Ambulatory Medical Record Project**
        Initial Timeline: 08/25/00 – 08/31/10   Final Timeline: 09/01/00 – 08/31/04
        Initial Cost: $63,262,483   Final Cost: $41,636,364

*The project was completed at the request of UT MD Anderson Cancer Center. Of the original four phases as defined in the institution's project development plan, only one was functionally deployed.

University of Texas Medical Branch -Galveston
    Administrative System Replacement
        Initial Timeline: 07/01/00 – 04/30/04   Final Timeline: 07/01/00 – 10/01/04
        Initial Cost: $17,528,003   Final Cost: $18,467,044

Article V – Public Safety and Criminal Justice

Alcoholic Beverage Commission, Texas
    Re-Engineer Legacy Database System (T3)
        Initial Timeline: 09/01/01 – 08/31/05   Current Timeline: 09/01/01 – 08/31/05
        Initial Cost: $2,331,000   Current Cost: $2,809,963

Article VI – Natural Resources

Environmental Quality, Texas Commission on
    Investigation Information Collection System (IICS)
        Initial Timeline: 09/01/03 – 08/31/05   Final Timeline: 09/01/03 – 08/31/05
        Initial Cost: $2,000,000   Final Cost: $2,120,000

Environmental Quality, Texas Commission on
    Small System Development
        Initial Timeline: 09/01/03 – 08/31/05   Final Timeline: 09/01/03 – 08/31/05
        Initial Cost: $1,250,000   Final Cost: $1,155,463

APPENDIX B: COMPLETED PROJECTS

Article VI – Natural Resources (cont)

Water Development Board

Water Information Integration and Dissemination (WIID)

Initial Timeline:	09/01/01 – 08/31/05	Final Timeline:	09/01/01 – 08/31/05
Initial Cost:	$5,267,456	Final Cost:	$ 3,233,096

Article VII – Business and Economic Development

Transportation, Texas Department of

TxDOT Enterprise Resource Management System (TERMS II)

Initial Timeline:	09/01/01 – 08/31/03	Final Timeline:	09/01/01 – 11/30/04
Initial Cost:	$4,914,098	Final Cost:	$3,349,759

APPENDIX C: CANCELED AND WAIVED PROJECTS

Canceled Projects

Article I – General Government

Information Resources, Department of

E-Procurement*

Initial Timeline:	09/01/01 – 11/30/02	Current Timeline:	08/01/93 – 08/31/04*
Initial Cost:	$567,500	Current Cost:	$977,504*

*Project was canceled at agency's request.

Article V – Public Safety and Criminal Justice

Criminal Justice, Texas Department of

Offender Information Management Re-engineering Phase III Period 2*

Initial Timeline:	09/01/01 – 08/31/05	Current Timeline:	09/01/01 – 08/31/05*
Initial Cost:	$36,712,493	Current Cost:	$14,607,166*

*Project has not been initiated. Project will be removed from the Quality Assurance Team database.

Waived Projects

Transportation, Texas Department of

Bridge Management Information Systems (BMIS)

Initial Timeline:	12/01/92 – 09/30/07	Current Timeline:	12/01/92 – 12/31/05*
Initial Cost:	$1,761,841	Current Cost:	$2,039,701*

*The end date has changed due to the loss of a key resource last year and additional unplanned time required for data analysis. The re-scoped project will implement only the maintenance and inspection modules of Pontis. This will reduce the costs of project development.