November 24, 2020

The Honorable Ronald D. Kouchi,  
President, and  
Members of The Senate  
Thirtieth State Legislature  
Hawaii State Capitol, Room 409  
Honolulu, Hawaii 96813

The Honorable Scott K. Saiki,  
Speaker, and  
Members of The House of Representatives  
Thirtieth State Legislature  
Hawaii State Capitol, Room 431  
Honolulu, Hawaii 96813

Dear President Kouchi, Speaker Saiki, and Members of the Legislature:

Pursuant to HRS section 27-43.6, which requires the Chief Information Officer to submit applicable independent verification and validation (IV&V) reports to the Legislature within ten days of receiving the report, please find attached the IV&V report the Office of Enterprise Technology Services received for the State of Hawaii Department of Accounting and General Services’ Time & Leave Project.

In accordance with HRS section 93-16, this report may be viewed electronically at http://ets.hawaii.gov (see “Reports”).

Sincerely,

DOUGLAS MURDOCK  
Chief Information Officer  
State of Hawai‘i

Attachment (2)
Time & Leave Project
Phase II of the HawaiiPay project

Department of Accounting and General Services (DAGS)

IV&V Monthly Status Report – Final
For Reporting Period: July 1 – 31, 2020

Draft Submitted: August 19, 2020
Final Submitted: August 28, 2020
Overview

• Executive Summary
• IV&V Findings and Recommendations
• IV&V Status
• Appendices
  • A – IV&V Findings Log & Priority Ratings
  • B – Standard IV&V Inputs
  • C – IV&V Details
Executive Summary

The project continues to maintain a steady cadence toward an on-time Group 2 go-live, despite having to contend with the loss of the outsourced help desk due to COVID-19 related budget cuts. IV&V remains concerned with the adequacy of DAGS operations staffing levels as well as project team participation in non-project implementation activities. Project team members are conducting training sessions for Payroll Operations (PO) staff in an effort to fully transfer systems support from the project team to PO Technical Support Office (TSO), however, concerns have been raised that the TSO is understaffed and may not be able to effectively maintain systems operational support once the larger Group 2 goes live. Efforts are underway to transition the help desk to DAGS inhouse staff, however, it remains unclear whether the inhouse team will be able to effectively maintain the quality of help desk support given it will no longer be fully staffed with dedicated resources. The project team could continue to be pulled away to provide assistance if DAGS operations is unable to independently and effectively operate the payroll/TL systems and manage the help desk. IV&V also remains concerned with possible further impacts of COVID-19 including furloughs and other budget reduction measures as well as delays in providing departments with an OCR (Optical Character Recognition) solution for meeting project leave balance deadlines.

<table>
<thead>
<tr>
<th>Category</th>
<th>IV&amp;V Observations</th>
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</thead>
</table>
| Human Resources Management        | The project continues to make progress in distributing the work of overtaxed key individuals to new project resources. However, IV&V remains concerned that project team members continue to participate in non-project implementation activities, including, planning and organizing the transitioning of the help desk to inhouse staff, training and transitioning system operations from the project team to the TSO, and support of other DAGS/ETS initiatives.  
If team members become overtaxed, the quality and potentially the schedule of the Group 2 implementation could be impacted. Further, the project team has reported an unexpected and significant amount of time being spent on responding to department complaints that the system lacks certain features, such as, preventing users from entering invalid leave requests. IV&V recommends additional communications be sent to stakeholders to manage expectations and to improve understanding of the advantages of limiting features in initial releases of software until all deployments (all groups) are complete. 
It remains unclear whether DAGS operations staffing levels are adequate to effectively meet the needs of the larger Group 2 deployment and user base. The new DAGS inhouse staff may struggle to adequately maintain the quality of help desk support and the understaffed (primarily due to COVID-19 related budget cuts) DAGS TSO could struggle to maintain system operations and will likely rely on the project team to assist with operational support and ticket resolution. 
IV&V remains concerned with ongoing COVID-19 impacts to state resources including potential furloughs, retirement of key resources (due to pay cuts), and additional efforts required to conduct project activities virtually. |
### Executive Summary (cont’d)

<table>
<thead>
<tr>
<th>Category</th>
<th>IV&amp;V Observations</th>
</tr>
</thead>
<tbody>
<tr>
<td>Knowledge Transfer</td>
<td>IV&amp;V noted that responsibilities for the help desk will transfer to DADS operations. IV&amp;V remains concerned that the lack of dedicated support staff fully trained in HawaiiPay support issues may cause a degradation of the level of service. However, IV&amp;V also noted project plans to provide training to DADS that may help to alleviate some concerns. The loss of help desk funding has also led to a project decision to turn over DOE password resets to DOE support staff in mid-August 2020. The project estimates that DOE password resets have historically represented the bulk of help desk support calls. Project team efforts to support the transition of DOE password resets and the help desk could take away from some project activities. Further, the project is making a concerted effort to fully turnover operational support activities to DADS operations (TSO) by the end of August 2020, however, knowledge transfer efforts have not always been productive, and the TSO may be understaffed (primarily due to COVID-19 related budget cuts) to maintain operational support once the larger Group 2 goes live.</td>
</tr>
<tr>
<td>Operational Readiness</td>
<td>IV&amp;V continues to monitor Group 2 go-live processes. Concerns related to the procurement of the OCR solution may delay department’s capability to provide employee leave starting balances. The project has raised concerns that the DADS operations is understaffed (primarily due to COVID-19 related budget cuts) and may not be able to effectively maintain both operation of the system and the help desk once the larger Group 2 goes live. Therefore, IV&amp;V has raised this category risk to “Medium”.</td>
</tr>
<tr>
<td>Organizational Change Management (OCM)</td>
<td>The project reports ongoing progress of OCM activities including creation of pre-go-live communication packages and documentation of Standard Operating Procedures (SOP) for all department stakeholders. SOP’s are intended to provide guidance on how to perform TL/Payroll related tasks and prepare departments that have yet to go-live for what to expect. Project department mentors will be conducting preview sessions of system functionality to prepare departments for go-live. Positive user feedback has been reported from the recent project sponsored security sessions intended to improve departments understanding of system security.</td>
</tr>
</tbody>
</table>
## Executive Summary (cont’d)

<table>
<thead>
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</tr>
</thead>
</table>
| **Project Management and Organization** | Three departments have presented conditional opt-in proposals but have not yet opted-in to Phase II go-live. The project is in the process of evaluating the impacts and feasibility of accommodating the conditional opt-in proposals. The level of effort required to prepare for an onboard of the currently un-committed departments would likely result in either A) time spent planning and preparing for onboarding that may not occur, or B) a diversion of DAGS resources away from other high priority DAGS projects and activities once an opt-in agreement is reached.  
As previously reported, the addition of the Payroll Operations (PO) liaison resource has improved project/PO communications, however, there remains some uncertainty around the long-term sustainability of this position. DHRD communications continue to be productive and collaborative efforts to remove DHRD customizations that potentially threaten long-term sustainability of the system, and efficient implementation of future enhancements, are progressing.  
The project reported progress related to the OCR procurement, however, IV&V remains concerned that delays in departments implementing their OCR solution could delay their providing leave balances and their go-live dates. The project has also reported that no new union issues have been reported and that they do not expect union challenges to impact the project in the near future. The project has sent memos to unions to explain the successful outcomes of Group 1 and assure that the system is meeting union member expectations and that no payroll standardization complaints have been reported. The project will continue to monitor for potential impacts of union pay increases and COVID related pay reductions which could require attention of the project team. |
| **Quality Management**               | IV&V did not note any issues related to releasing new functionality or configuration changes into the HawaiiPay TL solution. However, IV&V did not note any progress in developing and documenting release management procedures. IV&V remains concerned that a lack of clearly documented processes could cause unnecessary support concerns and delayed user acceptance of the changed functionality or configuration. |
IV&V Findings and Recommendations

IV&V is currently tracking 9 findings (6 risks, and 3 issue) for this reporting period. Of the open risks/issues, 5 are related to Project Management. The following charts breakdown the risks by type and category/priority.
### IV&V Findings and Recommendations (cont’d)

#### Summary of IV&V Open Risks/Issues Criticality

<table>
<thead>
<tr>
<th>Category</th>
<th>Type</th>
<th>#</th>
<th>Finding Title</th>
<th>Criticality</th>
</tr>
</thead>
<tbody>
<tr>
<td>Human Resource Management</td>
<td>Risk</td>
<td>5</td>
<td>Over reliance on a few skilled and overtaxed project resources could lead to significant project disruption in the event of their departure</td>
<td>Medium</td>
</tr>
<tr>
<td>Knowledge Transfer</td>
<td>Risk</td>
<td>4</td>
<td>Payroll production support dependence on key Time and Leave Resources</td>
<td>Medium</td>
</tr>
<tr>
<td>OCM</td>
<td>Risk</td>
<td>18</td>
<td>Complexity of communications to end-users could lead to confusion at go-live</td>
<td>Medium</td>
</tr>
<tr>
<td>Project Organization &amp; Management</td>
<td>Risk</td>
<td>9</td>
<td>Unexpected collective bargaining or legislative changes could lead to unanticipated demands on the project and increased scope</td>
<td>Low</td>
</tr>
<tr>
<td>Issue</td>
<td>13</td>
<td></td>
<td>Departments opting-out of TL project could lead to unnecessary costs to the state as well as project team wasting valuable time to onboard departments who eventually decide to opt-out</td>
<td>Medium</td>
</tr>
<tr>
<td>Issue</td>
<td>14</td>
<td></td>
<td>Communications between the project and central operations groups (primarily HR and Payroll Operations) can be ineffectual which could lead to project delays and cost overruns</td>
<td>Low</td>
</tr>
<tr>
<td>Issue</td>
<td>19</td>
<td></td>
<td>COVID-19 State-wide shutdown could hinder project activities and negatively impact the project schedule and budget</td>
<td>Medium</td>
</tr>
<tr>
<td>Risk</td>
<td>15</td>
<td></td>
<td>Key project risks and issues management and escalation processes may not be effective which may result in negative impact to project goals</td>
<td>Low</td>
</tr>
<tr>
<td>Quality Management</td>
<td>Risk</td>
<td>20</td>
<td>Inadequate release management processes could lead to user confusion and frustration</td>
<td>Low</td>
</tr>
</tbody>
</table>
### IV&V Findings and Recommendations (cont’d)

**Human Resource Management**

<table>
<thead>
<tr>
<th>#</th>
<th>Key Findings</th>
<th>Criticality Rating</th>
</tr>
</thead>
<tbody>
<tr>
<td>5</td>
<td><strong>Risk</strong> - Over reliance on a few skilled project resources could lead to significant project disruption in the event of their departure: There are currently 3-4 individuals who are relied on more than others. Over reliance on key resources can not only overtax and thereby reduce the effectiveness of these key individuals, but also presents a risk of significant project disruption in the event of their departure. Resource losses from the Phase I team have not been backfilled and include the loss of the OCM manager and the SI project manager role; their responsibilities have been transferred to existing team members who appear to be at capacity. While most projects have this risk, the risk impact for this project, from IV&amp;V's perspective, is higher than most, and while the project could be impacted by the loss of several key individuals, there are 3-4 individuals who would create more significant project disruption than others.</td>
<td>Medium</td>
</tr>
</tbody>
</table>
### IV&V Findings and Recommendations (cont’d)

**Human Resource Management (cont’d)**

<table>
<thead>
<tr>
<th>Recommendations</th>
<th>Progress</th>
</tr>
</thead>
<tbody>
<tr>
<td>• DAGS leadership work quickly to assist payroll operations to resolve resource challenges.</td>
<td>In progress</td>
</tr>
<tr>
<td>• Work quickly to increase state resources.</td>
<td>In progress</td>
</tr>
<tr>
<td>• Create and utilize a resource management plan to assure planful, instead of reactive, addition and management of resources. Assure the plan reflects an understanding of how many people are needed, and in which roles, to accomplish various tasks. Plan should address movement of resources as project transitions to different phases (e.g. moving from DD&amp;I to M&amp;O).</td>
<td>In progress</td>
</tr>
</tbody>
</table>
Knowledge Transfer

<table>
<thead>
<tr>
<th>#</th>
<th>Key Findings</th>
<th>Criticality Rating</th>
</tr>
</thead>
<tbody>
<tr>
<td>4</td>
<td><strong>Risk - Payroll production support dependence on key Time and Leave Resources</strong>: The concurrent DDI (Design Development &amp; Integration) and production maintenance and operations (M&amp;O) support activities are heavily reliant on key Time and Leave resources which may degrade their quality of work and/or cause resources to be unavailable to the Time and Leave project during critical times due to demands from Payroll support. Key project Time and Leave team members remain significantly involved in providing M&amp;O support for the Payroll solution. At least one key team member reports spending 60% of their time providing help desk support to Payroll.</td>
<td>Medium</td>
</tr>
</tbody>
</table>

**Recommendations**

- Develop and implement a transition plan to allow the Time and Leave key resources to share their knowledge while significantly reducing the time spent on providing Payroll support. **In progress**

- Accelerate efforts to fully staff and operationalize the Payroll Operations Technical Support Office (TSO) with dedicated resources so that the project team can focus on TL project activities and ensure the TSO is ready to effectively support TL users before Group 2 go-live. **In progress**
IV&V Findings and Recommendations (cont’d)

Organizational Change Management

<table>
<thead>
<tr>
<th>#</th>
<th>Key Findings</th>
<th>Criticality Rating</th>
</tr>
</thead>
<tbody>
<tr>
<td>18</td>
<td>Risk - Complexity of communications to end-users could lead to confusion at go-live and overwhelm the help desk: The project has identified a significant number of different user groups to prepare separate communications for pre-go-live. Each user group will have different instructions for how they will prepare for and interact with the new and old payroll and TL system. For example, Group 1 users, non-Group 1 users, Single Sign On (SSO) users, and non-SSO users. Each user group combination may require unique communications, system preparation and go-live instructions. Communications to this many groups could lead to confusion pre- and post-go-live especially if they interact with other employees in different groups who have different instructions. Failure to effectively control these communications could lead to user confusion, reduced user buy-in, increased help desk calls, and negative public perceptions of the project (“bad press”).</td>
<td>Medium</td>
</tr>
</tbody>
</table>

Recommendations | Progress
--- | ---
- Update the OCM strategy and plan to address challenging user interfaces that includes milestones/gates that get early user feedback to ensure they understand the complex elements of the system. | In progress
- Prepare a fully vetted communication plan for communications to the various user groups and begin early communications. | In progress
### IV&V Findings and Recommendations (cont’d)

#### Project Management & Organization

<table>
<thead>
<tr>
<th>#</th>
<th>Key Findings</th>
<th>Criticality Rating</th>
</tr>
</thead>
<tbody>
<tr>
<td>9</td>
<td><strong>Risk</strong> - Unexpected collective bargaining or legislative changes could lead to unanticipated demands on the project and increased scope: The State Legislature and Unions may make laws or change Collective Bargaining Agreements (CBA) that could require significant system changes thereby disrupting the project’s progress, activities, schedule, and/or budget. These changes to SOH processes could be decided without consideration of impact to the project or providing the project time to react to such changes.</td>
<td>Low</td>
</tr>
<tr>
<td>13</td>
<td><strong>Issue</strong> - Departments choosing not to participate in the TL project could lead to unnecessary costs to the state as well as project team wasting valuable time to onboard departments who eventually decide to opt-out: If any department chooses to opt-out of the TL project, DAGS must continue support of the gross pay input system (ePCS) that was planned for decommission. IV&amp;V is not aware of budgets, resources, or plans to continue ePCS support beyond TL project completion. Further, departments could initially decide to participate in TL and the project team could expend significant resources preparing for and implementing department specific features only to find out that they will opt-out.</td>
<td>Medium</td>
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### IV&V Findings and Recommendations (cont’d)

#### Project Management & Organization (cont’d)

<table>
<thead>
<tr>
<th>#</th>
<th>Key Findings</th>
<th>Criticality Rating</th>
</tr>
</thead>
<tbody>
<tr>
<td>14</td>
<td><strong>Risk</strong> - Communications between the project and central operations groups (primarily HR and Payroll Operations) can be ineffectual which could lead to project delays and cost overruns: IV&amp;V has observed and has also been informed of communication challenges between the Project Team and central operations groups. IV&amp;V was also informed that some business operation plans relevant to the project are not immediately being shared with the project team. Some business operations teams have stated their capacity is constrained due to lack of sufficient resources as well as challenges in filling open positions. However, even simple or basic project communications appear to go unanswered.</td>
<td>Low</td>
</tr>
<tr>
<td>15</td>
<td><strong>Risk</strong> - Key project risks and issues management and escalation processes may not be effective which may result in negative impact to project goals: Some risks and issues currently tracked in the RIOD process may not be actively worked or reported on. For example, the project is currently tracking several risks owned by payroll operations that show little to no progress. The lack of progress may unnecessarily cause a risk to be realized and triggered into an issue that could have lasting negative impacts to the project, when it could have been avoided.</td>
<td>Low</td>
</tr>
<tr>
<td>19</td>
<td><strong>Issue</strong> - COVID-19 State-wide shutdown could hinder project activities and negatively impact the project schedule and budget: On 3/23/2020, the Governor issued a “stay at home, work from home order” that has reduced several departments ability to be fully functional as the large majority of state workers will be required work from home/remote at least until the end of April and some offices may be completely shut down. Many project department readiness activities could be significantly hindered during this time. For example, leave balances can are paper-based and would require physical access in order to provide the project with accurate leave balances. Departments may be unable (due to stricter shutdown policies) or unwilling to perform these activities during this chaotic time. UAT and Training will more than likely be conducted remotely which could negatively impact these activities. Planned SI on-site visits will also likely be changed to remote.</td>
<td>Medium</td>
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</table>
### IV&V Findings and Recommendations (cont’d)

**Project Management & Organization (cont’d)**

<table>
<thead>
<tr>
<th>Recommendations</th>
<th>Progress</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Closely monitor legislative and union actions and/or initiatives that could impact the project and provide them feedback as needed to ensure informed decisions and clear understanding of impacts to payroll and the time and leave project.</td>
<td>In progress</td>
</tr>
<tr>
<td>• Partner with Unions to clarify CBA rules so that in the end union objectives are met wherever possible within the scope of the Time and Leave project.</td>
<td>In progress</td>
</tr>
<tr>
<td>• Work closely with departments that are unsure of their TL participation to assist with readiness and collaborate to remove any blocks to their full participation.</td>
<td>In progress</td>
</tr>
<tr>
<td>• Develop contingency plans for the possibility that some departments may not participate in TL.</td>
<td>In progress</td>
</tr>
<tr>
<td>• Work with executive leadership and business operations groups to address the root cause of these communication challenges and prepare a plan/strategy for corrective action.</td>
<td>In progress</td>
</tr>
<tr>
<td>• Establish a clear and detailed risk management plan for escalating risks and issues and follow defined escalation steps for risks/issues that are not actively being worked.</td>
<td>In progress</td>
</tr>
<tr>
<td>• Update the OCM Plan to include any new activities or updates to planned activities to address the impacts of COVID-19.</td>
<td>In progress</td>
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</table>
IV&V Findings and Recommendations (cont’d)

Quality Management

<table>
<thead>
<tr>
<th>#</th>
<th>Key Findings</th>
<th>Criticality Rating</th>
</tr>
</thead>
<tbody>
<tr>
<td>20</td>
<td><strong>Risk – Inadequate release management processes could lead to user confusion and frustration:</strong> The project team has stated that existing release management processes may be incomplete and/or lack clear responsible parties for release communications. If release manage procedures are unclear or if the execution of release procedures lack sufficient rigor, this could lead to missteps that could frustrate users and lead to user confusion. This could ultimately lead to reduced user buy-in, reduced departmental leadership (and legislative) project support, and a negative public perception that could be picked up by the local media (aka &quot;bad press&quot;).</td>
<td>Low</td>
</tr>
</tbody>
</table>

**Recommendations**

- Define and document the regression testing plan to ensure that any Time and Leave changes do not have an unexpected negative impact on production Payroll functionality. **In progress**

- Assure Time and Leave design and configuration includes consideration for impacts on Payroll, prior to implementing the design or configuration. This may be accomplished, in part, using an effective and integrated configuration management plan. **In progress**

- Revisit and clarify existing release management processes and procedures and ensure clear owners of each release activity. **Not started**
**IV&V Status**

- **IV&V activities performed during the reporting period:**
  - Attended Scrums
  - Attended PCAB meeting
  - Attended RIO-D meetings
  - Led Project Team Risk Review sessions
  - Lead Monthly Status Report review session

- **IV&V next steps in the coming reporting period:**
  - Attend key project meetings
  - Interview key department stakeholders
  - Deliver IV&V Monthly Status Report
Appendix A – IV&V Criticality Ratings

See definitions of Criticality Ratings below:

<table>
<thead>
<tr>
<th>Criticality Rating</th>
<th>Definition</th>
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<tbody>
<tr>
<td>H</td>
<td>A high rating is assigned if there is a possibility of substantial impact to product quality, scope, cost, or schedule. A major disruption is likely and the consequences would be unacceptable. A different approach is required. Mitigation strategies should be evaluated and acted upon immediately.</td>
</tr>
<tr>
<td>M</td>
<td>A medium rating is assigned if there is a possibility of moderate impact to product quality, scope, cost, or schedule. Some disruption is likely and a different approach may be required. Mitigation strategies should be implemented as soon as feasible.</td>
</tr>
<tr>
<td>L</td>
<td>A low rating is assigned if there is a possibility of slight impact to product quality, scope, cost, or schedule. Minimal disruption is likely and some oversight is most likely needed to ensure that the risk remains low. Mitigation strategies should be considered for implementation when possible.</td>
</tr>
</tbody>
</table>
Appendix B – IV&V Standard Inputs

To keep abreast of status throughout the Time & Leave project, IV&V regularly:

- Attends the project meetings
- Reviews the project documentation
- Utilizes Eclipse IV&V® Base Standards and Checklists
Appendix C – IV&V Details

• What is Independent Verification and Validation (IV&V)?
  • Oversight by an independent third party that assesses the project against industry standards to provide an unbiased view to stakeholders
  • The goal of IV&V is to help the State get the solution they want based on requirements and have it built according to best practices
  • IV&V helps improve design visibility and traceability and identifies (potential) problems early
  • IV&V objectively identifies risks and communicates to project leadership for risk management

• PCG IV&V Methodology
  • Consists of a 4-part process made up of the following areas:
    1. Discovery – Discovery consists of reviewing documentation, work products and deliverables, interviewing project team members, and determining applicable standards, best practices and tools
    2. Research and Analysis – Research and analysis is conducted in order to form an objective opinion.
    3. Clarification – Clarification from project team members is sought to ensure agreement and concurrence of facts between the State, the Vendor, and PCG.
    4. Delivery of Findings – Findings, observations, and risk assessments are documented in this monthly report and the accompanying Findings and Recommendations log. These documents are then shared with project leadership on both the State and Vendor side for them to consider and take appropriate action on.

Note: This report is a point-in-time document with findings accurate as of the last day in the reporting period.
Risk:
Over reliance on a few skilled and overtaxed key individuals, but also presents a risk of significant project disruption in the event of their departure. Resource losses from the key individuals, but also presents a risk of significant project disruption in the event of their departure. The concurrent DDI and production (M&O) support for Payroll Phase 5 solution. At least one key team member reports spending 60% of their time providing help desk support to Payroll. This level of involvement may reduce the availability of key individuals to address other work demands in the Phase 2 and 3 solution.

Recommendation:
- Develop an implementation strategy plan to allow for the efficient elimination of redundant resources and repurposing of human knowledge and skills.
- Develop an approach to expedite succession planning and knowledge transfer.
- Encourage the project team to develop a checklist of critical knowledge and skills that are necessary for project success.
- Develop a transition plan to allow the key individuals to work on the implementation and documentation efforts.
- Develop a transition plan to allow the key individuals to work on the implementation and documentation efforts.
- Consider re-allocation of responsibilities from key resources, if necessary, to ensure that the project team can focus on TL solution implementation.
- Develop and implement knowledge transfer plans to minimize the availability and degrade work quality of the Phase 2 and 3 solutions.
- Develop and implement a transition plan to allow for the efficient elimination of redundant resources and repurposing of human knowledge and skills.
- Develop an approach to expedite succession planning and knowledge transfer.
- Consider re-allocation of responsibilities from key resources, if necessary, to ensure that the project team can focus on TL solution implementation.
- Develop and implement knowledge transfer plans to minimize the availability and degrade work quality of the Phase 2 and 3 solutions.
- Develop an approach to expedite succession planning and knowledge transfer.
- Consider re-allocation of responsibilities from key resources, if necessary, to ensure that the project team can focus on TL solution implementation.

Analysis and Significance:
- The project currently relies on a few skilled and dedicated resources to provide support for Payroll Phase 5 solution. At least one key team member reports spending 60% of their time providing help desk support to Payroll. This level of involvement may reduce the availability of key individuals to address other work demands in the Phase 2 and 3 solution.
- The project currently relies on a few skilled and dedicated resources to provide support for Payroll Phase 5 solution. At least one key team member reports spending 60% of their time providing help desk support to Payroll. This level of involvement may reduce the availability of key individuals to address other work demands in the Phase 2 and 3 solution.
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9 Unexpected collective bargaining on legislative changes could lead to unanticipated demands on the project and increased costs

Changes motivated by citizens or legislative actions may drive changes to the TL solution thereby impacting the project's scope, schedule, and budget.

The latest legislative and union risks may result in or change collective bargaining agreements (CBA) that could require significant system changes thereby driving the project's progress, activities, schedule, and/or budget. These laws could change time processes without consideration of the impact to the project or providing the project time to react to such changes.

- Directly track union/legislative actions and legal cases that could impact the TL project and product in preparation for them.
- Initiate early and often discussions with unions for rule clarifications and general understandings and agreements on how CBA/HR rules will be implemented.

09/30/19 - The project is preparing memos to be sent to unions to explain the outcomes of group 1 go-live with the intent to reassure unions that the system is meeting their member expectations and that there have been no reported residuals with regard to standardization of pay calculations. When not aware of unions raising additional concerns, therefore we have lowered the risk to “Medium.”

09/30/19 - HASA has filed a status update with HASA with regard to standardization of pay calculations that could adversely affect members and therefore affected to the project moving forward with group 1. The project met with HASA for consultation in October 2019 where no objections were reported; this project has reported HASA has been largely unresponsive to project communications since then. To remain unclarified why HASA would wait until 2 weeks before go-live to plot a grievance without further consultation and information gathering to fully impact the members. Ultimately, through discussions with the negotiator, the HASA decided to plot their grievance on hold. However, if the HASA decides to eventually move forward with the grievance process, impacts to the project could be significant. Possible outcomes could include an injunction that would stall the project or future planned releases or leave the project up in legal proceedings. Therefore, this is raising this issue to a “High”.

09/30/19 - The project continues to assess and prepare for unexpected changes to be the Payroll and TL system due to the COVID crisis and the CBA crisis. There are some indications that the state may reduce worker salaries which will require some support from the project team. One such has been House bills to freeze pay, which has implications to the project in implementing changes that could impact employee salaries. Project leadership has drafted a memo to state unions to clarify that the only changes to payroll will be the result of the standardized and standardized application of existing CBA rules. Some unions remain largely unresponsive to project communications.

10/01/19 - The project is in the process of addressing recent changes to leave processing as a result of the government’s response to the COVID crisis including addition of new leave types and rules. Early indications are that these changes will not materially impact project scope, schedule, or budget.

18 Departments choosing not to participate in the TL project could lead to unnecessary costs to the state as well as project team wasting valuable time to onboard departments who eventually decide to opt-out.

Departments choosing to opt-out of the TL project will require DAGS to continue to maintain the system for managing gross pay and payroll information that was intended to be a temporary solution until TL was implemented. DAGS will need to maintain this system and personnel to oversee the process. DAGS may have difficulty in maintaining the systems that have an impact to the group 1 TL project.

- Cost to continue to maintain/support HRPS could be significant and already constrained (DAGS) and project resources may face difficult-to-negotiate HRPS support. If departments opted out, a good deal of project time and effort would be required to ensure that the system functions properly and to onboard these departments. If HRPS was still maintained, significant resources would be required to maintain the system.
- If departments decide to cease state support to a new RFP would likely result in an additional significant cost to the state and a significant effort for DAGS. Further, the ongoing workload and contracts for both the HRPS operations and project teams could be significant, given they will be utilized to maintain the new systems for payroll and may then have to contend with the possibility that the two systems could not perform any differently. Ultimately, the original expected return on investment (ROI) for the project could be diminished.
- Initiate efforts to mitigate risks around having 2 payroll systems that may calculate payroll differently.

10/30/20 - The project completed the remaining 3 departments that have yet to fully opt in for this project have made additional requests regarding changes that they will not be able to affordably accommodate. Project leadership intends to support the executive steering committee to discuss these opt in proposals. The project reports that ODI communications continue to be less than optimal due to the significant level of effort to onboard a department of ODI’s size, uncertainty around a short opt-in agreement could be impactful.

11/30/20 - DAGS and project communications with regards to an unanticipated wash of potential go live dates. Recent and daily have yet to finalize dates for the project. The project and team are working to prepare for the possibility that the state or other departments may not participate.

01/31/19 - The project has prepared formal and clear communications to DAGS that details required readiness activities for them to be included in group 3 or 4 go-live. DAGS has yet to respond.

04/01/19 - SASA has provided a clear path out to DAGS need to finalize their go live dates. DAGS has yet to finalize their go live dates.

11/30/19 - Project leadership has provided a clear path out to DAGS need to finalize their go live dates. DAGS has yet to finalize their go live dates.

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### Communications between the project and central operations groups (primarily HR and Payroll Operations) can be insufficient which could lead to project delays and cost overruns.

While the project has demonstrated productive communications with state line agencies (department), primarily due to department nearness strategy, IV&V has observed and has also been informed of communication challenges between the Project Team and central operations business units (HR and Payroll Operations). As a result of limited or diminishing communications, the act of keeping project-related change requests open and the timeframe in which project-related changes are acted upon will be determined. The project actively and appropriately recognizes issues and escalates them to the appropriate level for resolution. The project actively tracks and monitors risks and issues. Some risks assigned to the project team are not being followed up on by the project team, risk owners, or other affected uninvolved project team members, and the result is an increase in the number of risk issues and escalations that are identified. While most project-related risks are clearly identified and communicated to the project, some risks are not being addressed in a timely manner and may be leading to project delays. Management continues to monitor the risk and issues management process to help assure regular updates to the current status of the action items. Management continues to monitor the risk and issues management process to help assure regular updates to the current status of the action items. Management continues to monitor the risk and issues management process to help assure regular updates to the current status of the action items. Management continues to monitor the risk and issues management process to help assure regular updates to the current status of the action items.

- **Recommendation**
  - Work with executive leadership and central operations groups to address the real cause of these communication challenges.
  - Prepare a plan to correct for action.
  - Escalate communications to state line agencies in order to provide stakeholders with a clear understanding of the nature of communications deficiencies. Escalate to executive leadership when appropriate.

- **Updates**
  - 03/31/20 - The project has reported productive project/DHRD communications, however, the project has also reported a lack of significant improvement in communications between the two groups.
  - 07/31/20 - There remains some uncertainty around the long-term sustainability of the Payroll Operations (PO) process. While the project has recently made improvements to project/Payroll Operations communications, there is uncertainty around the sustainability of these communications. While the project has recently made improvements to project/Payroll Operations communications, there is uncertainty around the sustainability of these communications. While the project has recently made improvements to project/Payroll Operations communications, there is uncertainty around the sustainability of these communications. While the project has recently made improvements to project/Payroll Operations communications, there is uncertainty around the sustainability of these communications.

### Key project risks and issues management and communication processes may not be effective which may result in negative impact to project goals.

- **Recommendation**
  - Monitor risks and issues by severity and due date in order to effectively escalate risks and issues and follow defined escalation processes.
  - Work with HR and Payroll Operations to identify an escalation plan for risks and issues.
  - Report on risks and issues to project management and stakeholders to ensure project teams are acting upon them.

- **Updates**
  - 02/29/20 - The project has reported some productive project/DHRD collaborative sessions. However, the project has also reported some challenges and delays in the project/Payroll Operations communications. Although the project actively and appropriately recognizes these communications challenges, management continues to monitor for productive communications. Efforts to fully staff the PO liaison could be further hindered by a recent Legislative decision to “slow” vacant positions. This could also impact funding for the existing HR/Payroll Centers in addition to the project.
  - 03/31/20 - The project continues to report productive project/DHRD communications; however, the project has also reported some challenges and delays in the project/Payroll Operations communications. Although the project actively and appropriately recognizes these communications challenges, management continues to monitor for productive communications. Efforts to fully staff the PO liaison could be further hindered by a recent Legislative decision to “slow” vacant positions. This could also impact funding for the existing HR/Payroll Centers in addition to the project.

### Project & Management

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- **Notes**
  - IV&V will continue to monitor the effectiveness of the project team in managing its communications.”
  - 03/31/20 - The project has reported productive project/DHRD communications; however, the project has also reported some challenges and delays in the project/Payroll Operations communications. Although the project actively and appropriately recognizes these communications challenges, management continues to monitor for productive communications. Efforts to fully staff the PO liaison could be further hindered by a recent Legislative decision to “slow” vacant positions. This could also impact funding for the existing HR/Payroll Centers in addition to the project.

- **Identified Date**
  - 9/30/2019
The project has identified a significant number of disparate user groups with separate communication requirements for pre-go live. Each user group will have different instructions for how they will prepare for and interact with the new and old payroll and T/L system. For example, Group 1 users, non-Group 1 users, large Groups (e.g., 500+ users), and non-Group users, have needs for different user interface communications and system preparation guidance and go-live instructions.

Communications to each many groups could lead to confusion, and project governance activities with other employees in different groups who have different instructions. Failure to control these communications could lead to user confusion, reduced user buy-in, increased help desk calls, and negative public perceptions of the project (bad press).

- Project work quickly to prepare a fully vetted communication plan specifically for these communications. Project should implement a strategy of “even communications” to ensure clear and effective communication to the various user groups.
- Project implement a strategy for validating a proper and clear understanding of user group instructions pre-go live and adjust communications based on feedback from communications.

- Project should ensure their understanding and clarify possible points of confusion.

01/10/20 - The project made progress of SSO activities including creation of login, pin communication package and documentation of Standard Operating Procedures (SOP) for all department stakeholders. SSO provide guidance on how to perform T/L Payroll related tasks and prepares departments that have to get go live for what to expect. Project also made progress in the review of system factory settings to improve department communications for the go live. The project reported positive feedback from recent security sessions conducted to improve department awareness of user security.

01/30/20 - SSO activities continue as the project prepares for a 1/31/2020 Group 4 go live. They are currently planning communications to all departments to help increase understanding of system security. The project is actively working on an SSO plan update.

02/10/20 - Post go live feedback has been mostly positive and SSO communications appear to be effective. The project is addressing some reports of user frustrations that have occurred due to not taking advantage of training and other support options or may have missed project remains. The project is making efforts to receive their training plan and resources based on stakeholder feedback and lessons learned from Group 1. Opportunities for improvements include finding ways to engage users during training to include more processes/procedures (e.g., T/L controls, policies, deadlines) instead of just system navigation. The project is considering tailoring over-riding work for other sites/embraces.

02/24/20 - As the project prepares for May Group 5 go live, the project appears to be making good progress with their execution of their SSO plan. Broad-based employee communications have been sent and they are conducting virtual go-live trainings.

03/10/20 - Project SSO communications efforts continue to progress as they plan for post-SO communications to different user groups. The project has plans to include remote (live) Chapter 15 activities for pre-go live. The project team has stated that the payroll system without sufficient stakeholders have previously stated their records. However, thorough communications on this structure for maintaining their HR live. Changes such as these typically involve cleanup effort prior to TL system Group 1 go-live.

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- The project has reported that communication capability is likely to be further impacted due to the lack of in-person training.

03/31/20 - The project continues progress according to schedule despite the stay at home order. However, many project stakeholders have been impacted by remote work, such as customers, vendors, and employees. The project has been working to ensure that all project stakeholders are aware of the remote work environment and are able to access necessary resources.

- The SI appears to be managing virtual (off-site) work thus far with no known ill-effects or reduction in work quality. The SI has indicated they have postponed planned travel for onsite work due to COVID, until just before Group 1 go live. The SI appears to be managing virtual (off-site) work thus far with no issues of effectiveness or reduction in work quality.

- The SI is currently managing remote work, including virtual meetings, and continues to make good progress on their work.

- The project has provided additional resources to support remote work and ensure that project activities are progressing as planned.

- The SI also appears to be adequately managing their remote work environment.

04/30/20 - As the project prepares for May Group 1 go live, the project appears to be making good progress with their execution of their SSO plan. Broad-based employee communications have been sent and they are conducting virtual go-live trainings.

05/31/20 - The state legislature is currently contemplating implementing 1-2 day/week furloughs as well as salary cuts for public employees due to COVID-19. This may have implications for the project in terms of funding and personnel. The project has been working to ensure that all project stakeholders are aware of the potential impacts and are prepared to adapt as necessary.

06/30/20 - Recent budget cuts due to COVID-19 will likely impact the budget of the outsourcing staff for the HIP Service Center. DAGS has indicated that they will make preparations to staff the service center with existing staff. It remains unclear whether DAGS efforts will enable the service center to maintain quality of services, or will it necessitate more staff. However, other changes such as these typically involve cleanup effort prior to TL system Group 1 go-live.

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07/31/20 - The project continues progress according to schedule despite the stay at home order. Many project stakeholders have been impacted by remote work, such as customers, vendors, and employees. The project has been working to ensure that all project stakeholders are aware of the remote work environment and are able to access necessary resources.

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