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: September 1 – 30, 2020

Draft Submitted: October 23, 2020
Final Submitted: November 11, 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 a December Group 2 go-live and early payroll validation results have shown to be positive. Last month the project transferred operational activities supported by the project team to DARGS operations, however, the project team continues to be called on to assist with operational tasks. Given that DARGS operations may not have the capacity or capabilities required to operate and maintain the HawaiiPay system, the project is considering augmenting DARGS operations staff with additional skilled SI resources. Project executive leadership is making efforts to provide another path to onboarding that allows departments that may need more time to onboard later without impacting the current project schedule and go-live dates. However, it remains unclear which departments will still be allowed to onboard or how this will impact team capacity constraints and the project budget. The OCR solution vendor that was supposed to assist departments with providing Leave balances will no longer provide this service, putting some departments at risk of missing key onboarding deadlines. Finally, State leadership is reviewing the feasibility of instituting furloughs the same week as Group 2 go-live in December. If these are executed concurrently, this could significantly complicate Group 2 go-live, leave little time for system testing, and stretch the project team beyond their capacity.

**Category IV&V Observations**

<table>
<thead>
<tr>
<th>Category</th>
<th>IV&amp;V Observations</th>
</tr>
</thead>
<tbody>
<tr>
<td>Human Resources Management</td>
<td>In September, the project transferred operational activities supported by the project team to DARGS operations, however, the project team continues to be called on to assist with operational tasks. Execution of both Group 2 go-live activities along with planned payroll changes (e.g. pay increases, potential furloughs) could leave the project team stretched beyond their capacity, which could not only decrease the quality of project tasks but also decrease overall team morale. Given that some key resources are already overallocated, the loss of any of these key resources could significantly disrupt the project and lead to costly schedule extensions. Some key project team members are still slated to split their time between the TL project and the FMS Replacement Project, projected to kickoff soon after Group 2 go-live. Lastly, IV&amp;V remains concerned with ongoing COVID-19 impacts to state resources including potential furloughs, retirement of key resources (due to potential pay cuts), and additional efforts required to conduct project activities virtually.</td>
</tr>
<tr>
<td>Category</td>
<td>IV&amp;V Observations</td>
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<tr>
<td>------------------------</td>
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</tr>
<tr>
<td>Knowledge Transfer</td>
<td>IV&amp;V noted that TL resources continue to assist DAGS operations with support and updates to the HawaiiPay solution. IV&amp;V remains concerned that DAGS operations may not have the capacity and capabilities required to operate and maintain the HawaiiPay system. This concern may be exacerbated if unexpected new functionality, such as changes related to State furloughs, are required on short notice. Therefore, IV&amp;V is escalating this risk category to a &quot;High&quot; rating. In order to address these concerns, the project is considering augmenting DAGS operations staff with additional skilled SI resources.</td>
</tr>
<tr>
<td>Operational Readiness</td>
<td>IV&amp;V noted that the OCR (Optical Character Recognition) solution vendor has recently been unresponsive to the contract process. This could result in departments (primarily the Department of Public Safety (PSD)) anticipating the use of the OCR solution to update their Leave balances, with limited options, and puts them at risk of missing their deadline to provide the project with accurate starting Leave balances. PSD is currently at risk of not meeting project readiness deadlines to be included in Group 3 and it remains unclear whether the project can feasibly accommodate inclusion in the final Group 4. IV&amp;V also noted concerns regarding system changes requested by DAGs not being prioritized and implemented without consideration of the TL project. The lack of clear responsible parties for release communications may continue to cause additional unnecessary risk to the overall quality and availability of the HawaiiPay/TL solution.</td>
</tr>
<tr>
<td>Organizational Change Management (OCM)</td>
<td>The project recognizes that the success of the Group 2 go-live will largely depend on the strength of their OCM efforts. The project is currently executing a comprehensive OCM strategy that includes thorough multichannel communications, extensive efforts to assure stakeholders read important communications, training methods that assure attendee engagement, and monitoring of learning management system (LMS) logs for trainees that are skipping slides. Work continues on development of TL Standard Operating Procedure documentation which is currently being reviewed by DAGS operations.</td>
</tr>
</tbody>
</table>
## Executive Summary (cont’d)

<table>
<thead>
<tr>
<th>Category</th>
<th>IV&amp;V Observations</th>
</tr>
</thead>
</table>
| **Project Management and Organization** | Project executive leadership is making good efforts to provide another path to onboarding that allows departments that may need more time and support to onboard at a later time without impacting the current project schedule and go-live dates. However, it remains unclear which previously excluded departments will still be allowed to onboard, how this will impact the budget, and whether the project has capacity to onboard additional departments given their multiple competing priorities.  

Communications between the project and business operations groups appear to be adequate and managed well by project leads. However, some business operations stakeholders have recently made requests for system features that may not be in keeping with good system governance. The project is making efforts to provide business operations groups with more information so that together they can make informed decisions and reach agreement on system features while meeting project deadlines and maintaining system integrity and long-term supportability. IV&V recommends a comprehensive and clear governance process be established for service management which clearly defines the change management process, decision makers, ROI analysis, and an impact analysis for all relevant work streams.  

State leadership has indicated that they are likely to implement bi-weekly furlough days for state employees as a cost cutting measure to make up for COVID related budget shortfalls. Payroll processing and system changes will likely be supported by project team members and preparations could take 8 to 10 weeks. State leadership is reviewing the feasibility of an early December furlough start date, potentially the same week as Group 2 go-live. If these are executed concurrently, this could significantly complicate Group 2 go-live and stretch the project team beyond their capacity to ensure the quality of Group 2 go-live and furlough related Payroll system changes. If concurrent execution dates are not adjusted, the project may have already lost their window of time to fully test furlough change interactions with the Group 2 release. Therefore, IV&V is escalating this risk category to a “High” criticality. |
Executive Summary (cont’d)

<table>
<thead>
<tr>
<th>Category</th>
<th>IV&amp;V Observations</th>
</tr>
</thead>
<tbody>
<tr>
<td>Quality Management</td>
<td>The project is currently in the process of conducting payroll validation tests and the results thus far has been positive with relatively few bugs identified. The project team appears to have become adept at ensuring their quality standards are regularly achieved. However, IV&amp;V noted that recent changes to the production HawaiiPay system, related to real-time salary changes, had to be removed from the production environment. This disruption of services may have been prevented with more mature release management processes. IV&amp;V continues to recommend that policy, processes and expectations related to release management be completed and executed.</td>
</tr>
</tbody>
</table>
IV&V Findings and Recommendations

IV&V is currently tracking 9 findings (7 risks, and 2 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.

Findings by Type

Open Risks/Issues by Category/Priority

- KNOWLEDGE TRANSFER: 1
- ORGANIZATIONAL CHANGE MANAGEMENT: 1
- QUALITY MANAGEMENT: 1
- PROJECT ORGANIZATION & MANAGEMENT: 2
- HUMAN RESOURCE MANAGEMENT: 1
## 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>High</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></td>
<td>13</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>Risk</td>
<td></td>
<td>14</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></td>
<td>19</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></td>
<td>15</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>Medium</td>
</tr>
<tr>
<td>#</td>
<td>Key Findings</td>
<td>Criticality Rating</td>
<td></td>
<td></td>
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<td>--------------------</td>
<td></td>
<td></td>
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<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>
<td></td>
<td></td>
</tr>
</tbody>
</table>
### 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>
## IV&V Findings and Recommendations (cont’d)

### 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</strong> - Payroll production support dependence on key Time and Leave Resources: 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>High</td>
</tr>
</tbody>
</table>

### Recommendations

<table>
<thead>
<tr>
<th>Recommendations</th>
<th>Progress</th>
</tr>
</thead>
<tbody>
<tr>
<td>• 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.</td>
<td>In progress</td>
</tr>
<tr>
<td>• 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.</td>
<td>In progress</td>
</tr>
</tbody>
</table>
## Organizational Change Management

### Key Findings

<table>
<thead>
<tr>
<th>#</th>
<th>Key Findings</th>
<th>Criticality Rating</th>
</tr>
</thead>
<tbody>
<tr>
<td>18</td>
<td><strong>Risk</strong> - <strong>Complexity of communications to end-users could lead to confusion at go-live and overwhelm the help desk</strong>: 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>
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</table>

### Recommendations

<table>
<thead>
<tr>
<th>Recommendations</th>
<th>Progress</th>
</tr>
</thead>
<tbody>
<tr>
<td>• 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.</td>
<td>In progress</td>
</tr>
<tr>
<td>• Prepare a fully vetted communication plan for communications to the various user groups and begin early communications.</td>
<td>In progress</td>
</tr>
</tbody>
</table>
## 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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</tbody>
</table>
### 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/remotely 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>
</tr>
<tr>
<td>Progress</td>
<td>Recommendations</td>
<td></td>
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<td></td>
</tr>
<tr>
<td>In progress</td>
<td>Update the OCM Plan to include any new activities or updates to planned activities to address the impacts of COVID.</td>
<td></td>
</tr>
<tr>
<td>In progress</td>
<td>Establish a clear and detailed risk management plan for escalating risks and issues and follow defined escalation procedures and prepare a plan/strategy for corrective action.</td>
<td></td>
</tr>
<tr>
<td>In progress</td>
<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></td>
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<tr>
<td>In progress</td>
<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>
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<tr>
<td>In progress</td>
<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></td>
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<tr>
<td>In progress</td>
<td>Develop contingency plans for the possibility that some departments may not participate in TL.</td>
<td></td>
</tr>
<tr>
<td>In progress</td>
<td>Close 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>
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</table>

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

**Recommendations (cont'd)**

**IV&V Findings and Recommendations (cont'd)**
# Quality Management

<table>
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<tr>
<th>#</th>
<th>Key Findings</th>
<th>Criticality Rating</th>
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</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 management 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**

- A comprehensive and clear governance process be established for service management which clearly defines the change management process, decision makers, ROI analysis, and impact analysis for all relevant work streams.  
  - 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.  
  - In progress
**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
  - Led 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

This appendix provides the details of each finding and recommendation identified by IV&V. Project stakeholders are encouraged to review the findings and recommendations log details as needed.

See definitions of Criticality Ratings below:

<table>
<thead>
<tr>
<th>Criticality Rating</th>
<th>Definition</th>
</tr>
</thead>
<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.
The project currently relies on the individual to fulfill their responsibilities. The project has noted that some key resources are currently being stretched beyond their capacity which could not only decrease the quality of tasks performed but also decrease overall team morale.

- **Workload**: To increase work project teams must make sure that all resources are adequately utilized.
- **Training**: The project team must ensure that all resources are adequately trained.
- **Communication**: The project team must ensure that all resources are adequately communicating.

- **Project Team**: The project team must ensure that all resources are adequately managing.
- **Leadership**: The project team must ensure that all resources are adequately leading.

- **Knowledge Transfer**: The project team must ensure that all resources are adequately transferring.
- **Risk Management**: The project team must ensure that all resources are adequately managing.
- **Project Planning**: The project team must ensure that all resources are adequately planning.

4. **Over-reliance on a few skilled and experienced project resources could lead to significant project disruption**

There are currently 1-4 individuals who are relied on to a greater extent than others. Over-reliance on key resources can not only stretch the individual but also stretch the effectiveness of these key individuals, but also stretch the project team. Resource loss from the Phase 2 team has not been fully identified and the project team has not been able to effectively manage the loss of these key individuals.

- **Knowledge Transfer**: The project team must ensure that all resources are adequately transferring.
- **Project Planning**: The project team must ensure that all resources are adequately planning.

- **Risk Management**: The project team must ensure that all resources are adequately managing.
- **Project Team**: The project team must ensure that all resources are adequately managing.
- **Leadership**: The project team must ensure that all resources are adequately leading.
- **Knowledge Transfer**: The project team must ensure that all resources are adequately transferring.

5. **Over-reliance on a few skilled and experienced project resources could lead to significant project disruption**

There are currently 1-4 individuals who are relied on to a greater extent than others. Over-reliance on key resources can not only stretch the individual but also stretch the effectiveness of these key individuals, but also stretch the project team. Resource loss from the Phase 2 team has not been fully identified and the project team has not been able to effectively manage the loss of these key individuals.

- **Knowledge Transfer**: The project team must ensure that all resources are adequately transferring.
- **Project Planning**: The project team must ensure that all resources are adequately planning.

- **Risk Management**: The project team must ensure that all resources are adequately managing.
- **Project Team**: The project team must ensure that all resources are adequately managing.
- **Leadership**: The project team must ensure that all resources are adequately leading.
- **Knowledge Transfer**: The project team must ensure that all resources are adequately transferring.
2 of 4

<table>
<thead>
<tr>
<th>ID</th>
<th>Title / Summary</th>
<th>Finding Description</th>
<th>Analysis and Significance</th>
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<th>Update</th>
<th>Category</th>
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<th>Priority</th>
<th>Status</th>
<th>Risk Owner</th>
<th>Identified Date</th>
</tr>
</thead>
<tbody>
<tr>
<td>2</td>
<td>Unexpected collective bargaining or legislative changes could lead to increased state and project risks</td>
<td>Changes mandated by unions or legislative actions may drive changes to the T&amp;L schedule thereby impacting the project's scope, timeline, and budget.</td>
<td>The State Legislative and Unions may make late changes to the collective bargaining agreements (CBA) that could require significant system changes thereby disrupting the project's progress, timelines, schedule, and budget. These late changes could change IS/IR processes without consideration of impact to the project or providing the project time to react to such changes.</td>
<td>• Carefully track union legislative actions and legal cases that could impact the T&amp;L project and be proactive in preparation for them.</td>
<td>8/31/20 - When project leadership has been able to effectively resolve union concerns and find grounds in the impact of the issues are no longer impacting the project. HGEA is reviewing this issue at issue 6-19. HGEA will continue to monitor for future potential union issues or other governing body concerns.</td>
<td>Project Organization &amp; Management</td>
<td>Mile</td>
<td>Low</td>
<td>Open</td>
<td>Unidentified</td>
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<tr>
<td>11</td>
<td>Departments eliminating the need to participate in the TL project could lead to increased state and project risks</td>
<td>Departments choosing to opt-out of the project will require IS/IR's to continue to maintain the system for impacted users (e.g. PCS) that was intended to be a temporary solution until it was implemented. HGEA is not aware of conflicts, resources, and plans to continue IS/IR support beyond TL project completion as has been developed. Furthermore, departments could initially decide to participate in TL, and the project team could expand significant resources preparing for such implementing department specific features only to find that they will opt-out.</td>
<td>Costs to continue to maintain/support IS/IR could be significant and already constrained (HGEA and project resources may have difficulty maintaining IS/IR support). If departments opt-out, a good deal of project time and effort will be wasted supporting their implementation and implementing department specific features because resources may also need to be expanded removing those department specific features. If departments decide to opt-out later, a new RFP will likely need to be issued at significant cost to the state and a significant effort for IS/IR. Further, the ongoing workload and costs associated with the DAGS operational and project teams could be significant for their participation to ensure any blocks to their full participation.</td>
<td>• Develop contingency plans for the possibility that some departments may not participate in TL.</td>
<td>05/31/20 - The Judiciary department and HHSC have yet to opt-in for the project. The project has provided formal and communications indicating a 7/17/20 deadline for opting-in. HHSC and Judiciary have yet to officially opt-in for the project. The project has sent memos indicating that some project participation is necessary to assist with readiness and collaborate to continue ePCS support beyond TL project completion. While DOE has stated their intention to be onboarded as part of Group 4, it remains unclear if they will be able to meet project defined readiness milestones/gates, and they are currently at risk of being excluded from the TL project. Ongoing discussions with DOE as well as some other departments have been initiated to engage the executive steering committee to discuss these opt-in proposals. The project report that DOE communications continue to be less than optimal. Given the significant level of effort to onboard a department of DOE's size, unilaterally ending a DOE opt-in agreement could be impactful.</td>
<td>Project Organization &amp; Management</td>
<td>Mile</td>
<td>Medium</td>
<td>Open</td>
<td>Unidentified</td>
<td></td>
</tr>
<tr>
<td>10</td>
<td>Departments eliminating the need to participate in the TL project could lead to increased state and project risks</td>
<td>Departments choosing to opt-out of the project will require IS/IR to continue to maintain the system for impacted users (e.g. PCS) that was intended to be a temporary solution until it was implemented. HGEA is not aware of conflicts, resources, and plans to continue IS/IR support beyond TL project completion as has been developed. Furthermore, departments could initially decide to participate in TL, and the project team could expand significant resources preparing for such implementing department specific features only to find that they will opt-out.</td>
<td>Costs to continue to maintain/support IS/IR could be significant and already constrained (HGEA and project resources may have difficulty maintaining IS/IR support). If departments opt-out, a good deal of project time and effort will be wasted supporting their implementation and implementing department specific features because resources may also need to be expanded removing those department specific features. If departments decide to opt-out later, a new RFP will likely need to be issued at significant cost to the state and a significant effort for IS/IR. Further, the ongoing workload and costs associated with the DAGS operational and project teams could be significant for their participation to ensure any blocks to their full participation.</td>
<td>• Develop contingency plans for the possibility that some departments may not participate in TL.</td>
<td>04/30/20 - The project continues to assess and prepare for expected changes to the Payroll and TL systems due to the COVID crisis and the CARES Act. There are some indications that the state may reduce worker salaries which will require some support from the project team. One also needs to consider that the state can take payroll will be met with the following implementation and preparation department specific features only to find that they will opt-out.</td>
<td>Project Organization &amp; Management</td>
<td>Mile</td>
<td>Low</td>
<td>Open</td>
<td>Unidentified</td>
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</tr>
</tbody>
</table>

1. Develop contingency plans for the possibility that some departments may not participate in TL.
2. Work closely with departments that are unsure of their TL participation to assist with readiness and collaborate to continue ePCS support beyond TL project completion.
3. Contingency planning for ePCS maintenance and support should be developed to prepare for the possibility that some departments may not participate in TL.
4. Initiate early and often discussions with Unions for rule changes mandated by Unions or Legislative actions and to closely track union/legislative actions and legal cases that could impact the T&L project and be proactive in preparation for them.
5. Closely track union legislative actions and legal cases that could impact the T&L project and be proactive in preparation for them.
6. Closely track union legislative actions and legal cases that could impact the T&L project and be proactive in preparation for them.
7. Closely track union legislative actions and legal cases that could impact the T&L project and be proactive in preparation for them.
8. Closely track union legislative actions and legal cases that could impact the T&L project and be proactive in preparation for them.
11 Key project risks and issue management and escalation processes may not be effective which may result in negative impact to project goals.

**Risk and issues currently identified in the Risk Management Plan:**

- Risks and issues not currently identified in the Risk Management Plan may result in negative impacts to project goals.

**Steps taken to identify and mitigate risks:**

- Review the project's risk and issue management practices.
- Identify potential risks and issues that may impact the project's success.
- Develop mitigation strategies to address identified risks and issues.
- Regularly review and update the Risk Management Plan to ensure it remains relevant and effective.

**Recommendation:**

- Implement a proactive risk management approach to identify and address potential risks and issues early.
- Ensure that the Risk Management Plan is regularly reviewed and updated to reflect changes in project scope, goals, and timelines.
- Assign responsibilities for risk management to specific team members or roles.
- Incorporate feedback from stakeholders to ensure that the Risk Management Plan is effective and scalable.

12 Communications between PM and business operations (HR, Payroll Operations) can be inconsistent which may lead to project delays and cost overruns.

**Risk and issues currently identified in the Operations Management Plan:**

- Inconsistencies in communication between the project team and business operations can lead to delays in project progress and increased costs.

**Steps taken to identify and mitigate risks:**

- Conduct regular check-ins with business operations to ensure timely communication.
- Establish clear communication protocols and procedures.
- Monitor progress and costs closely to identify any potential issues early.
- Foster a culture of open communication and collaboration between departments.

**Recommendation:**

- Ensure that business operations are fully informed of project status and timelines.
- Establish clear lines of communication and accountability.
- Provide regular updates and feedback to business operations.
- Engage key stakeholders in project planning and decision-making processes.

**Updates:**

- 04/30/2020 - IV&V noted continuing improvement in overall risk management. Key risks related to Service Center RFP, payroll operations, and others that may be beyond the project team's control, are being monitored closely.
- 05/31/20 - The project is currently working to establish productive communications with DHRD with regard to system features, proposed change ROI analysis, impact analysis for all relevant work streams (business operations, the project, and Payroll Operations) and the development of an operational plan that focuses on meeting timelines.
- 07/31/20 - There remains some uncertainty around the long-term sustainability of the Payroll Operations (PO) operation position. As previously reported, the addition of this position has improved project communications with the business sponsor (SSO). The project continues proactive communication and is in progress to ensure that PO communications that could reduce the sustainability of the operation and productivity of future opportunities.
- 08/31/20 - Although concerns remain regarding risks that require escalation beyond the project, the project has thus far demonstrated a continuing ability to manage these risks in an effective manner. IV&V continues to note the significant cost associated with these risks and recommends that the project continue to monitor escalations and take necessary actions to mitigate them.
- 09/30/20 - The project continues working to address remaining escalations and ensure that all key stakeholders are kept informed of project progress and timelines.
- 10/31/20 - The project continues to manage remaining escalations and ensure that all key stakeholders are kept informed of project progress and timelines.
- 11/30/20 - The project continues to manage remaining escalations and ensure that all key stakeholders are kept informed of project progress and timelines.
- 12/31/20 - The project continues to manage remaining escalations and ensure that all key stakeholders are kept informed of project progress and timelines.

**Recommendation:**

- Ensure that business operations are fully informed of project status and timelines.
- Establish clear lines of communication and accountability.
- Provide regular updates and feedback to business operations.
- Engage key stakeholders in project planning and decision-making processes.

**Updates:**

- 03/01/2020 - The project continues to manage remaining escalations and ensure that all key stakeholders are kept informed of project progress and timelines.
- 03/31/2020 - The project continues to manage remaining escalations and ensure that all key stakeholders are kept informed of project progress and timelines.
- 04/30/2020 - The project continues to manage remaining escalations and ensure that all key stakeholders are kept informed of project progress and timelines.
- 05/31/2020 - The project continues to manage remaining escalations and ensure that all key stakeholders are kept informed of project progress and timelines.
- 06/30/2020 - The project continues to manage remaining escalations and ensure that all key stakeholders are kept informed of project progress and timelines.
- 07/31/2020 - The project continues to manage remaining escalations and ensure that all key stakeholders are kept informed of project progress and timelines.
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- 12/31/2020 - The project continues to manage remaining escalations and ensure that all key stakeholders are kept informed of project progress and timelines.
| ID | Title / Summary | Finding Description | Analysis and Significance | Recommendation | Update | Category | Type | Priority | Status | Risk Owner | Identified Date |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| 12 | Complexity of communications to avoid users could lead to confusion at go-live and overwhelm the help desk | Due to the project’s current go-live communications strategy that includes multiple communication channels, extensive efforts to ensure stakeholders understand important communications, training methods that ensure effective engagement, and monitoring the training management system (TMS) logs for feedbacks that are helpful for the project’s log management processes. | Project work should be in line with the communication plan specifically for these communications. | Project implement a strategy of “over-communication” to ensure clear and effective communications to the various user groups. | 06/10/20 | Organizational Management | Risk | Medium | Open | Michael | 04/10/20 |
| 13 | COVID-19 State-wide shutdown has hindered project rollouts and negatively impact the project schedule and budget | The COVID-19 pandemic caused a major change in work arrangements that has significantly impacted work at all levels. | Many project department Rollouts activities could be significantly hindered during this time. For example, leave approval for user groups that are impacted by remote work could be delayed or impacted by on-site equipment availability due to travel restrictions. | The project team to identify potential ways to mitigate the impact of COVID-19 on project progress. | 06/30/20 | Project Organization | Risk | Medium | Open | Michael | 04/10/20 |