Legacy System Replacement

Project Charter

Version 3.0 – May 11, 2015

ADOT Information Technology

DOCUMENT CONTROL

CHANGE RECORD

Date	Author(s)	Version	Change Reference
4/18/14	D. Logue B. Grasmick	1.0	Original complete version
8/20/14	D. Logue	2.0	Split into two documents. New org chart. Revised governance decision making table, other misc. changes.
5/11/2015	R. Skiye	3.0	Revising after review with new project sponsor.

REVIEWERS

Name	Position	Date Reviewed
D. Knigge	Business Team Director	4/18/14

APPROVERS

Name	Position	Date Reviewed

1. PROJECT OVERVIEW

1.1 Background

Arizona Department of Transportation's (ADOT) Motor Vehicle Division (MVD), as with many motor vehicle agencies throughout the nation, faces multiple challenges: increased citizen expectations for accessible, cost-effective services, replacement of an expensive, legacy computer systems that was designed and built in the 1970s and 1980s, and staff & skills shortage related to the legacy system. Additional challenges include:

- An increasing permanent and part-time resident population resulting in multiple license and vehicle registration transactions, straining the capacity of MVD to meet required customer service wait times.
- More and more state and federal agencies requiring speedy access to reliable credential and vehicle data to support a variety of legal, social, security and safety missions that range from child support enforcement, traffic safety, insurance compliance, and border enforcement.
- Heightened security requirements initiated by an increase in identity fraud and credential authentication standards as required by the Western Hemisphere Travelers Initiative and Voluntary Traveler ID.
- State-wide budgetary challenges that amplify the need for MVD to efficiently and fairly collect all fees and taxes due the state.

MVD's vision is to implement a more customer service focused enterprise solution by leveraging open, flexible system architecture, tools and standards based on industry trends and best practices within the motor vehicle industry and in the commercial sector. By continually moving business processes to the security and stability of the Internet, MVD will enable customers and motor vehicle administrators' access from any place, any time and from any machine or phone. The automation and interoperability of routine processes will eliminate costly paper based operations.

The MVD vision will reduce the current system complexity and make supporting the solution more intuitive while providing technology that is easier to use and learn. An agile, modular system design will allow MVD to more quickly and less expensively incorporate future business changes and needs. Additionally, a modern information support infrastructure will allow a more secure and responsive solution to meet the increasing information demands of the legislature, state agencies and MVD.

1.2 Project Goals and Objectives

Modernization provides technology support and transformation capabilities to meet ADOT's objectives. An immediate objective is to transform MVD's business into a comprehensive, integrated client-centric organization enabled by modern technology. All licensing, titling, registration, inventory, and driver records of MVD are to be supported by contemporary, adaptable, integrated, customer-centric technologies. Such change requires not only new technology but a comprehensive effort focused on all aspects of change management including the potential for policy and legislative changes.

Important goals for MVD modernization include:

- Address issues and risks related to technology obsolescence and lack of available support resources
- Provide easy access to all transactions and customer interactions
- Improve the efficiency, effectiveness, and accuracy of MVD business processes
- Increase customer self-service capabilities to maximize client convenience
- Reduce overall process times
- Improve data and information access, accuracy, consistency, and security
- Improve customer assistance and communication
- Streamline internal processes
- Reduce paperwork and paper flow
- Reduce fraud
- Implement business and IT best practices
- Improve the ability to modify systems more readily to adjust to legislative and policy changes
- Improve reporting capabilities and business intelligence
- Improve access and quality of information for use by law enforcement

1.3 Benefits

With the extreme age of existing MVD systems, ADOT realizes the critical need for systems modernization. As such, the principal drivers for modernization address a broad range of risks (e.g. catastrophic unrecoverable system failure) and benefits.

A modernized MVD system will provide benefits for many stakeholders. Arizona citizens will be provided convenient service through the use of the Internet to process transactions, submit forms, access records, make payments, and obtain statuses. Customers will also experience decreased wait times in offices through the streamlining of business processes and increased efficiency in customer transaction processing. A more effective and efficient system will also increase revenue collections by Department of Economic Security, the Attorney General's Office and the Counties. The real-time electronic submission of driver control actions will provide Law Enforcement officers real time accurate status of drivers. Law Enforcement also benefits from real time transmission of court decisions and administrative hearings resulting in faster notice of license issues.

Ultimately, MVD will be able to improve customer service, provide more efficient operations, and enhance financial accountability & regulatory compliance while increasing the ability to retain employees and domain expertise. Benefits include:

1. A modernized MVD solution that leverages more effective and efficient business processes to improve service for ADOT customers. The modernized MVD solution will include:
    - MVD Financial and Cashiering functionality integrated to BREAZ
    - MVD Vehicle functionality
    - MVD Drivers functionality including both Issuance and Driver Control
    - ADOT Licensing and Contracting functionality including Dealer Management
    - Cross Functional capabilities and supplemental solutions including Third Party Management, Consumer Portal and Fuel Tax
2. An innovative solution that supports more reliable technology to be able to more readily adapt to changing legislation.
3. Increased revenue collection through improved financial management and accountability.
4. An improved service-oriented solution to provide improved collaboration with other Arizona agencies.
5. Enhanced technological support of a business and management environment supporting a new continuous process improvement paradigm.

1.4 Process Improvements

The modern MVD solution is expected to drive significant process improvements for MVD, business partners, and customers. This will include process improvements in the MVD field offices, third-party offices, MVD back office functions, auto dealer processes, and more. Selective business processes will be redesigned and improved. Because of the significant process improvements expected, the LSR

Project Team will include Business Process Reengineering (BPR) specialists and Organizational Change Management (OCM) specialists to drive the required changes.

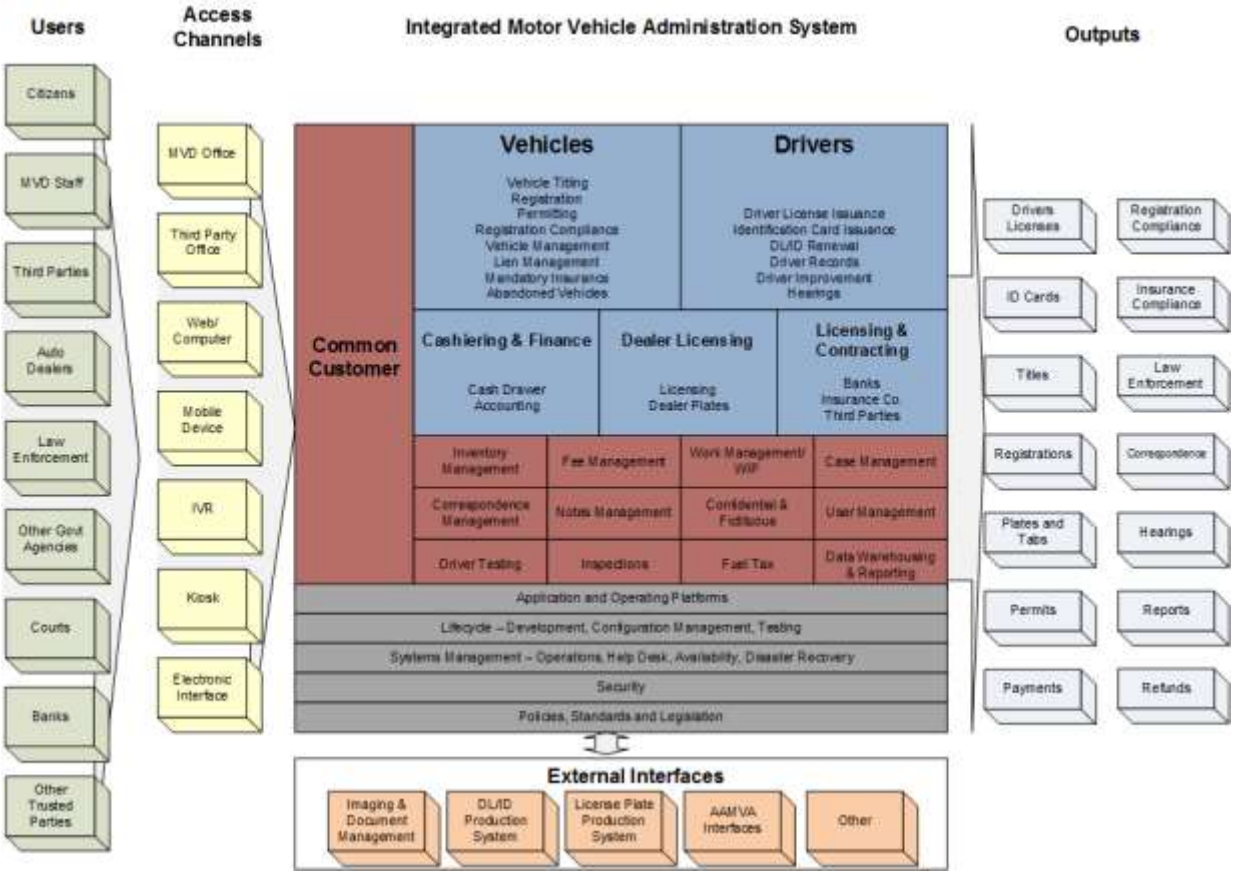
2. SCOPE, ASSUMPTIONS, AND CONSTRAINTS

2.1 Scope

The scope of the project is focused on replacing the core MVD systems with a modernized solution. The project scope does not extend to other non-MVD systems, such as highway construction and maintenance or other back office functions.

2.1.1 Business Application Summary

As depicted in graphic below, the scope will be to build an Integrated Motor Vehicle Administration System that includes all core MVD functions.



The following core functions are considered **IN SCOPE**:

- Driver Licensing
- Driver Control and Improvement
- Vehicle Title and Registration
- Dealer Licensing
- Trusted Party Management
- Cash Drawer and Finance
- Licensing and Contracting
- Interfaces with other ADOT systems, State of Arizona systems, and Federal systems
- IRP/IFTA and Financial System Integration

The following common functions are considered **IN SCOPE**:

- Common Customer Information Management
- Customer Web Portal
- Inventory Management
- Work Management and Work-in-Progress
- Fee Management

Imaging and Document Management Integration

- Data Warehouse, Reporting and Analytics
- Correspondence Management
- Fuel Tax Reporting

- Motor Vehicle Records Management
- Queue Management

2.1.2 Out-of-Scope

The following are a subset of the functions to be considered for the **FUTURE** or are **OUT OF SCOPE** for this project:

- International Registration Plan (IRP)
- International Fuel Tax Agreement (IFTA)
- Motor Carrier Oversize/Overweight Permitting
- Credential Production (License Card Production, Plate Production)
- Accident/Crash Records System
- Aircraft Registration
- Biometrics

2.2 Assumptions

Following is the list of assumptions for the LSR Project:

- The ADOT Technology Reserve (ATR) funding source for the LSR project will continue to be dedicated to the completion of LSR during the life of the project. The total eGov revenue and resulting ATR funds will continue to grow (consistent with historic precedence).
- ADOT Executive Leadership strongly supports the LSR Project and embraces the resulting change that will lead to more efficient business processes, seamless integration, and more timely and accurate reporting.
- Project timeline estimates rely on availability of resources and key decision makers as well as complete, accurate, and timely resolution of project questions and issues.
- The Project represents considerable change to the operating norms of MVD. It is critical that deliberate communications be developed and carried out through an ordered communications plan to minimize anticipated resistance to change and potential confusion. The State will recognize the benefits of conforming to best practices in State Government and will embrace and internalize changes in business processes and procedures.

2.3 Constraints

Primary constraints for the LSR project are:

- Funding flow – funding for the LSR Project is based on a percentage of cost savings from the MVD e-Gov channel, ServiceArizona. As a result the timing and amounts of funding available to the project depend on the flow of the ServiceArizona cost savings which could be less or more than anticipated. Achievement of milestones on time may be affected by the timing of funding.

- Availability of business and technical resources – MVD and ADOT ITG typically operate very lean. Since participation of MVD business and ITG technical resources in the LSR Project is critical, availability of the staff to participate may constrain the project. Other critical initiatives (e.g. BREAZ) also will be making demands on ADOT business and technical resources.

3. PROJECT APPROACH

As indicated in the graphic below, our development approach will be a mostly custom-developed software solution. While there are a few vendors that claim to have "Commercial-Off-The-Shelf" solutions for motor vehicle agencies, ADOT's recent solicitation resulted in an understanding that ADOT's strategic interests would be best served using a Custom, In-house approach. While some minor, specialized components may be purchased, the majority of the system will be custom developed using the Microsoft .NET architecture.

The team staffing for this project will primarily be sourced with internal department FTE resources from ADOT technical and business organizations supplemented by contract resources. Experienced ADOT resources will form the leadership core of the project with ADOT MVD acting as project sponsor and providing a key leadership resource as Business Team Lead. ITG, ADOT's technology organization, will support and partner with MVD on this project.

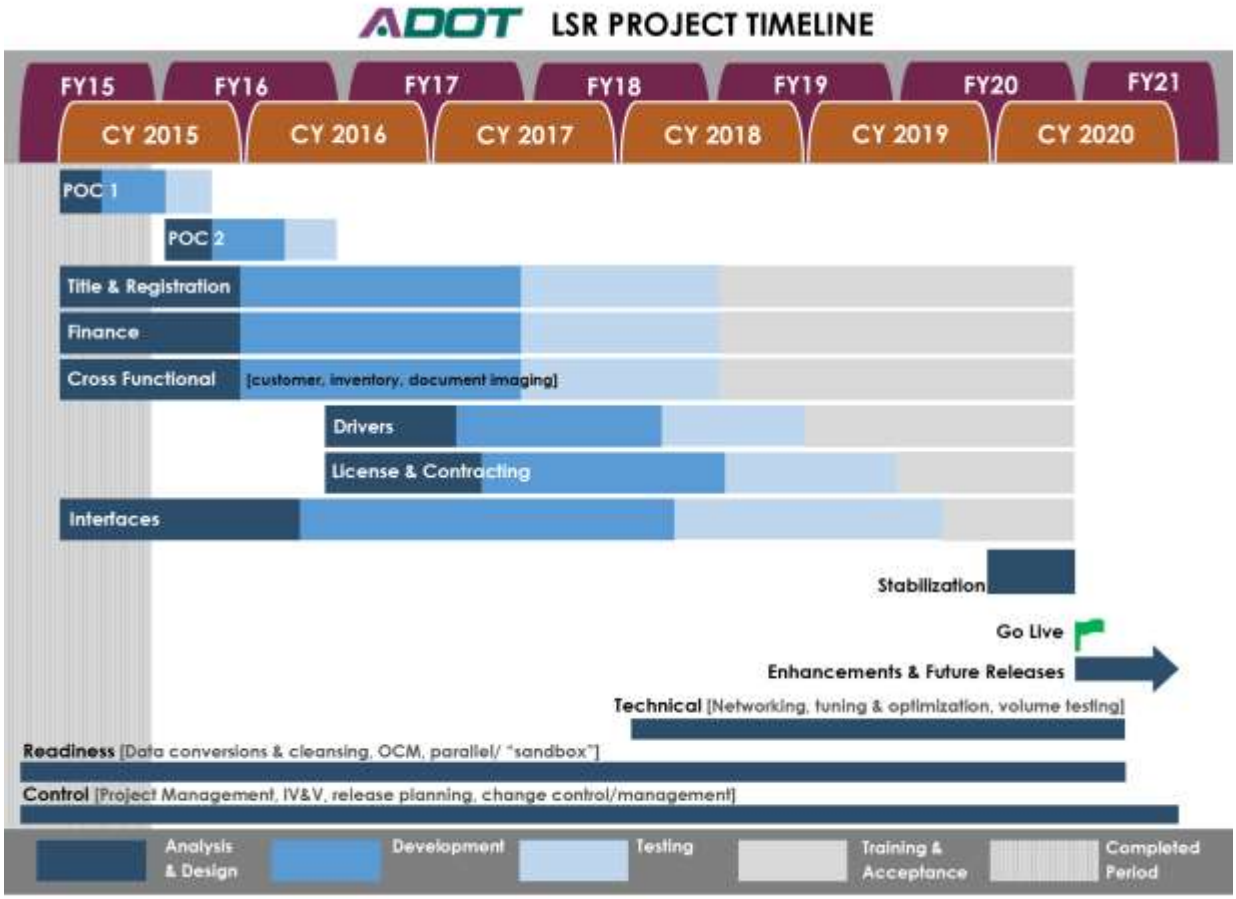
The solution will be built with an intention of achieving business transformation by targeting the development of a "World Class" MVD solution. The project is not intended to be an effort with a goal primarily of system replacement of the existing functionality nor even more basic re-platforming.

This approach also helps avoid industry pitfalls. While most unsuccessful motor vehicle modernization projects in other states have failed, it is largely due to the adversarial nature of vendor-state fixed price contracts. In this approach, ADOT will not be subject to competing objectives (vendors vs. state) and will be able to avoid restrictive contracts. Full control and responsibility will rest with ADOT.

This approach will provide greater long term value to ADOT by ensuring maximum quality and scope, will allow ADOT to retain complete control of the Intellectual Property (IP), provide for a much simpler solution, and allow for attracting and retaining a better team.

4. TIMELINE

The timeline defined is based on an integrated implementation approach. The integrated approach allows for a single implementation for the entire system with the exception of the two proof of concepts.



5. GOVERNANCE

5.1 Project Governance Structure

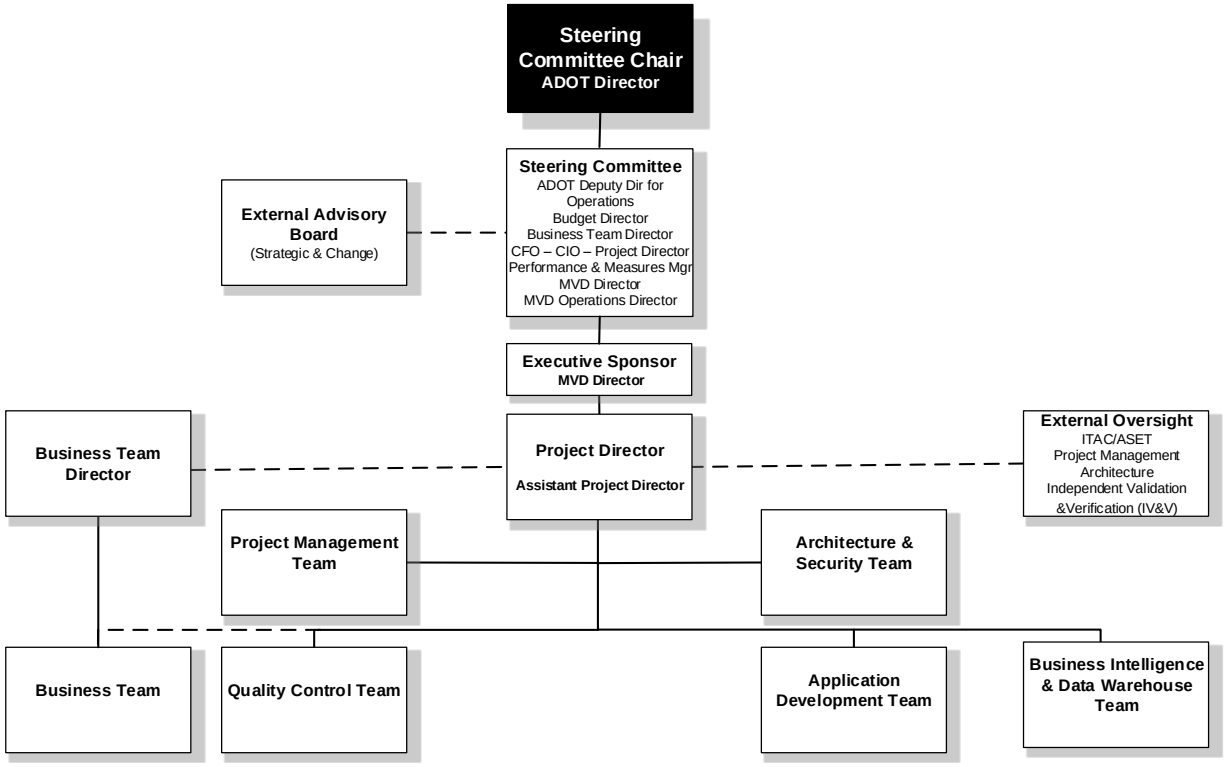
A formal project governance structure is essential to effective direction of project resources to achieve stated project goals and objectives. Establishing a project governance framework is one of the most significant efforts to complete during the initial project initiation and planning activities. The success and outcome of this effort has a direct relationship to the project's potential for long-term success. Effective project governance enables the project work to occur and goals to be achieved by providing:

- A continuous and consistent linkage to enterprise business strategy and direction.
- A clear decision-making process with well understood roles and responsibilities.
- Oversight of project progress, risk management, and direction.
- Executive control over project progress, changes, and outcomes.

The broad set of management processes for project governance aims to provide an effective decision-making process for the overall project. This section outlines the overall project governance structure, roles and responsibilities, and decision-making processes.

The project leadership organization depicted in the exhibit below represents the LSR Project Governance Structure. This leadership team provides the highest level of leadership and direction for all project activities.

LSR Project Governance Structure



5.1.1 Steering Committee

Providing overall governance is the Project Steering Committee that includes ADOT senior management and the LSR Project Director. This committee is chaired by the ADOT Director and includes the ADOT Deputy Director for Operations, Budget Director, Business Team Director, Chief Financial Officer (CFO), Chief Information Officer (CIO), MVD Director, MVD Operations Director, Performance and Measures Manager and LSR Project Director. The LSR Steering Committee will provide leadership and direction, facilitate the understanding and commitment to the projects vision from key stakeholders, and provide executive level governance support necessary to accomplish the benefits envisioned for the project. This team will make key decisions when asked by the Executive Sponsor or the Project Director in order to keep the project on track.

Reporting directly or indirectly to the Steering Committee is a proposed advisory entity, the LSR External Advisory Board.

5.1.2 External Advisory Board

From time to time, the Steering Committee will use external and internal advisors with special industry, functional, technical, or project expertise. The External Advisory Board may include representatives from ASET, other Agency executives, and others as appropriate.

5.1.3 Executive Sponsor

The MVD Director serves as the Executive Sponsor of the project. The Executive Sponsor is responsible to the agency for the success of the project and has key decision-making and leadership responsibilities. As the overall champion of the project and the solution, the Executive Sponsor is also responsible for helping the agency overcome resistance to the project. The Executive Sponsor has staffing authority for the Business Team Director and Business Team.

5.1.4 Project Director

The LSR Project Director is charged with the regular and routine oversight of the implementation and management of the LSR Project, major project decisions, and any and all powers and duties delegated to them by the Steering Committee. The Project Director is assisted by an Assistant Project Director in making key project decisions regarding: setting and maintaining alignment of project goals and expectations, addressing cross-functional issues, managing organizational expectations, and assigning essential resources and expertise.

The Project Director for the LSR Project is the executive responsible for a successful completion of the project. The Project Director will be responsible for all project management processes, methods and practices to monitor and oversee risks issues, quality, change management, and comprehensive status reporting and communications for the project duration. Issues and risks will be resolved at the team level, and escalated only as necessary to reach an effective resolution.

The Project Director will:

- Manage all resources and personnel assigned to the project.
- Act as the primary point of contact for issue/risk management, scheduling, and resource allocation.
- Manage status reporting and work with the Project Management Team to provide Steering Committee and Executive Sponsor communications according to the established project communication plan.
- Coordinate project scheduling and staffing of the Project Team.
- Utilize expertise to advise across all areas of the project and project activities.
- Conduct presentations to the Steering Committee, Executive Sponsor and other key project stakeholders.
- Maintain ongoing and close connection regarding all aspects of the project.

5.1.5 Business Team Director

The Business Team Director is responsible for ensuring appropriate MVD resources are actively participating in the project. This includes functional team leaders, process improvement specialists, subject matter experts, user acceptance testers, and user readiness specialists such as organizational change management specialists, trainers, and technical writers.

5.1.6 External Oversight

The Arizona Strategic Enterprise Technology (ASET) office will provide strategic oversight and coordination activities for the LSR Project. This will include staffing a part-time ASET Integration Architect as directed by ASET.

As directed, using the ASET model and contracts when available, an Independent Verification & Validation (IV&V) consultant will be engaged to provide independent oversight of the project. In addition, ASET, JLBC, and the Auditor General will have oversight responsibilities.

A Strategic Workgroup, with representatives from ASET and ADOT, will be formed and meet regularly to discuss overall strategic issues. Issues addressed will typically cover topics beyond the project scope (e.g. privacy, security, etc.).

5.2 Governance Responsibilities and Decision-Making

This section presents the decision-making matrices for technical decisions, business process decisions, changes in scope, schedule or budget, and conflict / issue resolution. Each decision matrix identifies the governance roles that will be involved in the decision-making process. Each matrix also identifies the role's associated responsibilities in regard to providing input to support or develop alternatives for the decision, reviewing the supporting information regarding the decision for accuracy and completeness, developing and presenting a recommended decision or course of action, and making the final decision. In addition, the appropriate escalation is defined as necessary.

Four elements of effective decision-making are outlined below.

- **Access and use relevant information.** Relevant information comes from many sources, including state staff and the stakeholder community; it is accurate, balanced and presented as an efficient guide for action.
- **Discuss issues deliberately.** Deliberate discussions leading to decisions are systematic, objective and open; the issues are framed, information is considered in context, and forcing decisions prematurely is avoided.
- **Consider alternative actions.** Consideration of alternative actions indicates the discussion reflects different points of view, hears all sides, and assesses the positive and negative consequences of various choices.
- **Work toward consensus.** Decision makers try to find areas of commonality, tolerate ambiguity, and recognize the need for compromise in the importance of reaching agreement.

Governance Responsibility Table

Decision Area	Project Director	Business Team Director	Leadership Team *	CIO	MVD Director	Steering Committee
Project/Approach						
▪ **Technical**	A	A		E		
▪ **Business**	R	R			E	
▪ **Comprehensive**			A			E
Staffing						
▪ **RM – Technical**	A			E		
▪ **RM – Business**		A			E	
Budget						
▪ **Project/Tool Expense**	<$50K			<$250K		>$250K
▪ **Other Expense**		<$50K			<$250K	>$250K
Schedule						
▪ **Schedule Milestone Time Change (+/-)**	<1 mth		<1 qtr			>1 qtr
▪ **Time Change for Go Live(+/-)**			<1 mth			>1 mth
Scope						
▪ **Hour Changes**	<5K	<5K	<15K			>15K
Quality						
▪ **Technical**	A	R		E		
▪ **User Acceptance**	R	A			E	
Priority						
▪ **Implementation Sequencing**	R	R	A			E
Process Improvement (PI)						
▪ **Project PI**	A	R		E		
▪ **Business PI**	R	A			E	

R=Review/Recommend **A=Approve** **E=Escalation**

* Leadership Team – Project Director and Business Team Director

Description of Decision Areas

Area	Focus	Examples of Decisions Addressed*
Project/Approach	Technical	• Deployment Architecture • Development / Project Architecture • Development / Project Tools • Project Methods / Systems Development Lifecycle • Solution Security
Project/Approach	Business	• Functional solutions and approaches • Embedded solution components (e.g. queuing, scheduling solution, etc.) • Organizational Change Management (OCM) • Training • Release sequence and timing • External communications and release coordination
Project/Approach	Comprehensive	• Integration to external stakeholders (interfaces) • Policy Revisions • Legislative Revisions • Cross Technical and Business Project/Approach issues
Staffing	Resource Management - Technical	• Project state/contract technical staffing approach • Hiring/Addition/Removal of technical staff • Resource assignments, roles, and responsibilities (technical and business) • Resource evaluations for project performance (technical and business) • Project staff project onboarding process (technical and business)
Staffing	Resource Management - Business	• Project state/contract business staffing approach • Hiring/Addition/Removal of business staff
Budget	Project/Tool Expense	• Analysis & development tools • Testing tools • Database performance tools • Hardware • Cloud services • Software as a Service tools • Communications • Facilities • Project network management

Area	Focus	Examples of Decisions Addressed*
Budget	Other Expenses	• Travel • Special events • External communications • Promotional items • Training/conferences
Schedule	Milestone Time Change	• Change in significant milestone timing • Evaluation of schedule impact
Schedule	Go-Live Time Change	• Change in release timing • Evaluation of release change impact
Scope	Hour Changes	• Increase or decrease in release scope (timing) • Increase or decrease in project scope • Moving to/from parking lot
Quality	Technical	• Testing approach • Approval criteria • Scenario development and review
Quality	User Acceptance Testing	• Testing approach • Approval criteria • Scenario development and review • Training approaches • Readiness
Priority	Implementation Sequencing	• Release schedule • Resource allocation • Review/oversight focus adjustment
Process Improvement (PI)	Project PI	• Project/technical training • Project/technical support • New tool evaluations • Responding to project/technical suggestions
Process Improvement (PI)	Business PI	• Organizational change management • Functional training • Functional support • Responding to business improvement suggestions

*Decisions listed are possible decision topics by area and focus for the Governance Responsibility table. The list is not comprehensive.