PRSM

Project Resourcing & Schedule

Management System

Quarterly PRSM Status Report to the Legislature

September 1, 2010 – November 30, 2010

California Department of Transportation

Division of Project Management

Office of Statewide Project Management Improvement

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Independent Project Oversight Reports

IPO Report for November 2010

Project Name: Caltrans PRSM **Assessment Date:** Nov 30, 2010

Frequency: Monthly

Oversight Provider Information

Oversight Leader:	Greg Thomas	**Organization:**	Deloitte & Touche LLP
Phone Number:	415 783 5211	**Email:**	grethomas@deloitte.com

Project Information

Project Number:	**2660-160**	**Department:**	Transportation (Caltrans)
Criticality:	High	**Agency:**	Business, Transportation & Housing
Last Approved Document/Date:	SPR (12/08/09)	**Total One-time Cost:**	$26,078,375
Start Date:	June 7, 2000	**End Date:**	June 13, 2011
Project Manager:	David Youmans	**Organization:**	Caltrans
Phone Number:	916.826.4425	**Email:**	david_youmans@dot.ca.gov

Summary: Current Status

Project Phase:	Adaptation		
Planned Start Date:	May 20, 2009	**Planned End Date:**	November 23, 2010
Actual Start Date:	July 1, 2009	**Forecasted End Date:**	December 24, 2010

Schedule

Select the statement that most closely applies, measured against the last **Finance approved** document.

Ahead-of-schedule:
One or more major tasks or milestones have been completed and approved early (> 5%). All other major tasks and milestones completed and approved according to plan.

Behind Schedule

On-schedule:
All major tasks and milestones have been completed and approved according to plan. (Within 5%)

Behind Schedule:
One or more major tasks or milestones are expected to be delayed. (> 5%)

Comments: A new baseline schedule was set with the approved Special Project Report (SPR) dated December 8, 2009. The SPR states the end date of the Adaptation Phase as February 2010 and the end date of the entire PRSM project as June 13, 2011. On June 9, 2010, the Implementation Vendor submitted a

change request with an extension to the schedule and a cost increase. Throughout June and July, Caltrans and the Implementation Vendor were in negotiations regarding the change request. In the August 4th, 2010 Executive Steering Committee meeting, the Executive Steering Committee approved the schedule extension and cost increase. The PRSM Change Control Board created Project Change Request (PCR) 14 to track the non-technical (cost and schedule) changes associated with the Implementation Vendor change request. PCR 14 was approved by the PRSM Change Control Board, pending finalization and approval of the draft PRSM project schedule, on August 24, 2010. On September 1, 2010, the Implementation Vendor approved the new baseline schedule.

On October 6, 2010, the Implementation Vendor submitted another change request for a change in scope (please note there is no requested change to schedule or overall PRSM project cost). The change request included changing the scope of the remaining Adaptation Phase activities and moving some of the remaining activities into Pilot. The activities the Implementation Vendor proposed to change and/or move to Pilot include Data Conversion, System End to End Testing, Implementation Team Training, Technical Training, and the Report Development. In addition, the Implementation Vendor is proposing to decrease the amount of their support during Roll Out since they will be providing more up front support during Pilot. As of November 30, 2010, the change request had not been finalized. Currently Caltrans and the Implementation Vendor Executives are negotiating payment point details regarding the scope change. The change request is expected to be finalized in December 2010.

According to the most recent schedule (dated November 30, 2010), the end date for Adaptation is December 24, 2010 and the end date for the PRSM Project is April 12, 2012. As part of the approval of the Implementation Vendor change request, the Executive Steering Committee and the Implementation Vendor agreed that the Adaptation Phase would not go past November 23, 2010. During the November 30th PRSM Project Status Meeting, it was noted that the delay Adaptation was due to the number of anomalies (defects) identified during configuration testing. During the last few weeks of November, configuration testing had to be paused in order to re-test identified anomalies and perform regression testing. Currently, testing is approximately three (3) weeks behind the baseline schedule. Although these activities have caused a delay in Adaptation, as of this time, they have not impacted the Pilot end date or the overall project end date.

We will continue to closely monitor the schedule status during the Adaptation Phase and report any updates as they occur. Please refer to the PRSM Project Schedule and Project Costs risk in the **Risks section** below for information regarding further potential impacts to the schedule.

Resources (Level of Effort) Choose the statement that most closely applies.

Fewer Resources
Completion of one or more major tasks and / or acceptable products has required or is expected to require materially (>5%) fewer hours/staff than planned.

Within Resources

Within Resources
All major tasks have been completed and acceptable products created using the planned number of hours/staff (within 5%).

More Resources
Completion of major tasks and / or acceptable products has required or is expected to require materially (>5%) more hours/staff than planned.

Comments: A new baseline was set with the approved SPR dated 12/08/2009.

Resources (Budget/Cost) Choose the statement that most closely applies.

Less cost
The project is (>5%) under budget.

Within Cost

Within cost
The project is operating within budget.

Higher cost
Material budget increases (>5%) are likely.

Comments: A new baseline was set with the approved SPR dated 12/08/2009. On June 9, 2010, the Implementation Vendor submitted a change request with a cost increase of $947,422. Throughout June and July, Caltrans and the Implementation Vendor were in negotiations regarding the potential cost increase. In the August 4th, 2010 Executive Steering Committee meeting, the Executive Steering Committee approved a cost increase of $864,977 ($464,977 from removing Years 2-3 Custom Code Maintenance and $400,000 from "Unanticipated Cost"). The Implementation Vendor's change request is linked to the following PRSM PCR's: PCR 13 (Changes from FIDO to EFIS Interface – Technical Requirements) and PCR 14 (Changes from FIDO to EFIS Interface – Non-Technical Requirements), which have been approved by the PRSM Change Control Board. Please refer to the PRSM Project Schedule and Project Costs risk in the **Risks section** for more information.

Quality (Client Functionality) Choose the statement that most closely applies.

Adequately Defined

Adequately Defined
Required client functionality is adequately defined, and is being successfully built into the system, given the current project phase.

Inadequately Defined
One or more significant components of required client functionality are inadequately defined, or are not being successfully built into the system, given the current project phase.

Comments: Client functionality (scope) is adequately defined for the Adaptation Phase which began on July 1, 2009. On June 9, 2010, the Implementation Vendor submitted a change request for an extension to the schedule and a cost increase associated with PCR 13 (Change from Caltrans Financial Data to Oracle (FIDO) and CTIPS to the ERP Financial Infrastructure (EFIS) Interface). Throughout June and July 2010, Caltrans and the Implementation Vendor were in negotiations regarding the change request. In the August 4th, 2010 Executive Steering Committee meeting, the Executive Steering Committee approved the schedule extension and cost increase. Finalization and approval of PCR 13 and PCR 14 (Change from FIDO and CTIPS to the EFIS Interface – schedule and cost changes) occurred on September 1, 2010.

Through inspection of the previous draft schedule, it was noted that one of the items which may have impacted the delay in Adaptation is the Requirements Baselining effort, which includes the analysis and approval of Project Change Request's (PCR's) 8, 9, and 12. PCR's 8 (modifications to technical requirements related to Work Package 1) and 9 (deletion of technical requirements or parts of technical requirements, which are obsolete, redundant, or no longer needed) were approved in the June 2010 reporting period. PCR 12 (remainder of requirements not covered in PCR's 8 or 9) was approved in the August 2010 reporting period. Per the new baseline schedule (dated August 31, 2010), the Requirements Baselining effort was completed on August 24, 2010. Please refer to the "Project Change Requests Finalization and Approval" risk in the **Risks section** below for information regarding further potential impacts to the schedule.

One area that may have a future impact on quality and functionality is the data conversion effort. Per the PRSM Project Schedule (dated 11/30/2010), Data Conversion testing activities are scheduled to be completed during the Pilot Phase on 3/7/2011. Data Conversion activities are being performed for project data and historical data. Currently the PRSM Project Team is in the process of performing data load testing on the project data and historical financial data for each District. During the weekly PRSM Project Status Meetings, the PRSM Project Team has noted that legacy data has presented some challenges and there have been some issues with loading the data. If the issues of data cleansing and data load are not mitigated or resolved prior to Pilot and roll out, there is a possibility that only a small sub-set of projects will load correctly. We will continue to monitor this area closely and report any updates as they occur.

Quality (Architecture/System Performance) Choose the statement that most closely applies.

Adequately Defined

Adequately Defined
The system technical architecture is adequately defined, and modeling, benchmarking and testing are being conducted (or are planned) appropriate to the current project phase.

Inadequately Defined
The system technical architecture is not adequately defined, or modeling, benchmarking and testing are not being conducted (or are planned) appropriate to the current project phase.

Comments: System technical architecture and performance are adequately defined for the Adaptation Phase. The Implementation Vendor has submitted a Configuration Management Plan, High Level Design, and updated Architecture Diagram. The Production environment hardware has been configured and turned over to Caltrans.

New Issues

There are no new issues.

Issues

Issue I-1: EFIS Interface (PCR 13)

Issue Statement: The PRSM Project Team has been made aware that Caltrans Financial Data to Oracle (FIDO) system and CTIPS are going to be phased out once the ERP Financial Infrastructure (EFIS) has been implemented. While developing to one standard interface presents a business opportunity, specifications and data requirements will need to be analyzed and documented. The development of the EFIS interface is a critical step for the PRSM project to proceed to the Pilot phase. EFIS went live in July 2010 and PRSM is scheduled to begin Pilot on 11/23/2010. The development of the EFIS interface could impact the cost of PRSM. There are two (2) potential scenarios related to this issue that could impact the schedule and / or cost: 1) the time compression in the transition of EFIS support from the EFIS Implementation Vendor to Caltrans could result in the EFIS Implementation Vendor fully focused on knowledge transfer and transition. The limited availability of EFIS resources could result in a delay in the development of the EFIS interface; and 2) with the focus on knowledge transfer and transition, PRSM is a lower priority for EFIS related support, which could result in resource constraints when it comes time to supporting the PRSM/EFIS interface/testing efforts.

Impact: High Time Frame: Short Term Severity: High Assigned to: Jacqueline Moore

IPOC Recommendations:

- I-2a PRSM interface acceptance criteria for entry to the Pilot phase should be agreed upon by the PRSM Project Team and Business Stakeholders. The criteria should include specifying the quality and completeness of the interfaces (degree of production readiness) before the Pilot phase.
- I-2b - Continue to work closely with the EFIS project by attending the bi-weekly interface planning meetings. Escalate issues related to EFIS timing and resource needs to the PRSM Steering Committee for resolution as soon as the interface requirements are finalized.

Status Update:

Nov 10 Status: During the month of November, EFIS resources have been available to assist the PRSM Project. According to the most recent schedule (dated 11/30/2010), Integration Testing between PRSM, Staff Central, and EFIS is scheduled to be completed by 12/21/2010. Per discussion with the PRSM Project Manager, noted that due to the delays in Configuration Testing, the Integration Testing completion date will be delayed as well. The PRSM Project Team is currently working to revise the schedule with the updated testing dates. The new dates are as follows: test case development will be completed in 12/2010 and test case execution will be performed in 1/2011 – 2/2011.

Oct 10 Status: During the month of October, EFIS resources have been available to assist the PRSM Project. According to the most recent PRSM project schedule (dated October 26, 2010), the development of interfaces is scheduled to be completed on December 3, 2010. Interface testing activities are one of the areas that may get moved to early Pilot. The PRSM Project Team is still in the process of finalizing the updated schedule. Regarding the EFIS project, the Implementation Vendor's support of EFIS ends in October 2010. Caltrans is currently in the process of transitioning EFIS support responsibilities from the Implementation Vendor to Caltrans. The Independent Verification and Validation (IV&V) Consultant has reviewed the interface code developed by the Implementation Vendor and there were no issues with the code from the perspective of IV&V. In the August 4th, 2010 Executive Steering Committee meeting, the Executive Steering Committee approved the schedule extension and cost increase. The PRSM Change Control Board created Project Change Request (PCR 14) to track the non-technical (cost and schedule) changes associated with the change from Caltrans Financial Data to Oracle (FIDO) and CTIPS to the ERP Financial Infrastructure (EFIS) Interface. PCR 14 was approved by the PRSM Change Control Board, pending finalization and approval of the draft PRSM project schedule, on August 24, 2010. On September 1, 2010, the Implementation Vendor approved new baseline project schedule. Finalization and approval of PCR 13 and 14 occurred on September 1, 2010.

New Risks

There are no new risks.

Progress Toward Addressing Prior Risks

Risk R-3: PRSM Project Schedule and Project Costs

Risk Statement: With the previous delays in the PRSM project schedule and the remaining Adaptation activities (i.e., data conversion and testing) there is a possibility of another schedule delay. As part of the approval of the Implementation Vendor change request, the Executive Steering Committee and the Implementation Vendor agreed that the Adaptation Phase would not go past November 23, 2010. The possibility of another delay in the PRSM project schedule could have an impact on the cost of the project. If the Adaptation phase is delayed past November 23, there is a chance that the Implementation Vendor could submit another change request for increased costs.

Probability: Medium Impact: High Time Frame: Short Term Severity: High Assigned to: Joel Arpilleda

IPOC Recommendations:

- R-3a - IPOC recommends that the PRSM project schedule should continue to be monitored closely. Delays at the task and activity level should be recorded and tracked. In addition, delays that affect the critical path should be immediately discussed with members of the PRSM Project Management Team. If necessary, daily checkpoint meetings should be conducted to resolve issues that impact the critical path. Issues that cannot be resolved at the PRSM project team level should be escalated to the Executive Steering Committee immediately.
- R-3b - IPOC recommends that the PRSM Project Team continues to refine the schedule for project phases after Adaptation to ensure that any risk of further schedule slippage is mitigated and so that the total impact of known dependencies on the schedule can be understood and communicated to stakeholders. The PRSM Project Team should begin working on the detailed Pilot rolling wave schedule in October 2010. Tasks and activities should be scheduled with input from the Project Team and input from the Pilot District. The PRSM Project Team should begin working on the detailed roll out rolling wave schedule in January 2011. Tasks and activities should be scheduled with input from the Project Team and input from the Districts. In addition, the Project Team should incorporate lessons learned from Pilot into the schedule (tasks and dates) as necessary.
- R-3c – IPOC recommends that the critical path should be clearly identified for each phase of the project and should be provided at the PRSM Status Meetings, PRSM Advisory Team Meetings, and PRSM Executive Steering Committee Meetings.

Status Update:

Nov 10 Status: According to the most recent schedule (dated November 30, 2010), the end date for Adaptation is December 24, 2010 and the end date for the PRSM Project is April 12, 2012. This represents a delay in Adaptation of approximately one (1) month. During the November 30 2010 PRSM Project Status Meeting, it was noted that the delay Adaptation was due to the number of anomalies (defects) identified during configuration testing. During the last few weeks of November, configuration testing had to be paused in order to re-test identified anomalies and perform regression testing. Although these activities have caused a delay in Adaptation, at this time, they have not impacted the Pilot end date or the overall project end date.

Oct 10 Status: With the Executive Steering Committee approval of the schedule increase, explained in the **Schedule** section on page 1 of this IPOR, this previous issue has been reassigned to a risk. During the weekly PRSM status meetings, each of the PRSM Project Team Workgroups (Configuration, Interfaces, Reporting, Conversion, Testing, Hardware/Software, Organizational Change Management, and Training) conduct brief status updates of their current tasks, risks, and issues.

According to the most recent schedule (dated October 26, 2010), the end date for Adaptation is January 25, 2011 and the end date for the PRSM Project is May 15, 2012. On October 6, 2010, the Implementation Vendor submitted another change request for a change in scope (please note there is no requested change to schedule or cost). Please refer to the **Schedule** section on page 1 for more information.

Risk R-2: Resource Availability

Risk Statement: Without adequate Caltrans resources working on PRSM, the project implementation schedule could be delayed. While in the Adaptation Phase, PRSM Project Team members should be allocated full time. Individual Resources may need to be identified at the task level in the Project Plan in order to estimate resource requirements and availability.

Probability: Medium Impact: Medium Time Frame: Short Severity: Medium Assigned to: Joel Arpilleda

IPOC Recommendations:

- R-2a - After the PRSM work plan is complete, determine the resource gaps and reallocate effort as appropriate.
- R-2b - Assign individual resources at the task level in the project schedule to assist in estimating resource requirements. All PRSM project resources, including vendor resources, should be included.

Status Update:

Nov 10 Status: No new status.

Oct 10 Status: During the month of October, EFIS resources have been available to assist the PRSM Project. The time compression for the EFIS project in the transition of EFIS support from the EFIS Implementation Vendor to Caltrans could result in a steep learning curve in knowledge transfer. With the EFIS Implementation Vendor fully focused on knowledge transfer and transition, questions regarding EFIS data are being directed to Caltrans IT and Accounting. The limited availability of EFIS resources could result in a delay in the development of the EFIS interface. In the April 2010 reporting period, the Implementation Vendor re-evaluated the PRSM project schedule and submitted a revised draft schedule. Since April, the proposed schedule has gone through additional revisions. In the July 2010 reporting period, the PRSM project was re-organized so that the Project Management function is now under IT and a new Project Manager has been assigned to PRSM. This new Project Manager will be responsible for the day to day, hands-on project management activities for PRSM. The Project Management function was previously under the Division of Project Management. With the re-organization, the previous Project Manager is now providing oversight as the Project Director.

Risk R-1: Business Process Changes and Organizational Change Management

Risk Statement: One of the most significant challenges to the PRSM Project could be engaging and obtaining buy-in from District executives, management and staff. It is very important that District executives and management are knowledgeable about PRSM and the changes to their business processes and benefits of using PRSM. District staff, in addition to training, should be knowledgeable of the decisions and consequences of changing / standardizing business processes. Lack of engagement and training District personnel at all levels could have a negative impact on overall PRSM system acceptance and usage.

Probability: High Impact: High Time Frame: Med Severity: High Assigned to: David Youmans

IPOC Recommendations:

- R-1a - Define the process for gaining District consensus on policies, new business rules and business processes. The process should describe how information on new business rules and business processes will be communicated to the field with sufficient time to get feedback and buy-in.
- R-1b - Modify the format of the monthly Implementation Manager's Video Conference Meeting to begin utilizing this forum as a mechanism for Organizational Change Management. As PRSM gets closer to District roll out, change the frequency of these meetings to bi-weekly.
- R-1c – Assess the changes to the training program/plan proposed in the most recent implementation vendor change request in order to understand the impact on Organizational Change Management. Work with the Districts to help them understand the changes to the training program in order to gain organizational buy-in and confirm that the program is adequate to enable a successful Roll Out.
- R-1d – Assess the impact of the Implementation Vendor Change Request on Organizational Change Management.

Status Update:

Nov 10 Status: No new status

Oct 10 Status: Presentations to the Districts continue to occur. The PRSM Project Team has begun reviewing business process impacts and is in the process of finalizing the list of business process changes. Prior to the Implementation Vendor training, the PRSM Project Team is planning to provide two courses: Introduction to PRSM and Open Workbench (OWB). Current activities have been built into the PRSM schedule. Per the PRSM Project Schedule (dated 9/28/2010), the following activities are scheduled to occur: District Marketing Campaigns, Business Process Impact Analysis per District, and Communications / Publicity.

General Comments

Deloitte & Touche LLP's IPOC contract with the Caltrans PRSM project started in December 2008. This Independent Project Oversight Report (IPOR) provided by Deloitte & Touche LLP has been developed in accordance with the applicable standards of the American Institute of Certified Public Accountants (AICPA) as per Deloitte & Touche LLP policy. IPOC has attended various PRSM project meetings throughout the month of November, including PRSM Status meetings and the PRSM Risk and Issues Meetings.

On June 9, 2010, the Implementation Vendor submitted a change request with an extension to the schedule and a cost increase. Throughout June 2010 and July 2010, Caltrans and the Implementation Vendor were in negotiations regarding the change request. In the August 4th, 2010 Executive Steering Committee meeting, the Executive Steering Committee approved the schedule extension (approximately 5 months) and cost increase. On October 6, 2010, the Implementation Vendor submitted another change request for a change in scope (please note there is no change to schedule or cost). This change request included changing the scope of the remaining Adaptation Phase activities and moving some of the remaining activities into Pilot. The goal for this is to keep activities in Adaptation that can be completed prior to November 23rd and move the remaining activities into early Pilot. According to the most recent schedule (dated November 30, 2010), the end date for Adaptation is December 24, 2010 and the end date for the PRSM Project is April 12, 2012. During the November 30, 2010

PRSM Project Status Meeting, it was noted that the delay Adaptation was due to the number of anomalies (defects) identified during configuration testing. Currently, testing is approximately three (3) weeks behind the baseline schedule. Although these activities have caused a delay in Adaptation, at this time, they have not impacted the Pilot end date or the overall project end date. We will continue to closely monitor the schedule status during the Adaptation Phase and report any updates as they occur. Please refer to the **Schedule** Section on Page 1 for additional information.

In the July 2010 reporting period, the PRSM project was re-organized so that the Project Management function is now under IT and a new Project Manager has been assigned to PRSM. This new Project Manager will be responsible for the day to day, hands-on project management activities for PRSM. The Project Management function was previously under the Division of Project Management. With the re-organization, the previous Project Manager is now providing oversight as the Project Director.

A number of project processes have been modified since the change in Project Management structure in July 2010. The PRSM Project Schedule, which was previously managed by the Implementation Vendor, is now managed by Caltrans. The new Project Manager has added baseline start and finish columns to the schedule to track baseline completion dates against actual completion dates. During the weekly PRSM Project Status Meetings, the new Project Manager has allocated time in the agenda for each of the PRSM Project Team Workgroups (such as Configuration, Interfaces, Conversion, etc.) to conduct brief status updates of their current tasks, risks, and issues. In addition, in October 2010, PRSM Risk and Issue meetings will begin occurring on a bi-weekly basis versus once a month.

In addition to the weekly PRSM Status meetings and the bi-weekly PRSM Risk and Issues meetings, PRSM Change Management meetings occur on a weekly basis following the PRSM Status meeting if there are open changes to discuss. During these meetings new and open project change requests (PCR's) are discussed by PRSM Project Management and the Implementation Vendor Project Manager. Furthermore, the PRSM Project Manager meets with the Implementation Vendor Project Manager twice a week to discuss the status of the project and current risks, issues, and action items. PRSM sub-groups (i.e., testing and data conversion) continue to meet weekly to discuss current and upcoming tasks.

In August 2010, the Caltrans Enterprise Technology Investment Division requested that IPOC perform a health check assessment on the PRSM project. The objective of the health check assessment was to provide a point in time assessment of the PRSM project and identify findings, risks and recommendations associated with Project Management and Systems Development Lifecycle (SDLC) areas. IPOC activities performed for the Health Check assessment included interviewing key project team members and reviewing project documentation. On October 7, 2010, IPOC submitted the finalized Health Check report to Caltrans.

Project Oversight Review Checklist for November 2010

Project Oversight Review Checklist: High Criticality Project

This checklist is an assessment for the Adaptation Phase. The end date of this phase is December 2010 (per the last approved project schedule).

Practices and Products	Adequate	Deficient	Notes: Items Reviewed; Interviews Conducted; Demonstration
Planning and Tracking			
Have the business case, project goals, objectives, expected outcomes, key stakeholders, and sponsor(s) identified and documented?	X		An updated SPR was approved by the OCIO on December 8, 2009. The appropriate project documents should be updated with the new information from the SPR.
Has a detailed project plan with all activities (tasks), milestones, dates, and estimated hours by task loaded into project management (PM) software? Are the lowest level tasks of a short duration with measurable outcomes?	X		The Implementation Vendor is using a Rolling Wave scheduling approach. Prior to the end of each phase or PRSM Payment Point, the Implementation Vendor and Caltrans work together to develop the specific activities for the tasks in the next Rolling Wave. The new detailed Rolling Wave Plan for the succeeding Project Phase will be documented in MS Project and will be submitted for State Acceptance as a prerequisite for State Acceptance of the current Payment Point. The Implementation Vendor submitted a PRSM Project Implementation Plan during the Planning Phase of the project. The Implementation Plan provides a schedule in MS Project for project activities, milestones, and deliverables including start and finish dates, duration, and high level resource assignments for each task. On June 9, 2010, the Implementation Vendor submitted a change request with an extension to the schedule and a cost increase. Throughout June and July 2010, Caltrans and the Implementation Vendor were in negotiations regarding the change request. In the August 4th, 2010 Executive Steering Committee meeting, the Executive Steering Committee approved the schedule extension and cost increase. On October 6, 2010, the Implementation Vendor submitted another change request for a change in scope (please note there is no requested change to schedule or cost). The change request included changing the scope of the remaining Adaptation Phase activities and moving some of the remaining activities into Pilot. The activities the Implementation Vendor is proposing to change and/or move to Pilot include Data Conversion, System End to End Testing, Implementation Team Training, Technical Training, and the Report Development. In addition, the Implementation Vendor is proposing to decrease the amount of their support during Roll Out since they will be providing more up front support during Pilot. We will continue to closely monitor According to the most recent schedule (dated November 30, 2010), the end

Practices and Products	Adequate	Deficient	Notes: Items Reviewed; Interviews Conducted; Demonstration
			date for Adaptation is December 24, 2010 and the end date for the PRSM Project is April 12, 2012. As part of the approval of the Implementation Vendor change request, the Executive Steering Committee and the Implementation Vendor agreed that the Adaptation Phase would not go past November 23, 2010. During the November 30th PRSM Project Status Meeting, it was noted that the delay Adaptation was due to the number of anomalies (defects) identified during configuration testing. During the last few weeks of November, configuration testing had to be paused in order to re-test identified anomalies and perform regression testing. Currently, testing is approximately three (3) weeks behind the baseline schedule. Although these activities have caused a delay in Adaptation, as of this time, they have not impacted the Pilot end date.
Is completion of planned tasks recorded within the PM software?	X		On a weekly basis, current and upcoming tasks are reviewed by the PRSM Project team and completion of planned tasks is updated as necessary.
Are actual hours expended by task recorded at least monthly within PM software?	X		Actual hours are charged to a WBS and are recorded and tracked in the Department's official accounting system. An overall project WBS list of approximately 2,000 items exists in MS Excel.
Are estimated hours to complete by task recorded at least monthly within PM software?	X		On a weekly basis, current and upcoming tasks are reviewed by the PRSM Project team and the estimated hours to complete the tasks are updated as necessary.
Is there a formal staffing plan, including a current organization chart, written roles and responsibilities, plans for staff acquisition, schedule for arrival and departure of specific staff, and staff training plans	X		Formal staffing plans, including a current organization chart and written roles and responsibilities exist for the Caltrans PRSM Project Team and the Implementation Vendor.
Have project cost estimates, with supporting data for each cost category, been maintained?	X		A new baseline was set with the approved SPR dated 12/08/2009. On June 9, 2010, the Implementation Vendor submitted a change request with a cost increase of $947,422. Throughout June and July 2010, Caltrans and the Implementation Vendor were in negotiations regarding the potential cost increase. In the August 4th, 2010 Executive Steering Committee meeting, the Executive Steering Committee approved a cost increase of $864,977 ($464,977 from removing Years 2-3 Custom Code Maintenance and $400,000 from "Unanticipated Cost").
Are software size estimates developed and tracked?	N/A	N/A	This item is not applicable.
Are two or more estimation approaches used to refine estimates?	N/A	N/A	This item is not applicable.
Are independent reviews of estimates conducted?	N/A	N/A	This item is not applicable.
Are actual costs recorded and regularly compared to budgeted costs?	X		A spreadsheet exists that shows planned and actual costs by month.
Is supporting data maintained for actual costs?	X		Actual costs are obtained from timesheets that allocate time to WBS numbers/tasks.
Is completion status of work plan activities, deliverables, and milestones recorded, compared to schedule and included in a written status reporting process?	X		During status meetings, the PRSM Project Manager distributes an updated status report, which includes an updated schedule in MS Project for the current phase. The schedule provides a detailed view of the status of

Practices and Products	Adequate	Deficient	Notes: Items Reviewed; Interviews Conducted; Demonstration
			activities, deliverables, and milestones for the current phase. A high-level status report is posted on the Caltrans Improvement Project web database. Status reports go to the Legislature quarterly.
Are key specification documents (e.g. contracts, requirement specifications and/or contract deliverables) and software products under formal configuration control, with items to be controlled and specific staff roles and responsibilities for configuration management identified in a configuration management plan?	X		The Configuration Management Plan deliverable was submitted by the Implementation Vendor to Caltrans during the Planning Phase. After Caltrans and IPOC performed an initial review of the Plan, the Implementation Vendor submitted an updated version. The current Configuration Management Plan, dated 7/19/2009, provides details on configuration management of key project documents and software products. Finalization of configuration requirements occurred in the September 2010 reporting period.
Are issues/problems and their resolution (including assignment of specific staff responsibility for issue resolution and specific deadlines for completion of resolution activities), formally tracked?	X		An Issue Management Plan was approved and open issues are in the project database. The IT project manager is considering the same tool for managing project changes. Additionally, Caltrans had established an Issues Management Meeting that is held on a monthly basis. Beginning in October 2010, the Issues Management Meeting will occur bi-weekly.
Is user satisfaction assessed at key project milestones?	X		Representatives of the engineering areas and regions participated in the vendor demonstration evaluations. In addition, Caltrans scheduled Implementation Team training sessions that provided the PRSM Implementation Team with an overview of PRSM Methodology and Functionality. Training Session #1 occurred during the week of September 14, 2009. After completion of Session #1 training, the PRSM Project Team gathered feedback on the content and the effectiveness of the training and used the feedback to update and/or improve Training Session #2, which occurred during the week of September 28, 2009. This is adequate for the Adaptation Phase of the project. During Pilot and Roll Out, each district will have the opportunity to complete a user satisfaction survey.
Is planning in compliance with formal standards or a system development life-cycle (SDLC) methodology?	X		Compliance with PMBOK standards is adequate for this phase of the project. Five deliverables have been identified to be completed during the Adaptation Phase: Application Installation Report, Data Initialization Plan, Training Role Descriptions and Course List, Training and Documentation Plan and Pilot Plan. IPOC is planning to review each of these deliverables as they are submitted and will provide comments and feedback.
Is there formal enterprise architecture in place?	X		The RFQI describes the target Caltrans enterprise environment.
Are project closeout activities performed, including a PIER, collection and archiving up-to-date project records and identification of lessons learned?	N/A	N/A	Project is in the Adaptation Phase.
Procurement			
Are appropriate procurement vehicles selected (e.g. CMAS, MSA, "alternative procurement") and their required processes followed?	X		The final contract was signed by the Implementation Vendor on February 26, 2009. Caltrans received, reviewed and signed the contract on February 27, 2009. DGS Legal reviewed and signed the contract on March 5th,

Practices and Products	Adequate	Deficient	Notes: Items Reviewed; Interviews Conducted; Demonstration
			2009.
Is a detailed written scope of work for all services included in solicitation documents?	X		Detailed written scope of work is contained in the RFP.
Are detailed requirement specifications included in solicitation documents?	X		Detailed requirement specifications are contained in the RFP. Requirements are described in the RFQI and Value Analysis documents.
Is there material participation of outside expertise (e.g. DGS, Departmental specialists, consultants) in procurement planning and execution?	X		Outside expertise and counsel has been sought from DOF, DGS, and consultants.
For large-scale outsourcing, is qualified legal counsel obtained?	N/A	N/A	The project does not involve outsourcing as currently defined.
Risk Management			
Is formal continuous risk management performed, including development of a written risk management plan, identification, analysis, mitigation and escalation of risks in accordance with DOF/TOSU Guidelines, and regular management team review of risks and mitigation progress performed?	X		The latest version of the Risk Management Plan was submitted April 30, 2009. Risk owners have been assigned. A Risk Register was developed and is tracked by the Risk Manager.
Does the management team review risks and mitigation progress at least monthly?	X		Risk Management meetings have been held monthly with the PRSM Project Team where risks and their associated mitigation progress are reviewed. Beginning in October 2010, the Risk Management Meeting will occur bi-weekly.
Are externally developed risk identification aids used, such as the SEI Taxonomy Based Questionnaire?	X		A risk list was initially populated using the SEI Risk Taxonomy. Additional risks are added to the list migration from the issue list.
Communication			
Is there a written project communications plan?	X		The latest version of the finalized and approved Communications Plan is dated 6/22/2009.
Are regular written status reports prepared and provided to the project manager, department CIO (if applicable) and other key stakeholders?	X		The Advisory Committee receives a written status report during the monthly Advisory Committee meetings. These reports include issues identified changes to scope, schedule, cost, problems encountered, and items accomplished.
Are there written escalation policies for issues and risks?	X		Both the Risk Management Plan and the Issue Management Plan contain a risk escalation process.
Is there regular stakeholder involvement in major project decisions, issue resolution and risk mitigation?	X		Implementation Manager meetings occur on a monthly basis. The purpose of this meeting is to keep the District project managers regularly updated on the status of the project and to receive their input.
System Engineering			
Are users involved throughout the project, especially in requirements specification and testing?	X		Representatives of key stakeholder groups participated in and reviewed the Value Analysis Report that describes the PRSM requirements. The PRSM Project Team is being run by Caltrans Division of Project management which is the primary constituency for the system.

Practices and Products	Adequate	Deficient	Notes: Items Reviewed; Interviews Conducted; Demonstration
Do users formally approve/sign-off on written specifications?	X		Representatives of key stakeholder groups participated in and reviewed the Value Analysis Report that describes the PRSM requirements. In addition, the Implementation Vendor has been delivering a series of Checkpoints, which include a review of the PRSM configurations and design documentation. After each checkpoint, the PRSM Project Team gathers and consolidates their feedback on what was presented and provides it to the Implementation Vendor. The Implementation Vendor originally stated that there would be four (4) checkpoints over the course of the Adaptation Phase. In the March 2010 reporting period, the implementation Vendor stated that the remainder of the configurations would be presented in Checkpoint 4 or any of number of checkpoints needed. Checkpoint 4 was performed in April 2010. The walkthrough included the review of the revised design documentation for configurations presented in previous checkpoints. Configuration requirements baseline, customizations and deleted requirement agreements were reviewed by Caltrans and feedback was provided to the Implementation Vendor.
Is a formal SDLC methodology followed?	X		The Implementation Vendor is using the SDLC Stage Gate Model to manage the configuration and customization of PRSM throughout the Adaptation Phase. In this model, work packages divide the total effort into a series of stages, where gating criteria must be met prior to moving from one stage to the next. For the PRSM Project, each work package is designed, developed, tested, and accepted prior to completion of the package. This model may have an impact on the schedule, due to the amount of review time for each work package. In order to offset this, Caltrans is incorporating review cycles through the new checkpoint implementation approach.
Is a software product used to assist in managing requirements? Is there tracking of requirements traceability through all life-cycle phases?	X		An Implementation and System Acceptance Test consultant has been added to the team. The level of requirements management presently in place appears to be appropriate for the current phase of the project.
Do software engineering standards exist and are they followed?	X		Engineering standards exist and are documented in the PRSM Configuration Management Plan. IPOC will monitor the project during the Adaptation Phase and subsequent phases to determine how effectively the PRSM Project is adhering to the engineering standards.
Does product defect tracking begin no later than requirements specifications?	X		The PRSM issue management system currently is designed to serve as a defect tracking mechanism. Several of the issues already raised represent clarification to requirements.
Are formal code reviews conducted?	N/A	N/A	This is not applicable for this project. However, the PRSM Project Team has planned for formal configuration reviews to occur during checkpoints throughout the Adaptation Phase. In the March 2010 reporting period, the implementation Vendor stated that the remainder of the configurations would be presented in Checkpoint 4 or any of number of checkpoints needed. Checkpoint 4 was performed in April 2010. The walkthrough included the review of the revised design documentation for configurations

Practices and Products	Adequate	Deficient	Notes: Items Reviewed; Interviews Conducted; Demonstration
			presented in previous checkpoints. Configuration requirements baseline, customizations and deleted requirement agreements were reviewed by Caltrans and feedback was provided to the Implementation Vendor.
Are formal quality assurance procedures followed consistently?	X		The PRSM Project follows the State Acceptance process for deliverables. There are three types of Acceptance: Acceptance Type 1 – Objective on Receipt; Acceptance Type 2 – Non-Software Acceptance; and Acceptance Type 3 – Software Acceptance Testing by the State.
Do users sign-off on acceptance test results before a new system or changes are put into production?	N/A	N/A	Project is in the Adaptation Phase
Is the enterprise architecture plan adhered to?	X		Caltrans is in the process of creating a formal enterprise architecture plan. The PRSM technology solution was requested to be submitted as part of the study.
Are formal deliverable inspections performed, beginning with requirements specifications?	X		PCR's 8 (modifications to technical requirements related to Work Package 1) and 9 (deletion of technical requirements or parts of technical requirements, which are obsolete, redundant, or no longer needed) were approved in the June 2010 reporting period. PCR 12 (remainder of requirements not covered in PCR's 8 or 9) was approved in the August 2010 reporting period. Per the new baseline schedule (dated August 31, 2010), the Requirements Baselining effort was completed on August 24, 2010. Previously, the requirements have been through two separate review activities: user group review and IV&V review. There is a third review underway by the Project Management team in order to document the As-Is and To-Be business processes. IPOC will continue to monitor this area as the project progresses.
Are IV&V services obtained and used?	X		The IV&V Contract was approved and the IV&V Vendor began work in April 2008.

IPO Report for October 2010

Independent Project Oversight Report

Project Name: Caltrans PRSM **Assessment Date:** Oct 29, 2010

Frequency: Monthly

Oversight Provider Information

Oversight Leader:	Greg Thomas	**Organization:**	Deloitte & Touche LLP
Phone Number:	415 783 5211	**Email:**	grethomas@deloitte.com

Project Information

Project Number:	**2660-160**	**Department:**	Transportation (Caltrans)
Criticality:	High	**Agency:**	Business, Transportation & Housing
Last Approved Document/Date:	SPR (12/08/09)	**Total One-time Cost:**	$26,078,375
Start Date:	June 7, 2000	**End Date:**	June 13, 2011
Project Manager:	David Youmans	**Organization:**	Caltrans
Phone Number:	916.826.4425	**Email:**	david_youmans@dot.ca.gov

Summary: Current Status

Project Phase:	Adaptation		
Planned Start Date:	May 20, 2009	**Planned End Date:**	February 2, 2010
Actual Start Date:	July 1, 2009	**Forecasted End Date:**	January 25, 2011

Schedule

Select the statement that most closely applies, measured against the last **Finance approved** document.

Ahead-of-schedule:
One or more major tasks or milestones have been completed and approved early (> 5%). All other major tasks and milestones completed and approved according to plan.

Behind Schedule

On-schedule:
All major tasks and milestones have been completed and approved according to plan. (Within 5%)

Behind Schedule:
One or more major tasks or milestones are expected to be delayed. (> 5%)

Comments: A new baseline schedule was set with the approved Special Project Report (SPR) dated December 8, 2009. The SPR states the end date of the Adaptation Phase as February 2010 and the end date of the entire PRSM project as June 13, 2011. On June 9, 2010, the Implementation Vendor submitted a change request with an extension to the schedule and a cost increase. Throughout June and July,

Caltrans and the Implementation Vendor were in negotiations regarding the change request. In the August 4th, 2010 Executive Steering Committee meeting, the Executive Steering Committee approved the schedule extension and cost increase. The PRSM Change Control Board created Project Change Request (PCR) 14 to track the non-technical (cost and schedule) changes associated with the Implementation Vendor change request. PCR 14 was approved by the PRSM Change Control Board, pending finalization and approval of the draft PRSM project schedule, on August 24, 2010. On September 1, 2010, the Implementation Vendor approved the new baseline schedule.

According to the most recent schedule (dated October 26, 2010), the end date for Adaptation is January 25, 2011 and the end date for the PRSM Project is May 15, 2012. As part of the approval of the Implementation Vendor change request, the Executive Steering Committee and the Implementation Vendor agreed that the Adaptation Phase would not go past November 23, 2010. On October 6, 2010, the Implementation Vendor submitted another change request for a change in scope (please note there is no requested change to schedule or cost). The change request included changing the scope of the remaining Adaptation Phase activities and moving some of the remaining activities into Pilot. The activities the Implementation Vendor is proposing to change and/or move to Pilot include Data Conversion, System End to End Testing, Implementation Team Training, Technical Training, and the Report Development. In addition, the Implementation Vendor is proposing to decrease the amount of their support during Roll Out since they will be providing more up front support during Pilot.

Approval of this change request is contingent upon finalization of the updated PRSM Project Schedule (including Adaptation, Pilot, Rollout, and Maintenance) with timeframes, dependencies, and resources identified. Currently the PRSM Project Team and the Implementation Vendor have created sub-groups for each of the remaining areas (i.e., Data Conversion, Testing, Training) to discuss the remaining activities for each area and to develop an updated schedule for their area. The goal for this is to keep activities in Adaptation that can be completed prior to November 23, 2010 and move the remaining activities into early Pilot. This effort is planned to be completed by early November.

We will continue to closely monitor the schedule status during the Adaptation Phase and report any updates as they occur. Please refer to the PRSM Project Schedule and Project Costs risk in the **Risks section** below for information regarding further potential impacts to the schedule.

Resources (Level of Effort) Choose the statement that most closely applies.

Within Resources

Fewer Resources
Completion of one or more major tasks and / or acceptable products has required or is expected to require materially (>5%) fewer hours/staff than planned.

Within Resources
All major tasks have been completed and acceptable products created using the planned number of hours/staff (within 5%).

More Resources
Completion of major tasks and / or acceptable products has required or is expected to require materially (>5%) more hours/staff than planned.

Comments: A new baseline was set with the approved SPR dated 12/08/2009.

Resources (Budget/Cost) Choose the statement that most closely applies.

Within Cost

Less cost
The project is (>5%) under budget.

Within cost
The project is operating within budget.

Higher cost
Material budget increases (>5%) are likely.

Comments: A new baseline was set with the approved SPR dated 12/08/2009. On June 9, 2010, the Implementation Vendor submitted a change request with a cost increase of $947,422. Throughout June and July 2010, Caltrans and the Implementation Vendor were in negotiations regarding the potential cost increase. In the August 4th, 2010 Executive Steering Committee meeting, the Executive Steering Committee approved a cost

increase of $864,977 ($464,977 from removing Years 2-3 Custom Code Maintenance and $400,000 from "Unanticipated Cost"). The Implementation Vendor's change request is linked to the following PRSM PCR's: PCR 13 (Changes from FIDO to EFIS Interface – Technical Requirements) and PCR 14 (Changes from FIDO to EFIS Interface – Non-Technical Requirements). PCR 13 and 14 have been approved by the PRSM Change Control Board. Please refer to the PRSM Project Schedule and Project Costs risk in the **Risks section** below for more information.

Quality (Client Functionality) Choose the statement that most closely applies.

Adequately Defined

Adequately Defined
Required client functionality is adequately defined, and is being successfully built into the system, given the current project phase.

Inadequately Defined
One or more significant components of required client functionality are inadequately defined, or are not being successfully built into the system, given the current project phase.

Comments: Client functionality (scope) is adequately defined for the Adaptation Phase which began on July 1, 2009. On June 9, 2010, the Implementation Vendor submitted a change request for an extension to the schedule and a cost increase associated with PCR 13 (Change from Caltrans Financial Data to Oracle (FIDO) and CTIPS to the ERP Financial Infrastructure (EFIS) Interface). Throughout June and July 2010, Caltrans and the Implementation Vendor were in negotiations regarding the change request. In the August 4th, 2010 Executive Steering Committee meeting, the Executive Steering Committee approved the schedule extension and cost increase. Finalization and approval of PCR 13 and PCR 14 (Change from FIDO and CTIPS to the EFIS Interface – schedule and cost changes) occurred on September 1, 2010.

Through inspection of the previous draft schedule, it was noted that one of the items which may have impacted the delay in Adaptation is the Requirements Baselining effort, which includes the analysis and approval of Project Change Request's (PCR's) 8, 9, and 12. PCR's 8 (modifications to technical requirements related to Work Package 1) and 9 (deletion of technical requirements or parts of technical requirements, which are obsolete, redundant, or no longer needed) were approved in the June 2010 reporting period. PCR 12 (remainder of requirements not covered in PCR's 8 or 9) was approved in the August 2010 reporting period. Per the new baseline schedule (dated August 31, 2010), the Requirements Baselining effort was completed on August 24, 2010. Please refer to the "Project Change Requests Finalization and Approval" risk in the **Risks section** below for information regarding further potential impacts to the schedule.

One area that may have a future impact on quality and functionality is the data conversion effort. Per the PRSM Project Schedule (dated 9/14/2010), Adaptation Phase Data Conversion activities are scheduled to be completed on 11/16/2010. Data Conversion activities are being performed for project data and historical data. Currently the PRSM Project Team is in the process of performing data load testing on the project data and historical financial data for each District. During the weekly PRSM Project Status Meetings, the PRSM Project Team has noted that Legacy data has presented some challenges and there have been some issues with loading the data. If the issues of data cleansing and data load are not mitigated or resolved prior to Pilot and roll out, there is a possibility that only a small sub-set of projects will load correctly. We will continue to monitor this area closely and report any updates as they occur.

Quality (Architecture/System Performance) Choose the statement that most closely applies.

Adequately Defined

Adequately Defined
The system technical architecture is adequately defined, and modeling, benchmarking and testing are being conducted (or are planned) appropriate to the current project phase.

Inadequately Defined
The system technical architecture is not adequately defined, or modeling, benchmarking and testing are not being conducted (or are planned) appropriate to the current project phase.

Comments: System technical architecture and performance are adequately defined for the Adaptation Phase. The Implementation Vendor has submitted a Configuration Management Plan, High Level Design, and updated Architecture Diagram. The Production environment hardware has been configured and turned over to Caltrans.

New Issues

There are no new issues.

Issues

Issue I-1: EFIS Interface (PCR 13)

Issue Statement: The PRSM Project Team has been made aware that Caltrans Financial Data to Oracle (FIDO) system and CTIPS are going to be phased out once the ERP Financial Infrastructure (EFIS) has been implemented. While developing to one standard interface presents a business opportunity, specifications and data requirements will need to be analyzed and documented. The development of the EFIS interface is a critical step for the PRSM project to proceed to the Pilot phase. EFIS went live in July 2010 and PRSM is scheduled to begin Pilot on 11/23/2010. The development of the EFIS interface could impact the cost of PRSM. There are two (2) potential scenarios related to this issue that could impact the schedule and / or cost: 1) the time compression in the transition of EFIS support from the EFIS Implementation Vendor to Caltrans could result in the EFIS Implementation Vendor fully focused on knowledge transfer and transition. The limited availability of EFIS resources could result in a delay in the development of the EFIS interface; and 2) with the focus on knowledge transfer and transition, PRSM is a lower priority for EFIS related support, which could result in resource constraints when it comes time to supporting the PRSM/EFIS interface/testing efforts.

Impact: High Time Frame: Short Term Severity: High Assigned to: Jacqueline Moore

IPOC Recommendations:

- I-2a PRSM interface acceptance criteria for entry to the Pilot phase should be agreed upon by the PRSM Project Team and Business Stakeholders. The criteria should include specifying the quality and completeness of the interfaces (degree of production readiness) before the Pilot phase.
- I-2b - Continue to work closely with the EFIS project by attending the bi-weekly interface planning meetings. Escalate issues related to EFIS timing and resource needs to the PRSM Steering Committee for resolution as soon as the interface requirements are finalized.

Status Update:

Oct 10 Status: During the month of October, EFIS resources have been available to assist the PRSM Project. According to the most recent PRSM project schedule (dated October 26, 2010), the development of interfaces is scheduled to be completed on December 3, 2010. Interface testing activities are one of the areas that may get moved to early Pilot. The PRSM Project Team is still in the process of finalizing the updated schedule.

Sept 10 Status: Regarding the EFIS project, the Implementation Vendor's support of EFIS ends in October 2010. Caltrans is currently in the process of transitioning EFIS support responsibilities from the Implementation Vendor to Caltrans. Regarding PRSM, the development of interfaces is scheduled to be completed on November 2, 2010. The Independent Verification and Validation (IV&V) Consultant has reviewed the interface code developed by the Implementation Vendor and there were no issues with the code from the perspective of IV&V. Interface testing for Staff Central is scheduled to occur beginning September 24, 2010. Interface testing for EFIS is scheduled to occur beginning October 22, 2010. In the August 4th, 2010 Executive Steering Committee meeting, the Executive Steering Committee approved the schedule extension and cost increase. The PRSM Change Control Board created Project Change Request (PCR 14) to track the non-technical (cost and schedule) changes associated with the change from Caltrans Financial Data to Oracle (FIDO) and CTIPS to the ERP Financial Infrastructure (EFIS) Interface. PCR 14 was approved by the PRSM Change Control Board, pending finalization and approval of the draft PRSM project schedule, on August 24, 2010. On September 1, 2010, the Implementation Vendor approved new baseline project schedule. Finalization and approval of PCR 13 and 14 occurred on September 1, 2010.

New Risks

There are no new risks.

Progress Toward Addressing Prior Risks

Risk R-3: PRSM Project Schedule and Project Costs

Risk Statement: With the previous delays in the PRSM project schedule and the remaining Adaptation activities (i.e., data conversion and testing) there is a possibility of another schedule delay. As part of the approval of the Implementation Vendor change request, the Executive Steering Committee and the Implementation Vendor agreed that the Adaptation Phase would not go past November 23, 2010. The possibility of another delay in the PRSM project schedule could have an impact on the cost of the project. If the Adaptation phase is delayed past November 23, there is a chance that the Implementation Vendor could submit another change request for increased costs.

Probability: Medium Impact: High Time Frame: Short Term Severity: High Assigned to: Joel Arpilleda

IPOC Recommendations:

- R-3a - IPOC recommends that the PRSM project schedule should continue to be monitored closely. Delays at the task and activity level should be recorded and tracked. In addition, delays that affect the critical path should be immediately discussed with members of the PRSM Project Management Team. If necessary, daily checkpoint meetings should be conducted to resolve issues that impact the critical path. Issues that cannot be resolved at the PRSM project team level should be escalated to the Executive Steering Committee immediately.
- R-3b - IPOC recommends that the PRSM Project Team continues to refine the schedule for project phases after Adaptation to ensure that any risk of further schedule slippage is mitigated and so that the total impact of known dependencies on the schedule can be understood and communicated to stakeholders. The PRSM Project Team should begin working on the detailed Pilot rolling wave schedule in October 2010. Tasks and activities should be scheduled with input from the Project Team and input from the Pilot District. The PRSM Project Team should begin working on the detailed roll out rolling wave schedule in January 2011. Tasks and activities should be scheduled with input from the Project Team and input from the Districts. In addition, the Project Team should incorporate lessons learned from Pilot into the schedule (tasks and dates) as necessary.
- R-3c – IPOC recommends that the critical path should be clearly identified for each phase of the project and should be provided at the PRSM Status Meetings, PRSM Advisory Team Meetings, and PRSM Executive Steering Committee Meetings.

Status Update:

Oct 10 Status: According to the most recent schedule (dated October 26, 2010), the end date for Adaptation is January 25, 2011 and the end date for the PRSM Project is May 15, 2012. On October 6, 2010, the Implementation Vendor submitted another change request for a change in scope (please note there is no requested change to schedule or cost). This change request included changing the scope of the remaining Adaptation Phase activities and moving some of the remaining activities into Pilot. The activities the Implementation Vendor is proposing to change and/or move to Pilot include Data Conversion, System End to End Testing, Implementation Team Training, Technical Training, and the Report Development.

Approval of this change request is contingent upon finalization of the updated PRSM Project Schedule (including Adaptation, Pilot, Rollout, and Maintenance) with timeframes, dependencies, and resources identified. Currently the PRSM Project Team and the Implementation Vendor have created sub-groups for each of the remaining areas (i.e., Data Conversion, Testing, Training) to discuss the remaining activities for each area and to develop an updated schedule for their area. The goal for this is to keep activities in Adaptation that can be completed prior to November 23, 2010 and move the remaining activities into early Pilot. This effort is planned to be completed by early November.

Sept 10 Status: With the Executive Steering Committee approval of the schedule increase, explained in the **Schedule** section on page 1 of this IPOR, this previous issue has been reassigned to a risk. During the weekly PRSM status meetings, each of the PRSM Project Team Workgroups (Configuration, Interfaces, Reporting, Conversion, Testing, Hardware/Software, Organizational Change Management, and Training) conduct brief status updates of their current tasks, risks, and issues.

Risk R-2: Resource Availability

Risk Statement: Without adequate Caltrans resources working on PRSM, the project implementation schedule could be delayed. While in the Adaptation Phase, PRSM Project Team members should be allocated full time. Individual Resources may need to be identified at the task level in the Project Plan in order to estimate resource requirements and availability.

Probability: Medium Impact: Medium Time Frame: Short Severity: Medium Assigned to: Joel Arpilleda

IPOC Recommendations:

- R-2a - After the PRSM work plan is complete, determine the resource gaps and reallocate effort as appropriate.
- R-2b - Assign individual resources at the task level in the project schedule to assist in estimating resource requirements. All PRSM project resources, including vendor resources, should be included.

Status Update:

Oct 10 Status: During the month of October, EFIS resources have been available to assist the PRSM Project.

Sept 10 Status: The time compression for the EFIS project in the transition of EFIS support from the EFIS Implementation Vendor to Caltrans could result in a steep learning curve in knowledge transfer. With the EFIS Implementation Vendor fully focused on knowledge transfer and transition, questions regarding EFIS data are being directed to Caltrans IT and Accounting. The limited availability of EFIS resources could result in a delay in the development of the EFIS interface. In the April 2010 reporting period, the Implementation Vendor re-evaluated the PRSM project schedule and submitted a revised draft schedule. Since April, the proposed schedule has gone through additional revisions. In the July 2010 reporting period, the PRSM project was re-organized so that the Project Management function is now under IT and a new Project Manager has been assigned to PRSM. This new Project Manager will be responsible for the day to day, hands-on project management activities for PRSM. The Project Management function was previously under the Division of Project Management. With the re-organization, the previous Project Manager is now providing oversight as the Project Director.

Risk R-1: Business Process Changes and Organizational Change Management

Risk Statement: One of the most significant challenges to the PRSM Project could be engaging and obtaining buy-in from District executives, management and staff. It is very important that District executives and management are knowledgeable about PRSM and the changes to their business processes and benefits of using PRSM. District staff, in addition to training, should be knowledgeable of the decisions and consequences of changing / standardizing business processes. Lack of engagement and training District personnel at all levels could have a negative impact on overall PRSM system acceptance and usage.

Probability: High Impact: High Time Frame: Med Severity: High Assigned to: David Youmans

IPOC Recommendations:

- R-1a - Define the process for gaining District consensus on policies, new business rules and business processes. The process should describe how information on new business rules and business processes will be communicated to the field with sufficient time to get feedback and buy-in.
- R-1b - Modify the format of the monthly Implementation Manager's Video Conference Meeting to begin utilizing this forum as a mechanism for Organizational Change Management. As PRSM gets closer to District roll out, change the frequency of these meetings to bi-weekly.

Status Update:

Oct 10 Status: Presentations to the Districts continue to occur. The PRSM Project Team has begun reviewing business process impacts and is in the process of finalizing the list of business process changes. Prior to the Implementation Vendor training, the PRSM Project Team is planning to provide two courses: Introduction to PRSM and Open Workbench (OWB).

Sept 10 Status: The PRSM Project Team has begun planning Organizational Change Management activities. Current activities have been built into the PRSM schedule. Per the PRSM Project Schedule (dated 9/28/2010), the following activities are scheduled to occur: District Marketing Campaigns, Business Process Impact Analysis per District, and Communications / Publicity.

General Comments

Deloitte & Touche LLP's IPOC contract with the Caltrans PRSM project started in December 2008. This Independent Project Oversight Report (IPOR) provided by Deloitte & Touche LLP has been developed in accordance with the applicable standards of the American Institute of Certified Public Accountants (AICPA) as per Deloitte & Touche LLP policy. IPOC has attended various PRSM project meetings throughout the month of October, including PRSM Status meetings, PRSM Change Management meetings, the PRSM Risk and Issues Meeting, and the PRSM Advisory Committee Meeting.

The PRSM project is in the Adaptation Part B Phase of the project. Five deliverables have been identified to be completed during the Adaptation Phase: Application Installation Report, Data Initialization Plan, Training Role Descriptions and Course List, Training and Documentation Plan and Pilot Plan. IPOC is planning to review each of these deliverables as they are submitted and will provide comments and feedback.

On June 9, 2010, the Implementation Vendor submitted a change request with an extension to the schedule and a cost increase. Throughout June 2010 and July 2010, Caltrans and the Implementation Vendor were in negotiations regarding the change request. In the August 4th, 2010 Executive Steering Committee meeting, the Executive Steering Committee approved the schedule extension (approximately 5 months) and cost increase. According to the most recent schedule (dated October 26, 2010), the end date for Adaptation is January 25, 2011 and the end date for the PRSM Project is May 15, 2012. On October 6, 2010, the Implementation Vendor submitted another change request for a change in scope (please note there is no change to schedule or cost). This change request included changing the scope of the remaining Adaptation Phase activities and moving some of the remaining activities into Pilot. The goal for this is to keep activities in Adaptation that can be completed prior to November 23rd and move the remaining activities into early Pilot. This effort is planned to be completed by

early November. We will continue to closely monitor the schedule status during the Adaptation Phase and report any updates as they occur. Please refer to the **Schedule** Section on Page 1 for additional information.

In the July 2010 reporting period, the PRSM project was re-organized so that the Project Management function is now under IT and a new Project Manager has been assigned to PRSM. This new Project Manager will be responsible for the day to day, hands-on project management activities for PRSM. The Project Management function was previously under the Division of Project Management. With the re-organization, the previous Project Manager is now providing oversight as the Project Director.

A number of project processes have been modified since the change in Project Management structure in July 2010. The PRSM Project Schedule, which was previously managed by the Implementation Vendor, is now managed by Caltrans. The new Project Manager has added baseline start and finish columns to the schedule to track baseline completion dates against actual completion dates. During the weekly PRSM Project Status Meetings, the new Project Manager has allocated time in the agenda for each of the PRSM Project Team Workgroups (such as Configuration, Interfaces, Conversion, etc.) to conduct brief status updates of their current tasks, risks, and issues. In addition, in October 2010, PRSM Risk and Issue meetings will begin occurring on a bi-weekly basis versus once a month.

In addition to the weekly PRSM Status meetings and the bi-weekly PRSM Risk and Issues meetings, PRSM Change Management meetings occur on a weekly basis following the PRSM Status meeting. During these meetings new and open project change requests (PCR's) are discussed by PRSM Project Management and the Implementation Vendor Project Manager. Furthermore, the PRSM Project Manager meets with the Implementation Vendor Project Manager twice a week to discuss the status of the project and current risks, issues, and action items. PRSM sub-groups (i.e., testing and data conversion) continue to meet weekly to discuss current and upcoming tasks.

In August 2010, the Caltrans Enterprise Technology Investment Division requested that IPOC perform a health check assessment on the PRSM project. The objective of the health check assessment was to provide a point in time assessment of the PRSM project and identify findings, risks and recommendations associated with Project Management and Systems Development Lifecycle (SDLC) areas. IPOC activities performed for the Health Check assessment included interviewing key project team members and reviewing project documentation. On October 7, 2010, IPOC submitted the finalized Health Check report to Caltrans.

Project Oversight Review Checklist for October 2010

Project Oversight Review Checklist: High Criticality Project

This checklist is an assessment for the Adaptation Phase. The end date of this phase is January 2011 (per the last approved project schedule).

Practices and Products	Adequate	Deficient	Notes: Items Reviewed; Interviews Conducted; Demonstration
Planning and Tracking			
Have the business case, project goals, objectives, expected outcomes, key stakeholders, and sponsor(s) identified and documented?	X		An updated SPR was approved by the OCIO on December 8, 2009. The appropriate project documents should be updated with the new information from the SPR.
Has a detailed project plan with all activities (tasks), milestones, dates, and estimated hours by task loaded into project management (PM) software? Are the lowest level tasks of a short duration with measurable outcomes?	X		The Implementation Vendor is using a Rolling Wave scheduling approach. Prior to the end of each phase or PRSM Payment Point, the Implementation Vendor and Caltrans work together to develop the specific activities for the tasks in the next Rolling Wave. The new detailed Rolling Wave Plan for the succeeding Project Phase will be documented in MS Project and will be submitted for State Acceptance as a prerequisite for State Acceptance of the current Payment Point. The Implementation Vendor submitted a PRSM Project Implementation Plan during the Planning Phase of the project. The Implementation Plan provides a schedule in MS Project for project activities, milestones, and deliverables including start and finish dates, duration, and high level resource assignments for each task. On June 9, 2010, the Implementation Vendor submitted a change request with an extension to the schedule and a cost increase. Throughout June and July 2010, Caltrans and the Implementation Vendor were in negotiations regarding the change request. In the August 4th, 2010 Executive Steering Committee meeting, the Executive Steering Committee approved the schedule extension and cost increase. According to the most recent schedule (dated October 26, 2010), the end date for Adaptation is January 25, 2011 and the end date for the PRSM Project is May 15, 2012. As part of the approval of the Implementation Vendor change request, the Executive Steering Committee and the Implementation Vendor agreed that the Adaptation Phase would not go past November 23, 2010. On October 6, 2010, the Implementation Vendor submitted another change request for a change in scope (please note there is no requested change to schedule or cost). The change request included changing the scope of the remaining Adaptation Phase activities and moving some of the remaining activities into Pilot. The activities the Implementation Vendor is proposing to change and/or move to Pilot include Data

Practices and Products	Adequate	Deficient	Notes: Items Reviewed; Interviews Conducted; Demonstration
			Conversion, System End to End Testing, Implementation Team Training, Technical Training, and the Report Development. In addition, the Implementation Vendor is proposing to decrease the amount of their support during Roll Out since they will be providing more up front support during Pilot. We will continue to closely monitor the schedule status and report any updates as they occur.
Is completion of planned tasks recorded within the PM software?	X		On a weekly basis, current and upcoming tasks are reviewed by the PRSM Project team and completion of planned tasks is updated as necessary.
Are actual hours expended by task recorded at least monthly within PM software?	X		Actual hours are charged to a WBS and are recorded and tracked in the Department's official accounting system. An overall project WBS list of approximately 2,000 items exists in MS Excel.
Are estimated hours to complete by task recorded at least monthly within PM software?	X		On a weekly basis, current and upcoming tasks are reviewed by the PRSM Project team and the estimated hours to complete the tasks are updated as necessary.
Is there a formal staffing plan, including a current organization chart, written roles and responsibilities, plans for staff acquisition, schedule for arrival and departure of specific staff, and staff training plans	X		Formal staffing plans, including a current organization chart and written roles and responsibilities exist for the Caltrans PRSM Project Team and the Implementation Vendor.
Have project cost estimates, with supporting data for each cost category, been maintained?	X		A new baseline was set with the approved SPR dated 12/08/2009. On June 9, 2010, the Implementation Vendor submitted a change request with a cost increase of $947,422. Throughout June and July 2010, Caltrans and the Implementation Vendor were in negotiations regarding the potential cost increase. In the August 4th, 2010 Executive Steering Committee meeting, the Executive Steering Committee approved a cost increase of $864,977 ($464,977 from removing Years 2-3 Custom Code Maintenance and $400,000 from "Unanticipated Cost").
Are software size estimates developed and tracked?	N/A	N/A	This item is not applicable.
Are two or more estimation approaches used to refine estimates?	N/A	N/A	This item is not applicable.
Are independent reviews of estimates conducted?	N/A	N/A	This item is not applicable.
Are actual costs recorded and regularly compared to budgeted costs?	X		A spreadsheet exists that shows planned and actual costs by month.
Is supporting data maintained for actual costs?	X		Actual costs are obtained from timesheets that allocate time to WBS numbers/tasks.
Is completion status of work plan activities, deliverables, and milestones recorded, compared to schedule and included in a written status reporting process?	X		During status meetings, the PRSM Project Manager distributes an updated status report, which includes an updated schedule in MS Project for the current phase. The schedule provides a detailed view of the status of activities, deliverables, and milestones for the current phase. A high-level status report is posted on the Caltrans Improvement Project web database. Status reports go to the Legislature quarterly.
Are key specification documents (e.g. contracts, requirement specifications and/or contract deliverables) and software products	X		The Configuration Management Plan deliverable was submitted by the Implementation Vendor to Caltrans during the Planning Phase. After

Practices and Products	Adequate	Deficient	Notes: Items Reviewed; Interviews Conducted; Demonstration
under formal configuration control, with items to be controlled and specific staff roles and responsibilities for configuration management identified in a configuration management plan?			Caltrans and IPOC performed an initial review of the Plan, the Implementation Vendor submitted an updated version. The current Configuration Management Plan, dated 7/19/2009, provides details on configuration management of key project documents and software products. Finalization of configuration requirements occurred in the September 2010 reporting period.
Are issues/problems and their resolution (including assignment of specific staff responsibility for issue resolution and specific deadlines for completion of resolution activities), formally tracked?	X		An Issue Management Plan was approved and open issues are in the project database. The IT project manager is considering the same tool for managing project changes. Additionally, Caltrans had established an Issues Management Meeting that is held on a monthly basis. Beginning in October 2010, the Issues Management Meeting will occur bi-weekly.
Is user satisfaction assessed at key project milestones?	X		Representatives of the engineering areas and regions participated in the vendor demonstration evaluations. In addition, Caltrans scheduled Implementation Team training sessions that provided the PRSM Implementation Team with an overview of PRSM Methodology and Functionality. Training Session #1 occurred during the week of September 14, 2009. After completion of Session #1 training, the PRSM Project Team gathered feedback on the content and the effectiveness of the training and used the feedback to update and/or improve Training Session #2, which occurred during the week of September 28, 2009. This is adequate for the Adaptation Phase of the project. During Pilot and Roll Out, each district will have the opportunity to complete a user satisfaction survey.
Is planning in compliance with formal standards or a system development life-cycle (SDLC) methodology?	X		Compliance with PMBOK standards is adequate for this phase of the project. Five deliverables have been identified to be completed during the Adaptation Phase: Application Installation Report, Data Initialization Plan, Training Role Descriptions and Course List, Training and Documentation Plan and Pilot Plan. IPOC is planning to review each of these deliverables as they are submitted and will provide comments and feedback.
Is there formal enterprise architecture in place?	X		The RFQI describes the target Caltrans enterprise environment.
Are project closeout activities performed, including a PIER, collection and archiving up-to-date project records and identification of lessons learned?	N/A	N/A	Project is in the Adaptation Phase.
Procurement			
Are appropriate procurement vehicles selected (e.g. CMAS, MSA, "alternative procurement") and their required processes followed?	X		The final contract was signed by the Implementation Vendor on February 26, 2009. Caltrans received, reviewed and signed the contract on February 27, 2009. DGS Legal reviewed and signed the contract on March 5th, 2009.
Is a detailed written scope of work for all services included in solicitation documents?	X		Detailed written scope of work is contained in the RFP.

Practices and Products	Adequate	Deficient	Notes: Items Reviewed; Interviews Conducted; Demonstration
Are detailed requirement specifications included in solicitation documents?	X		Detailed requirement specifications are contained in the RFP. Requirements are described in the RFQI and Value Analysis documents.
Is there material participation of outside expertise (e.g. DGS, Departmental specialists, consultants) in procurement planning and execution?	X		Outside expertise and counsel has been sought from DOF, DGS, and consultants.
For large-scale outsourcing, is qualified legal counsel obtained?	N/A	N/A	The project does not involve outsourcing as currently defined.
Risk Management			
Is formal continuous risk management performed, including development of a written risk management plan, identification, analysis, mitigation and escalation of risks in accordance with DOF/TOSU Guidelines, and regular management team review of risks and mitigation progress performed?	X		The latest version of the Risk Management Plan was submitted April 30, 2009. Risk owners have been assigned. A Risk Register was developed and is tracked by the Risk Manager.
Does the management team review risks and mitigation progress at least monthly?	X		Risk Management meetings have been held monthly with the PRSM Project Team where risks and their associated mitigation progress are reviewed. Beginning in October 2010, the Risk Management Meeting will occur bi-weekly.
Are externally developed risk identification aids used, such as the SEI Taxonomy Based Questionnaire?	X		A risk list was initially populated using the SEI Risk Taxonomy. Additional risks are added to the list migration from the issue list.
Communication			
Is there a written project communications plan?	X		The latest version of the finalized and approved Communications Plan is dated 6/22/2009.
Are regular written status reports prepared and provided to the project manager, department CIO (if applicable) and other key stakeholders?	X		The Advisory Committee receives a written status report during the monthly Advisory Committee meetings. These reports include issues identified, changes to scope, schedule, cost, problems encountered, and items accomplished.
Are there written escalation policies for issues and risks?	X		Both the Risk Management Plan and the Issue Management Plan contain a risk escalation process.
Is there regular stakeholder involvement in major project decisions, issue resolution and risk mitigation?	X		Implementation Manager meetings occur on a monthly basis. The purpose of this meeting is to keep the District project managers regularly updated on the status of the project and to receive their input.
System Engineering			
Are users involved throughout the project, especially in requirements specification and testing?	X		Representatives of key stakeholder groups participated in and reviewed the Value Analysis Report that describes the PRSM requirements. The PRSM Project Team is being run by Caltrans Division of Project management which is the primary constituency for the system.
Do users formally approve/sign-off on written specifications?	X		Representatives of key stakeholder groups participated in and reviewed the

Practices and Products	Adequate	Deficient	Notes: Items Reviewed; Interviews Conducted; Demonstration
			Value Analysis Report that describes the PRSM requirements. In addition, the Implementation Vendor has been delivering a series of Checkpoints, which include a review of the PRSM configurations and design documentation. After each checkpoint, the PRSM Project Team gathers and consolidates their feedback on what was presented and provides it to the Implementation Vendor. The Implementation Vendor originally stated that there would be four (4) checkpoints over the course of the Adaptation Phase. In the March 2010 reporting period, the implementation Vendor stated that the remainder of the configurations would be presented in Checkpoint 4 or any of number of checkpoints needed. Checkpoint 4 was performed in April 2010. The walkthrough included the review of the revised design documentation for configurations presented in previous checkpoints. Configuration requirements baseline, customizations and deleted requirement agreements were reviewed by Caltrans and feedback was provided to the Implementation Vendor.
Is a formal SDLC methodology followed?	X		The Implementation Vendor is using the SDLC Stage Gate Model to manage the configuration and customization of PRSM throughout the Adaptation Phase. In this model, work packages divide the total effort into a series of stages, where gating criteria must be met prior to moving from one stage to the next. For the PRSM Project, each work package is designed, developed, tested, and accepted prior to completion of the package. This model may have an impact on the schedule, due to the amount of review time for each work package. In order to offset this, Caltrans is incorporating review cycles through the new checkpoint implementation approach.
Is a software product used to assist in managing requirements? Is there tracking of requirements traceability through all life-cycle phases?	X		An Implementation and System Acceptance Test consultant has been added to the team. The level of requirements management presently in place appears to be appropriate for the current phase of the project.
Do software engineering standards exist and are they followed?	X		Engineering standards exist and are documented in the PRSM Configuration Management Plan. IPOC will monitor the project during the Adaptation Phase and subsequent phases to determine how effectively the PRSM Project is adhering to the engineering standards.
Does product defect tracking begin no later than requirements specifications?	X		The PRSM issue management system currently is designed to serve as a defect tracking mechanism. Several of the issues already raised represent clarification to requirements.
Are formal code reviews conducted?	N/A	N/A	This is not applicable for this project. However, the PRSM Project Team has planned for formal configuration reviews to occur during checkpoints throughout the Adaptation Phase. In the March 2010 reporting period, the implementation Vendor stated that the remainder of the configurations would be presented in Checkpoint 4 or any of number of checkpoints needed. Checkpoint 4 was performed in April 2010. The walkthrough included the review of the revised design documentation for configurations presented in

Practices and Products	Adequate	Deficient	Notes: Items Reviewed; Interviews Conducted; Demonstration
			previous checkpoints. Configuration requirements baseline, customizations and deleted requirement agreements were reviewed by Caltrans and feedback was provided to the Implementation Vendor.
Are formal quality assurance procedures followed consistently?	X		The PRSM Project follows the State Acceptance process for deliverables. There are three types of Acceptance: Acceptance Type 1 – Objective on Receipt; Acceptance Type 2 – Non-Software Acceptance; and Acceptance Type 3 – Software Acceptance Testing by the State.
Do users sign-off on acceptance test results before a new system or changes are put into production?	N/A	N/A	Project is in the Adaptation Phase
Is the enterprise architecture plan adhered to?	X		Caltrans is in the process of creating a formal enterprise architecture plan. The PRSM technology solution was requested to be submitted as part of the study.
Are formal deliverable inspections performed, beginning with requirements specifications?	X		PCR's 8 (modifications to technical requirements related to Work Package 1) and 9 (deletion of technical requirements or parts of technical requirements, which are obsolete, redundant, or no longer needed) were approved in the June 2010 reporting period. PCR 12 (remainder of requirements not covered in PCR's 8 or 9) was approved in the August 2010 reporting period. Per the new baseline schedule (dated August 31, 2010), the Requirements Baselining effort was completed on August 24, 2010. Previously, the requirements have been through two separate review activities: user group review and IV&V review. There is a third review underway by the Project Management team in order to document the As-Is and To-Be business processes. IPOC will continue to monitor this area as the project progresses.
Are IV&V services obtained and used?	X		The IV&V Contract was approved and the IV&V Vendor began work in April 2008.

IPO Report for September 2010

Independent Project Oversight Report

Project Name: Caltrans PRSM **Assessment Date:** Sept 30, 2010

Frequency: Monthly

Oversight Provider Information

Oversight Leader:	Greg Thomas	**Organization:**	Deloitte & Touche LLP
Phone Number:	415 783 5211	**Email:**	grethomas@deloitte.com

Project Information

Project Number:	**2660-160**	**Department:**	Transportation (Caltrans)
Criticality:	High	**Agency:**	Business, Transportation & Housing
Last Approved Document/Date:	SPR (12/08/09)	**Total One-time Cost:**	$26,078,375
Start Date:	June 7, 2000	**End Date:**	June 13, 2011
Project Manager:	David Youmans	**Organization:**	Caltrans
Phone Number:	916.826.4425	**Email:**	david_youmans@dot.ca.gov

Summary: Current Status

Project Phase:	Adaptation		
Planned Start Date:	May 20, 2009	**Planned End Date:**	February 2, 2010
Actual Start Date:	July 1, 2009	**Forecasted End Date:**	November 29, 2010

Schedule

Select the statement that most closely applies, measured against the last **Finance approved** document.

Ahead-of-schedule:
One or more major tasks or milestones have been completed and approved early (> 5%). All other major tasks and milestones completed and approved according to plan.

On-schedule

On-schedule:
All major tasks and milestones have been completed and approved according to plan. (Within 5%)

Behind Schedule:
One or more major tasks or milestones are expected to be delayed. (> 5%)

Comments: A new baseline schedule was set with the approved Special Project Report (SPR) dated December 8, 2009. The SPR states the end date of the Adaptation Phase as February 2010 and the end date of the entire PRSM project as June 13, 2011. In the April 2010 reporting period, the Implementation Vendor re-evaluated the PRSM project schedule and submitted a revised draft schedule. Since April, the proposed schedule has gone through additional revisions.

On June 9, 2010, the Implementation Vendor submitted a change request with an extension to the schedule and a cost increase. Throughout June and July 2010, Caltrans and the Implementation Vendor were in negotiations regarding the change request. In the August 4th, 2010 Executive Steering Committee meeting, the Executive Steering Committee approved the schedule extension and cost increase. The PRSM Change Control Board created Project Change Request (PCR 14) to track the non-technical (cost and schedule) changes associated with the change from Caltrans Financial Data to Oracle (FIDO) and CTIPS to the ERP Financial Infrastructure (EFIS) Interface. PCR 14 was approved by the PRSM Change Control Board, pending finalization and approval of the draft PRSM project schedule, on August 24, 2010. On September 1, 2010, the Implementation Vendor approved the new baseline project schedule. Finalization and approval of PCR 13 and 14 occurred on September 1, 2010.

The most recent schedule (dated September 28, 2010) reflects an end date for Adaptation as November 29, 2010. As part of the approval of the Implementation Vendor change request, the Executive Steering Committee and the Implementation Vendor agreed that the Adaptation Phase would not go past November 23, 2010. The PRSM Project Team is reviewing the remaining Adaptation Phase tasks and activities (such as data conversion and testing) with a goal to complete Adaptation by November 23. We will continue to closely monitor the schedule status during the Adaptation Phase and report any updates as they occur. Please refer to the PRSM Project Schedule and Project Costs risk in the **Risks section** below for information regarding further potential impacts to the schedule.

Resources (Level of Effort) Choose the statement that most closely applies.

Fewer Resources
Completion of one or more major tasks and / or acceptable products has required or is expected to require materially (>5%) fewer hours/staff than planned.

Within Resources

Within Resources
All major tasks have been completed and acceptable products created using the planned number of hours/staff (within 5%).

More Resources
Completion of major tasks and / or acceptable products has required or is expected to require materially (>5%) more hours/staff than planned.

Comments: A new baseline was set with the approved SPR dated 12/08/2009.

Resources (Budget/Cost) Choose the statement that most closely applies.

Less cost
The project is (>5%) under budget.

Within Cost

Within cost
The project is operating within budget.

Higher cost
Material budget increases (>5%) are likely.

Comments: A new baseline was set with the approved SPR dated 12/08/2009. On June 9, 2010, the Implementation Vendor submitted a change request with a cost increase of $947,422. Throughout June and July 2010, Caltrans and the Implementation Vendor were in negotiations regarding the potential cost increase. In the August 4th, 2010 Executive Steering Committee meeting, the Executive Steering Committee approved a cost increase of $864,977 ($464,977 from removing Years 2-3 Custom Code Maintenance and $400,000 from "Unanticipated Cost"). The Implementation Vendor's change request is linked to the following PRSM PCR's: PCR 13 (Changes from FIDO to EFIS Interface – Technical Requirements) and PCR 14 (Changes from FIDO

to EFIS Interface – Non-Technical Requirements). PCR 13 and 14 have been approved by the PRSM Change Control Board. Please refer to the PRSM Project Schedule and Project Costs risk in the **Risks section** below for more information.

Quality (Client Functionality) Choose the statement that most closely applies.

Adequately Defined

Adequately Defined
Required client functionality is adequately defined, and is being successfully built into the system, given the current project phase.

Inadequately Defined
One or more significant components of required client functionality are inadequately defined, or are not being successfully built into the system, given the current project phase.

Comments: Client functionality (scope) is adequately defined for the Adaptation Phase which began on July 1, 2009. On June 9, 2010, the Implementation Vendor submitted a change request for an extension to the schedule and a cost increase associated with PCR 13 (Change from Caltrans Financial Data to Oracle (FIDO) and CTIPS to the ERP Financial Infrastructure (EFIS) Interface). Throughout June and July 2010, Caltrans and the Implementation Vendor were in negotiations regarding the change request. In the August 4th, 2010 Executive Steering Committee meeting, the Executive Steering Committee approved the schedule extension and cost increase. Finalization and approval of PCR 13 and PCR 14 (Change from FIDO and CTIPS to the EFIS Interface – schedule and cost changes) occurred on September 1, 2010.

Through inspection of the previous draft schedule, it was noted that one of the items which may have impacted the delay in Adaptation is the Requirements Baselining effort, which includes the analysis and approval of Project Change Request's (PCR's) 8, 9, and 12. PCR's 8 (modifications to technical requirements related to Work Package 1) and 9 (deletion of technical requirements or parts of technical requirements, which are obsolete, redundant, or no longer needed) were approved in the June 2010 reporting period. PCR 12 (remainder of requirements not covered in PCR's 8 or 9) was approved in the August 2010 reporting period. Per the new baseline schedule (dated August 31, 2010), the Requirements Baselining effort was completed on August 24, 2010. Please refer to the "Project Change Requests Finalization and Approval" risk in the **Risks section** below for information regarding further potential impacts to the schedule.

One area that may have a future impact on quality and functionality is the data conversion effort. Per the PRSM Project Schedule (dated 9/14/2010), Adaptation Phase Data Conversion activities are scheduled to be completed on 11/16/2010. Data Conversion activities are being performed for project data and historical data. Currently the PRSM Project Team is in the process of performing data load testing on the project data and historical financial data for each District. During the weekly PRSM Project Status Meetings, the PRSM Project Team has noted that Legacy data has presented some challenges and there have been some issues with loading the data. If the issues of data cleansing and data load are not mitigated or resolved prior to Pilot and roll out, there is a possibility that only a small sub-set of projects will load correctly. We will continue to monitor this area closely and report any updates as they occur.

Quality (Architecture/System Performance) Choose the statement that most closely applies.

Adequately Defined

Adequately Defined
The system technical architecture is adequately defined, and modeling, benchmarking and testing are being conducted (or are planned) appropriate to the current project phase.

Inadequately Defined
The system technical architecture is not adequately defined, or modeling, benchmarking and testing are not being conducted (or are planned) appropriate to the current project phase.

Comments: System technical architecture and performance are adequately defined for the Adaptation Phase. The Implementation Vendor has submitted a Configuration Management Plan, High Level Design, and updated Architecture Diagram. The Production environment hardware has been configured and turned over to Caltrans.

New Issues

There are no new issues.

Issues

Issue I-1: EFIS Interface (PCR 13)

Issue Statement: The PRSM Project Team has been made aware that Caltrans Financial Data to Oracle (FIDO) system and CTIPS are going to be phased out once the ERP Financial Infrastructure (EFIS) has been implemented. While developing to one standard interface presents a business opportunity, specifications and data requirements will need to be analyzed and documented. The development of the EFIS interface is a critical step for the PRSM project to proceed to the Pilot phase. EFIS went live in July 2010 and PRSM is scheduled to begin Pilot on 11/23/2010. The development of the EFIS interface could impact the cost of PRSM. There are three (2) potential scenarios related to this issue that could impact the schedule and / or cost: 1) the complexity of the interface to EFIS and the activities/tasks involved could result in a delay to PRSM and / or impact cost; and 2) a delay in the EFIS training schedule could conflict with the PRSM training schedule, which could result in a delay to PRSM.

Impact: High Time Frame: Short Term Severity: High Assigned to: Jacqueline Moore

IPOC Recommendations:

- I-2a - Develop a detailed action plan for the EFIS interface that addresses the following: impact to the data conversion effort, impact to districts and end users, impact to project resources, impact to schedule, and impact to costs.
- I-2b - Continue to work closely with the EFIS project by attending the bi-weekly interface planning meetings. Escalate issues related to EFIS timing and resource needs to the PRSM Steering Committee for resolution as soon as the interface requirements are finalized.

Status Update:

Sept 10 Status: Regarding the EFIS project, the Implementation Vendor's support of EFIS ends in October 2010. Caltrans is currently in the process of transitioning EFIS support responsibilities from the Implementation Vendor to Caltrans. Regarding PRSM, the development of interfaces is scheduled to be completed on November 2, 2010. The Independent Verification and Validation (IV&V) Consultant has reviewed the interface code developed by the Implementation Vendor and there were no issues with the code from the perspective of IV&V. Interface testing for Staff Central is scheduled to occur beginning September 24, 2010. Interface testing for EFIS is scheduled to occur beginning October 22, 2010.

August 10 Status: In the August 4th, 2010 Executive Steering Committee meeting, the Executive Steering Committee approved the schedule extension and cost increase. The PRSM Change Control Board created Project Change Request (PCR 14) to track the non-technical (cost and schedule) changes associated with the change from Caltrans Financial Data to Oracle (FIDO) and CTIPS to the ERP Financial Infrastructure (EFIS) Interface. PCR 14 was approved by the PRSM Change Control Board, pending finalization and approval of the draft PRSM project schedule, on August 24, 2010. On September 1, 2010, the Implementation Vendor approved new baseline project schedule. Finalization and approval of PCR 13 and 14 occurred on September 1, 2010.

New Risks

There are no new risks.

Progress Toward Addressing Prior Risks

Risk R-5: PRSM Project Schedule and Project Costs

Risk Statement: With the previous delays in the PRSM project schedule and the remaining Adaptation activities (i.e., data conversion and testing) there is a possibility of another schedule delay. As part of the approval of the Implementation Vendor change request, the Executive Steering Committee and the Implementation Vendor agreed that the Adaptation Phase would not go past November 23, 2010. The possibility of another delay in the PRSM project schedule could have an impact on the cost of the project. If the Adaptation phase is delayed past November 23, there is a chance that the Implementation Vendor could submit another change request for increased costs.

Probability: Medium Impact: High Time Frame: Short Term Severity: High Assigned to: Joel Arpilleda

IPOC Recommendations:

- R-5a - IPOC recommends that the PRSM project schedule should continue to be monitored closely. Delays at the task and activity level should be recorded and tracked. In addition, delays that affect the critical path should be immediately discussed with members of the PRSM Project Management Team. If necessary, daily checkpoint meetings should be conducted to resolve issues that impact the critical path. Issues that cannot be resolved at the PRSM project team level should be escalated to the Executive Steering Committee immediately.
- R-5b - IPOC recommends that the PRSM Project Team continues to refine the schedule for project phases after Adaptation to ensure that any risk of further schedule slippage is mitigated and so that the total impact of known dependencies on the schedule can be understood and communicated to stakeholders. The PRSM Project Team should begin working on the detailed Pilot rolling wave schedule in October 2010. Tasks and activities should be scheduled with input from the Project Team and input from the Pilot District. The PRSM Project Team should begin working on the detailed roll out rolling wave schedule in January 2011. Tasks and activities should be scheduled with input from the Project Team and input from the Districts. In addition, the Project Team should incorporate lessons learned from Pilot into the schedule (tasks and dates) as necessary.
- R-5c – IPOC recommends that the critical path should be clearly identified for each phase of the project and should be provided at the PRSM Status Meetings, PRSM Advisory Team Meetings, and PRSM Executive Steering Committee Meetings.

Status Update:

Sept 10 Status: The most recent schedule (dated September 28, 2010) reflects an end date for Adaptation of November 29, 2010. The PRSM Project Team is reviewing the remaining Adaptation Phase tasks and activities (such as data conversion and testing) to try to complete Adaptation by November 23.

August 10 Status: With the Executive Steering Committee approval of the schedule increase, explained in the **Schedule** section on page 1 of this IPOR, this previous issue has been reassigned to a risk. During the weekly PRSM status meetings, each of the PRSM Project Team Workgroups (Configuration, Interfaces, Reporting, Conversion, Testing, Hardware/Software, Organizational Change Management, and Training) conduct brief status updates of their current tasks, risks, and issues.

Risk R-4: Project Change Requests Finalization and Approval

Risk Statement: The delay and uncertainty in approving Project Change Request's could have further impact on the schedule and cost of the project.

Probability: Medium Impact: High Time Frame: Short Term Severity: High Assigned to: Joel Arpilleda

IPOC Recommendation:

- R-4a - IPOC recommends that PCR's are clarified and approved in a timely manner.

Status Update:

Sept 10 Status: IPOC has been monitoring the Change Control Board meetings and the status of change requests. The approval of change requests appears to have improved over the last few months; therefore, we are closing this risk.

August 10 Status: PCR's 8 and 9 were closed during the June 2010 reporting period. Per the most recent draft schedule (presented during the June 29, 2010 PRSM Project status meeting), PCR 12 is scheduled to be approved and completed on July 6, 2010.

Risk R-3: PRSM Project Team Communications

Risk Statement: Effective, clear and frequent communications between the Caltrans PRSM team, the Implementation Vendor, other vendors (e.g., testing and data conversion), and District stakeholder is critical given the size and complexity of PRSM during the Adaptation Phase. The new Communications Plan, while documented, needs to be fully implemented early in the Adaptation Phase. Without effective communications, the PRSM project schedule, scope and quality could be difficult to manage and control.

Probability: Medium Impact: High Time Frame: Long Term Severity: High Assigned to: Joel Arpilleda

IPOC Recommendations:

- R-3a - In addition to the weekly PRSM Project Status meetings, IPOC recommends that Caltrans PRSM Project Management and Implementation Vendor Project Management conduct frequent status meetings in order to discuss the status of high priority issues and action items. These checkpoint meetings should be no longer than ½ hour in duration and conducted twice per week (i.e., Monday AM and Thursday PM).
- R-3b - Expedite the communication of the detailed To-Be Business Process changes to the Districts so that they can gain a better understanding of the impacts and benefits of PRSM.

Status Update:

Sept 10 Status: IPOC has continued to monitor Project communications and we have noted that project communications, morale, and team dynamics have improved over the past three months; therefore, we are closing this risk. However we will continue to provide updates on Project communications in the **PRSM Project Schedule and Project Costs** risk above.

August 10 Status: In addition to the weekly status meetings, the PRSM Project Manager meets with the Implementation Vendor Project Manager twice a week to discuss the status of the project and current risks, issues, and action items. PRSM sub-groups (i.e., testing, and data conversion) continue to meet weekly to discuss current and upcoming tasks. During the July 2010 reporting period, PRSM project status meetings have begun occurring weekly versus bi-weekly. During these meetings, the status of current tasks is discussed. The Communications Plan was formally approved in the month of August and provides details surrounding the methods of communication for the PRSM project. PRSM sub-teams meet at a minimum of once a week to discuss current and upcoming tasks. In addition to the PRSM Project Team meetings, Caltrans prepares and distributes a monthly newsletter and "Nuggets of Knowledge" memo to the districts. Implementation Team training sessions have been scheduled during the month of September that will provide the PRSM Implementation Team with an overview of PRSM Methodology and Functionality.

Risk R-2: Resource Availability

Risk Statement: Without adequate Caltrans resources working on PRSM, the project implementation schedule could be delayed. While in the Adaptation Phase, PRSM Project Team members should be allocated full time. Individual Resources may need to be identified at the task level in the Project Plan in order to estimate resource requirements and availability.

Probability: Medium Impact: Medium Time Frame: Short Severity: Medium Assigned to: Joel Arpilleda

IPOC Recommendations:

- R-2a - After the PRSM work plan is complete, determine the resource gaps and reallocate effort as appropriate.
- R-2b - Assign individual resources at the task level in the project schedule to assist in estimating resource requirements. All PRSM project resources, including vendor resources, should be included.

Status Update:

Sept 10 Status: The time compression for the EFIS project in the transition of EFIS support from the EFIS Implementation Vendor to Caltrans could result in a steep learning curve in knowledge transfer. With the EFIS Implementation Vendor fully focused on knowledge transfer and transition, questions regarding EFIS data are being directed to Caltrans IT and Accounting. The limited availability of EFIS resources could result in a delay in the development of the EFIS interface.

August 10 Status: In the April 2010 reporting period, the Implementation Vendor re-evaluated the PRSM project schedule and submitted a revised draft schedule. Since April, the proposed schedule has gone through additional revisions. In the July 2010 reporting period, the PRSM project was re-organized so that the Project Management function is now under IT and a new Project Manager has been assigned to PRSM. This new Project Manager will be responsible for the day to day, hands-on project management activities for PRSM. The Project Management function was previously under the Division of Project Management. With the re-organization, the previous Project Manager is now providing oversight as the Project Director.

Risk R-1: Business Process Changes and Organizational Change Management

Risk Statement: One of the most significant challenges to the PRSM Project could be engaging and obtaining buy-in from District executives, management and staff. It is very important that District executives and management are knowledgeable about PRSM and the changes to their business processes and benefits of using PRSM. District staff, in addition to training, should be knowledgeable of the decisions and consequences of changing / standardizing business processes. Lack of engagement and training District personnel at all levels could have a negative impact on overall PRSM system acceptance and usage.

Probability: High Impact: High Time Frame: Med Severity: High Assigned to: David Youmans

IPOC Recommendations:

- R-1a - Define the process for gaining District consensus on policies, new business rules and business processes. The process should describe how information on new business rules and business processes will be communicated to the field with sufficient time to get feedback and buy-in.
- R-1b - Modify the format of the monthly Implementation Manager's Video Conference Meeting to begin utilizing this forum as a mechanism for Organizational Change Management. As PRSM gets closer to District roll out, change the frequency of these meetings to bi-weekly.

Status Update:

Sept 10 Status: No new status.

August 10 Status: The PRSM Project Team has begun planning Organizational Change Management activities. Current activities have been built into the PRSM schedule. Per the PRSM Project Schedule (dated 9/28/2010), the following activities are scheduled to occur: District Marketing Campaigns, Business Process Impact Analysis per District, and Communications / Publicity.

General Comments

Deloitte & Touche LLP's IPOC contract with the Caltrans PRSM project started in December 2008. This Independent Project Oversight Report (IPOR) provided by Deloitte & Touche LLP has been developed in accordance with the applicable standards of the American Institute of Certified Public Accountants (AICPA) as per Deloitte & Touche LLP policy. IPOC has attended various PRSM project meetings throughout the month of September, including PRSM Status meetings, PRSM Change Management meetings, and the PRSM Risk and Issues Meeting.

The PRSM project is in the Adaptation Part B Phase of the project. Five deliverables have been identified to be completed during the Adaptation Phase: Application Installation Report, Data Initialization Plan, Training Role Descriptions and Course List, Training and Documentation Plan and Pilot Plan. IPOC is planning to review each of these deliverables as they are submitted and will provide comments and feedback.

On June 9, 2010, the Implementation Vendor submitted a change request with an extension to the schedule and a cost increase. Throughout June 2010 and July 2010, Caltrans and the SAIC were in negotiations regarding the change request. In the August 4th, 2010 Executive Steering Committee meeting, the Executive Steering Committee approved the schedule extension (approximately 5 months) and cost increase. The most recent schedule (dated September 28, 2010) reflects an end date for Adaptation as November 29, 2010. As part of the approval of the Implementation Vendor change request, the Executive Steering Committee and the Implementation Vendor agreed that the Adaptation Phase would not go past November 23, 2010. The PRSM Project Team is reviewing the remaining Adaptation Phase tasks and activities (such as data conversion and testing) with a goal to complete Adaptation by November 23. We will continue to closely monitor the schedule status during the Adaptation Phase and report any updates as they occur. Please refer to the **Schedule Section** on Page 1 for additional information.

In the July 2010 reporting period, the PRSM project was re-organized so that the Project Management function is now under IT and a new Project Manager has been assigned to PRSM. This new Project Manager will be responsible for the day to day, hands-on project management activities for PRSM. The Project Management function was previously under the Division of Project Management. With the re-organization, the previous Project Manager is now providing oversight as the Project Director.

A number of project processes have been modified since the change in Project Management structure in July 2010. The PRSM Project Schedule, which was previously managed by the Implementation Vendor, is now managed by Caltrans. The new Project Manager has added baseline start and finish columns to the schedule to track baseline completion dates against actual completion dates. During the weekly PRSM Project Status Meetings, the new Project Manager has allocated time in the agenda for each of the PRSM Project Team Workgroups (such as Configuration, Interfaces, Conversion, etc.) to conduct brief status updates of their current tasks, risks, and issues. In addition, in October 2010, PRSM Risk and Issue meetings will begin occurring on a bi-weekly basis versus once a month.

In addition to the weekly PRSM Status meetings and the bi-weekly PRSM Risk and Issues meetings, PRSM Change Management meetings occur on a weekly basis following the PRSM Status meeting. During these meetings new and open project change requests (PCR's) are discussed by PRSM Project Management and the Implementation Vendor Project Manager. Furthermore, the PRSM Project Manager meets with the Implementation Vendor Project Manager twice a week to discuss the status of the project and current risks, issues, and action items. PRSM sub-groups (i.e., testing and data conversion) continue to meet weekly to discuss current and upcoming tasks.

In August 2010, the Caltrans Enterprise Technology Investment Division requested that IPOC perform a health check assessment on the PRSM project. The objective of the health check assessment was to provide a point in time assessment of the PRSM project and identify findings, risks and recommendations associated with Project Management and Systems Development Lifecycle (SDLC) areas. IPOC activities performed for the Health Check assessment included interviewing key project team members and reviewing project documentation. On September 30, 2010, IPOC submitted the Draft Health Check report to Caltrans for review. IPOC is scheduled to submit the final version of the Health Check report on October 7, 2010.

Project Oversight Review Checklist for September 2010

Project Oversight Review Checklist: High Criticality Project

This checklist is an assessment for the Adaptation Phase. The end date of this phase is November 2010 (per the last approved project schedule).

Practices and Products	Adequate	Deficient	Notes: Items Reviewed; Interviews Conducted; Demonstration
Planning and Tracking			
Have the business case, project goals, objectives, expected outcomes, key stakeholders, and sponsor(s) identified and documented?	X		An updated SPR was approved by the OCIO on December 8, 2009. The appropriate project documents should be updated with the new information from the SPR.
Has a detailed project plan with all activities (tasks), milestones, dates, and estimated hours by task loaded into project management (PM) software? Are the lowest level tasks of a short duration with measurable outcomes?	X		The Implementation Vendor is using a Rolling Wave scheduling approach. Prior to the end of each phase or PRSM Payment Point, the Implementation Vendor and Caltrans work together to develop the specific activities for the tasks in the next Rolling Wave. The new detailed Rolling Wave Plan for the succeeding Project Phase will be documented in MS Project and will be submitted for State Acceptance as a prerequisite for State Acceptance of the current Payment Point. The Implementation Vendor submitted a PRSM Project Implementation Plan during the Planning Phase of the project. The Implementation Plan provides a schedule in MS Project for project activities, milestones, and deliverables including start and finish dates, duration, and high level resource assignments for each task. On June 9, 2010, the Implementation Vendor submitted a change request with an extension to the schedule and a cost increase. Throughout June and July 2010, Caltrans and the Implementation Vendor were in negotiations regarding the change request. In the August 4th, 2010 Executive Steering Committee meeting, the Executive Steering Committee approved the schedule extension and cost increase. The most recent schedule (dated September 28, 2010) reflects an end date for Adaptation as November 29, 2010. As part of the approval of the Implementation Vendor change request, the Executive Steering Committee and the Implementation Vendor agreed that the Adaptation Phase would not go past November 23, 2010. The PRSM Project Team is reviewing the remaining Adaptation Phase tasks and activities (such as data conversion and testing) with a goal to complete Adaptation by November 23. We will continue to closely monitor the schedule status and report any updates as they occur.
Is completion of planned tasks recorded within the PM software?	X		On a weekly basis, current and upcoming tasks are reviewed by the PRSM Project team and completion of planned tasks is updated as necessary.
Are actual hours expended by task recorded at least monthly within	X		Actual hours are charged to a WBS and are recorded and tracked in the

Practices and Products	Adequate	Deficient	Notes: Items Reviewed; Interviews Conducted; Demonstration
PM software?			Department's official accounting system. An overall project WBS list of approximately 2,000 items exists in MS Excel.
Are estimated hours to complete by task recorded at least monthly within PM software?	X		On a weekly basis, current and upcoming tasks are reviewed by the PRSM Project team and the estimated hours to complete the tasks are updated as necessary.
Is there a formal staffing plan, including a current organization chart, written roles and responsibilities, plans for staff acquisition, schedule for arrival and departure of specific staff, and staff training plans	X		Formal staffing plans, including a current organization chart and written roles and responsibilities exist for the Caltrans PRSM Project Team and the Implementation Vendor.
Have project cost estimates, with supporting data for each cost category, been maintained?	X		A new baseline was set with the approved SPR dated 12/08/2009. On June 9, 2010, the Implementation Vendor submitted a change request with a cost increase of $947,422. Throughout June and July 2010, Caltrans and the Implementation Vendor were in negotiations regarding the potential cost increase. In the August 4th, 2010 Executive Steering Committee meeting, the Executive Steering Committee approved a cost increase of $864,977 ($464,977 from removing Years 2-3 Custom Code Maintenance and $400,000 from "Unanticipated Cost").
Are software size estimates developed and tracked?	N/A	N/A	This item is not applicable.
Are two or more estimation approaches used to refine estimates?	N/A	N/A	This item is not applicable.
Are independent reviews of estimates conducted?	N/A	N/A	This item is not applicable.
Are actual costs recorded and regularly compared to budgeted costs?	X		A spreadsheet exists that shows planned and actual costs by month.
Is supporting data maintained for actual costs?	X		Actual costs are obtained from timesheets that allocate time to WBS numbers/tasks.
Is completion status of work plan activities, deliverables, and milestones recorded, compared to schedule and included in a written status reporting process?	X		During status meetings, the PRSM Project Manager distributes an updated status report, which includes an updated schedule in MS Project for the current phase. The schedule provides a detailed view of the status of activities, deliverables, and milestones for the current phase. A high-level status report is posted on the Caltrans Improvement Project web database. Status reports go to the Legislature quarterly.
Are key specification documents (e.g. contracts, requirement specifications and/or contract deliverables) and software products under formal configuration control, with items to be controlled and specific staff roles and responsibilities for configuration management identified in a configuration management plan?	X		The Configuration Management Plan deliverable was submitted by the Implementation Vendor to Caltrans during the Planning Phase. After Caltrans and IPOC performed an initial review of the Plan, the Implementation Vendor submitted an updated version. The current Configuration Management Plan, dated 7/19/2009, provides details on configuration management of key project documents and software products. Finalization of configuration requirements occurred in the September 2010 reporting period.
Are issues/problems and their resolution (including assignment of specific staff responsibility for issue resolution and specific deadlines for completion of resolution activities), formally tracked?	X		An Issue Management Plan was approved and open issues are in the project database. The IT project manager is considering the same tool for managing project changes. Additionally, Caltrans had established an Issues Management Meeting that is held on a monthly basis. Beginning in October

Practices and Products	Adequate	Deficient	Notes: Items Reviewed; Interviews Conducted; Demonstration
			2010, the Issues Management Meeting will occur bi-weekly.
Is user satisfaction assessed at key project milestones?	X		Representatives of the engineering areas and regions participated in the vendor demonstration evaluations. In addition, Caltrans scheduled Implementation Team training sessions that provided the PRSM Implementation Team with an overview of PRSM Methodology and Functionality. Training Session #1 occurred during the week of September 14, 2009. After completion of Session #1 training, the PRSM Project Team gathered feedback on the content and the effectiveness of the training and used the feedback to update and/or improve Training Session #2, which occurred during the week of September 28, 2009. This is adequate for the Adaptation Phase of the project. During Pilot and Roll Out, each district will have the opportunity to complete a user satisfaction survey.
Is planning in compliance with formal standards or a system development life-cycle (SDLC) methodology?	X		Compliance with PMBOK standards is adequate for this phase of the project. Five deliverables have been identified to be completed during the Adaptation Phase: Application Installation Report, Data Initialization Plan, Training Role Descriptions and Course List, Training and Documentation Plan and Pilot Plan. IPOC is planning to review each of these deliverables as they are submitted and will provide comments and feedback.
Is there formal enterprise architecture in place?	X		The RFQI describes the target Caltrans enterprise environment.
Are project closeout activities performed, including a PIER, collection and archiving up-to-date project records and identification of lessons learned?	N/A	N/A	Project is in the Adaptation Phase.
Procurement			
Are appropriate procurement vehicles selected (e.g. CMAS, MSA, "alternative procurement") and their required processes followed?	X		The final contract was signed by the Implementation Vendor on February 26, 2009. Caltrans received, reviewed and signed the contract on February 27, 2009. DGS Legal reviewed and signed the contract on March 5th, 2009.
Is a detailed written scope of work for all services included in solicitation documents?	X		Detailed written scope of work is contained in the RFP.
Are detailed requirement specifications included in solicitation documents?	X		Detailed requirement specifications are contained in the RFP. Requirements are described in the RFQI and Value Analysis documents.
Is there material participation of outside expertise (e.g. DGS, Departmental specialists, consultants) in procurement planning and execution?	X		Outside expertise and counsel has been sought from DOF, DGS, and consultants.
For large-scale outsourcing, is qualified legal counsel obtained?	N/A	N/A	The project does not involve outsourcing as currently defined.
Risk Management			
Is formal continuous risk management performed, including development of a written risk management plan, identification, analysis, mitigation and escalation of risks in accordance with DOF/TOSU Guidelines, and regular management team review of	X		The latest version of the Risk Management Plan was submitted April 30, 2009. Risk owners have been assigned. A Risk Register was developed and is tracked by the Risk Manager.

Practices and Products	Adequate	Deficient	Notes: Items Reviewed; Interviews Conducted; Demonstration
risks and mitigation progress performed?			
Does the management team review risks and mitigation progress at least monthly?	X		Risk Management meetings have been held monthly with the PRSM Project Team where risks and their associated mitigation progress are reviewed. Beginning in October 2010, the Risk Management Meeting will occur bi-weekly.
Are externally developed risk identification aids used, such as the SEI Taxonomy Based Questionnaire?	X		A risk list was initially populated using the SEI Risk Taxonomy. Additional risks are added to the list migration from the issue list.
Communication			
Is there a written project communications plan?	X		The latest version of the finalized and approved Communications Plan is dated 6/22/2009.
Are regular written status reports prepared and provided to the project manager, department CIO (if applicable) and other key stakeholders?	X		The Advisory Committee receives a written status report during the monthly Advisory Committee meetings. These reports include issues identified, changes to scope, schedule, cost, problems encountered, and items accomplished.
Are there written escalation policies for issues and risks?	X		Both the Risk Management Plan and the Issue Management Plan contain a risk escalation process.
Is there regular stakeholder involvement in major project decisions, issue resolution and risk mitigation?	X		Implementation Manager meetings occur on a monthly basis. The purpose of this meeting is to keep the District project managers regularly updated on the status of the project and to receive their input.
System Engineering			
Are users involved throughout the project, especially in requirements specification and testing?	X		Representatives of key stakeholder groups participated in and reviewed the Value Analysis Report that describes the PRSM requirements. The PRSM Project Team is being run by Caltrans Division of Project management which is the primary constituency for the system.
Do users formally approve/sign-off on written specifications?	X		Representatives of key stakeholder groups participated in and reviewed the Value Analysis Report that describes the PRSM requirements. In addition, the Implementation Vendor has been delivering a series of Checkpoints, which include a review of the PRSM configurations and design documentation. After each checkpoint, the PRSM Project Team gathers and consolidates their feedback on what was presented and provides it to the Implementation Vendor. The Implementation Vendor originally stated that there would be four (4) checkpoints over the course of the Adaptation Phase. In the March 2010 reporting period, the implementation Vendor stated that the remainder of the configurations would be presented in Checkpoint 4 or any of number of checkpoints needed. Checkpoint 4 was performed in April 2010. The walkthrough included the review of the revised design documentation for configurations presented in previous checkpoints. Configuration requirements baseline, customizations and deleted requirement agreements were reviewed by

Practices and Products	Adequate	Deficient	Notes: Items Reviewed; Interviews Conducted; Demonstration
			Caltrans and feedback was provided to the Implementation Vendor.
Is a formal SDLC methodology followed?	X		The Implementation Vendor is using the SDLC Stage Gate Model to manage the configuration and customization of PRSM throughout the Adaptation Phase. In this model, work packages divide the total effort into a series of stages, where gating criteria must be met prior to moving from one stage to the next. For the PRSM Project, each work package is designed, developed, tested, and accepted prior to completion of the package. This model may have an impact on the schedule, due to the amount of review time for each work package. In order to offset this, Caltrans is incorporating review cycles through the new checkpoint implementation approach.
Is a software product used to assist in managing requirements? Is there tracking of requirements traceability through all life-cycle phases?	X		An Implementation and System Acceptance Test consultant has been added to the team. The level of requirements management presently in place appears to be appropriate for the current phase of the project.
Do software engineering standards exist and are they followed?	X		Engineering standards exist and are documented in the PRSM Configuration Management Plan. IPOC will monitor the project during the Adaptation Phase and subsequent phases to determine how effectively the PRSM Project is adhering to the engineering standards.
Does product defect tracking begin no later than requirements specifications?	X		The PRSM issue management system currently is designed to serve as a defect tracking mechanism. Several of the issues already raised represent clarification to requirements.
Are formal code reviews conducted?	N/A	N/A	This is not applicable for this project. However, the PRSM Project Team has planned for formal configuration reviews to occur during checkpoints throughout the Adaptation Phase. In the March 2010 reporting period, the implementation Vendor stated that the remainder of the configurations would be presented in Checkpoint 4 or any of number of checkpoints needed. Checkpoint 4 was performed in April 2010. The walkthrough included the review of the revised design documentation for configurations presented in previous checkpoints. Configuration requirements baseline, customizations and deleted requirement agreements were reviewed by Caltrans and feedback was provided to the Implementation Vendor.
Are formal quality assurance procedures followed consistently?	X		The PRSM Project follows the State Acceptance process for deliverables. There are three types of Acceptance: Acceptance Type 1 – Objective on Receipt; Acceptance Type 2 – Non-Software Acceptance; and Acceptance Type 3 – Software Acceptance Testing by the State.
Do users sign-off on acceptance test results before a new system or changes are put into production?	N/A	N/A	Project is in the Adaptation Phase
Is the enterprise architecture plan adhered to?	X		Caltrans is in the process of creating a formal enterprise architecture plan. The PRSM technology solution was requested to be submitted as part of the study.
Are formal deliverable inspections performed, beginning with	X		PCR's 8 (modifications to technical requirements related to Work Package

Practices and Products	Adequate	Deficient	Notes: Items Reviewed; Interviews Conducted; Demonstration
requirements specifications?			1) and 9 (deletion of technical requirements or parts of technical requirements, which are obsolete, redundant, or no longer needed) were approved in the June 2010 reporting period. PCR 12 (remainder of requirements not covered in PCR's 8 or 9) was approved in the August 2010 reporting period. Per the new baseline schedule (dated August 31, 2010), the Requirements Baselining effort was completed on August 24, 2010. Previously, the requirements have been through two separate review activities: user group review and IV&V review. There is a third review underway by the Project Management team in order to document the As-Is and To-Be business processes. IPOC will continue to monitor this area as the project progresses.
Are IV&V services obtained and used?	X		The IV&V Contract was approved and the IV&V Vendor began work in April 2008.

ATTACHMENT A

	Risk Title	Risk Mitigation Summary	Page
1	R-3: PRSM Project Schedule and Project Cost	The end-of-Adaptation milestone of November 23, 2010, signifying the end of the Adaptation Phase, was not met by the Vendor. Subsequently, the Vendor has proposed a restructuring of the project to address the schedule delay, the details of which are currently in negotiations.	5 of 43
2	R-2: Resource Availability	Caltrans has incorporated resource assignments in its PRSM project work plan that is integrated with the Vendor's effort. Further schedule refinements identify necessary resources. At this time there do not appear to be any Caltrans resource availability issues.	6 of 43
3	R-1: Business Process Change and Organizational Change Management	Business Process Change has been addressed in two ways: First, a reworking of certain processes in existing information systems that PRSM will interface with, specifically Staff Central and E-FIS; second, the distribution of the To-Be business processes throughout the organization. An Organizational Change Management Plan has been composed to address the necessary changes to roles and responsibilities of staff within the Capital Program.	6 of 43