Project Resourcing & Schedule

Management System

Quarterly PRSM Status Report to the Legislature

December 1, 2008 – February 28, 2009

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 February 2009

Project Name: Caltrans PRSM **Assessment Date:** Feb 27, 2009

Frequency: Monthly

Oversight Provider Information

Oversight Leader:	Greg Thomas	**Organization:**	Deloitte & Touche LLP
Phone Number:	916 288 3232	**Email:**	grethomas@deloitte.com

Project Information

Project Number:	**2660-160**	**Department:**	Transportation (Caltrans)
Criticality:	High	**Agency:**	Business, Transportation & Housing
Last Approved Document/Date:	SPR (09/29/08)	**Total One-time Cost:**	$25,544,000
Start Date:	June 7, 2000	**End Date:**	December 7, 2010
Project Manager:	David Youmans	**Organization:**	Caltrans
Phone Number:	916.826.4425	**Email:**	david_youmans@dot.ca.gov

Summary: Current Status

Project Phase:	Procurement		
Planned Start Date:	June 17, 2005	**Planned End Date:**	December 7, 2005
Actual Start Date:	June 22, 2005	**Forecasted End Date:**	Unknown

Schedule

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

On Schedule

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:
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 SPR dated September 29, 2008. DGS required SAIC to submit a new sub-contractor (software publisher) and SAIC has submitted an updated proposal with a new software package and vendor. The SPR has been approved and the Section 11 approval notification date was December 5th, 2008. The final contract was sent to SAIC for signature. SAIC signed the contract on February 26, 2009. Caltrans received, reviewed and signed the contract on February 27, 2009. DGS Legal is currently conducting the final review of the SAIC

contract. Once the SAIC contract is signed by DGS, the CA Clarity contract will be signed. Caltrans expects signatures and execution of both contracts (SAIC and CA Clarity) the week of March 7, 2009. The SPR may need to be updated and resubmitted to the OCIO, once the contract has been signed.

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.

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.

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: Functionality is adequately defined for the procurement phase which is near completion. After contract signing more definition may be required as the project moves into the planning phase for implementation.

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 sufficiently defined for this stage of the project. As the project progresses, additional refinement may be necessary.

New Risks

No new risks this month.

Progress Toward Addressing Prior Risks

Risk Title: Resource Availability

Risk Statement: Without adequate Caltrans resources working on PRSM, the project implementation schedule could be delayed. While in the procurement phase, some of the PRSM team members are allocated part time. The resource needs are likely to change when the project shifts to the implementation phase.

Probability: Medium Impact: High Time Frame: Short Severity: High Assigned to: TBD

Recommendations:

- After the PRSM work plan is complete, determine the resource gaps and reallocate effort as appropriate.

Status Update:

Feb 09 Status: Project team WBS work plan comments and feedback continue to be collected and reviewed. The draft WBS work plan is scheduled to be completed in March.

Jan 09 Status: An updated Organization Chart was drafted which includes the project team structure, team members, and high level roles and responsibilities. Draft WBS worksheets were created and distributed to the project team. Team members were asked to review their worksheets and enter time estimates associated with each task. Currently, the information collected is packaged into a WBS work plan, which will be used going forward to track tasks, dependencies, budgeted hours, and resources. The draft WBS work plan is scheduled to be completed in early February.

Risk Title: Business Process Changes

Risk Statement: The impact of business changes resulting from the PRSM implementation needs to be sufficiently understood, planned for, and communicated to Caltrans staff. If this is not addressed, the project rollout could result in disruption to the business processes and create issues regarding the perceived quality of PRSM. This could result in increased resistance to acceptance and usage of the system.

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

Recommendations:

- Implement a formal change management process which will be used for PRSM project related changes. Change management tasks associated with these changes should be incorporated into the project schedule and budget. Changes should be communicated to the key stakeholders.

Status Update:

Feb 09 Status: The business project managers have reported that District feedback for the implementation challenges document is still being collected and organized. This process is estimated to be completed in March. In addition, two initiatives have begun to address key implementation challenges: Task Management and PRSM Reporting.

Jan 09 Status: The business project managers have reported that District feedback for the implementation challenges document is still being collected and organized. Once the updates have been completed, the document will be redistributed to the districts and project team. This process is estimated to be completed in February.

Risk Title: Business Rules

Risk Statement: If District field staff are not in agreement with the decisions and consequences of changing/standardizing business rules, it may have an adverse effect on system acceptance and may disrupt work in progress. If PRSM intends to standardize business rules, the decisions and consequences of changing/standardizing business rules should be documented, communicated, clearly understood and agreed to by the Districts prior to implementation.

Probability: HighImpact: High Time Frame: Med Severity: High Assigned to: David Cordone

Recommendations:

- Define the process for gaining field consensus on the new business rules.
- Develop a plan that describes how information on new business rules will be communicated to the field with sufficient time to get feedback and buy-in. This business rule information should inform test case development.

Status Update:

Feb 09 Status: District feedback for the implementation challenges document is still being collected and organized. This process is estimated to be completed in March. In addition, two initiatives have begun to address key implementation challenges: Task Management and PRSM Reporting.

Jan 09 Status: District feedback for the implementation challenges document is still being collected and organized. Once the updates have been completed, the document will be redistributed to the districts and project team. This process is estimated to be completed in February 2009.

Risk Title: Procurement Delays

Risk Statement: Delays in the State procurement process and decision-making will likely impact the schedule. The delays could lead to higher vendor costs and higher project costs. Delays in the future may result in changes to the PRSM interfaces given the implementation schedule of other systems (i.e. EFIS).

Probability: High Impact: High Time Frame: Short Severity: High Assigned to: Jacquelyn Moore

Recommendations:

- Significant procurement milestones should be isolated and brought to the attention of DGS, Finance, the Legislature and senior Caltrans management.
- Additional activity times should be added to the schedule. Timeframes can be estimated based on recent experience with the various procurement and control agencies. Schedule plans should reflect the lengthy review, rework and coordination tasks among involved entities.
- Clear ownership of individual procurement activities with responsibility for tracking and monitoring the procurement through the process.
- An escalation plan should be developed so that delays are quickly identified and communicated.
- Where feasible, the project should seek increased delegation authority from DGS and Caltrans Headquarters.

Status Update:

Feb 09 Status: The final contract was sent to SAIC for signature. SAIC signed the contract on February 26, 2009. Caltrans received, reviewed and signed the contract on February 27, 2009. DGS Legal is currently conducting the final review of the SAIC contract. Once the SAIC contract is signed by DGS, the CA Clarity contract will be signed. Caltrans expects signatures and execution of both contracts (SAIC and CA Clarity) the week of March 7, 2009.

Jan 09 Status: An Evaluation and Selection Report was prepared and submitted to DGS recommending SAIC be awarded the contract. The Final SAIC contract was sent to SAIC on January 30, 2009. DGS is negotiating the CA Clarity Contract model language. Signatures and execution of both the SAIC and CA contracts is expected to be completed the week of February 9, 2009.

Project Oversight Review Checklist for February 2009

Project Oversight Review Checklist: High Criticality Project

This checklist is an assessment for the procurement phase. The end date of this phase is unknown at this time.

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		The SPR was approved by the OCIO on September 29, 2008. The Section 11 was submitted and the waiting period ended Dec 5. The appropriate project documents should be updated with the new information from the SPR and vendor information.
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 procurement project plan was adequate for the procurement phase. A WBS/task list of approximately 2,000 items exists in an Excel file. A draft WBS work plan is being created which will be used going forward to track tasks, estimated hours, dependencies, and resources.
Is completion of planned tasks recorded within the PM software?	X		Completion of procurement activities are tracked in project management software. An updated project plan and schedule will be developed when the vendor is brought on board.
Are actual hours expended by task recorded at least monthly within PM software?	X		Actual hours are charged to a WBS number and are recorded and tracked in the Department's official accounting system.
Are estimated hours to complete by task recorded at least monthly within PM software?		X	Estimated hours to complete are currently not being recorded within PM software. A draft WBS work plan is being created which will be used going forward to track tasks, estimated hours, dependencies, and resources. The project team is planning to use the PM software bid by the vendor when they begin work on PRSM.
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	The project organization has changed and applicable documents should be updated.
Have project cost estimates, with supporting data for each cost category, been maintained?	X		The latest approved SPR dated September 29, 2008 has reset the baseline.
Are software size estimates developed and tracked?	N/A	N/A	Project is in the procurement phase.
Are two or more estimation approaches used to refine estimates?	N/A	N/A	Project is in the procurement phase.
Are independent reviews of estimates conducted?	N/A	N/A	Project is in the procurement phase
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		High-level work plan activity completion is reported in status meetings and is documented in Excel. Detailed plans should be developed for the Implementation Phase of the project. A high-level status report is posted on the Caltrans Improvement Project web database. Status reports go to the Legislature quarterly.

Practices and Products	Adequate	Deficient	Notes: Items Reviewed; Interviews Conducted; Demonstration
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?	N/A	N/A	Project is in the procurement phase
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.
Is user satisfaction assessed at key project milestones?	X		Representatives of the engineering areas and regions participated in the vendor demonstration evaluations. This is adequate for the procurement phase of the project.
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. At present, PRSM is expected to be a commercial off-the-shelf (COTS) software procurement and implementation. Once vendor selection is complete and it has been determined which additional components (if any) must be developed to support PRSM implementation, applicable SDLC standards will be referenced.
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 procurement phase.
Procurement			
Are appropriate procurement vehicles selected (e.g. CMAS, MSA, "alternative procurement") and their required processes followed?	X		A report was prepared and submitted to DGS recommending SAIC be awarded the contract. The final contract was sent to SAIC for signature. SAIC signed the contract on February 26, 2009. Caltrans received, reviewed and signed the contract on February 27, 2009. DGS Legal is currently conducting the final review of the SAIC contract. Once the SAIC contract is signed by DGS, the CA Clarity contract will be signed. Caltrans expects signatures and execution of both contracts (SAIC and CA Clarity) the week of March 7, 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

Practices and Products	Adequate	Deficient	Notes: Items Reviewed; Interviews Conducted; Demonstration
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 March 28. Risks 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 sessions are being held regularly with the team during the procurement phase.
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 through input or migration from the issue list.
Communication			
Is there a written project communications plan?	X		The Communication Plan was updated to reflect the new organization and implementation strategy. The updated Communication Plan is dated November, 2008.
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, or 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 managers regularly updated on the status of the project.
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		The PRSM Advisory Committee is comprised of Caltrans personnel. The Advisory committee appears to be monitoring the procurement process. This level of involvement appears to be appropriate for the current phase of the project.
Is a formal SDLC methodology followed?	N/A	N/A	Project is in the procurement phase.
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?	N/A	N/A	Project is in the procurement phase
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	Project is in the procurement phase
Are formal quality assurance procedures followed consistently?	N/A	N/A	Project is in the procurement phase
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 procurement phase

Practices and Products	Adequate	Deficient	Notes: Items Reviewed; Interviews Conducted; Demonstration
Is the enterprise architecture plan adhered to?	N/A	N/A	Project is in the procurement phase
Are formal deliverable inspections performed, beginning with requirements specifications?	X		Requirements have been reviewed adequately for the procurement phase of the project. 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 January 2009

Independent Project Oversight Report

Project Name: Caltrans PRSM **Assessment Date:** Jan 30, 2009

Frequency: Monthly

Oversight Provider Information

Oversight Leader:	Greg Thomas	**Organization:**	Deloitte & Touche LLP
Phone Number:	916 288 3232	**Email:**	grethomas@deloitte.com

Project Information

Project Number:	**2660-160**	**Department:**	Transportation (Caltrans)
Criticality:	High	**Agency:**	Business, Transportation & Housing
Last Approved Document/Date:	SPR (09/29/08)	**Total One-time Cost:**	$25,544,000
Start Date:	June 7, 2000	**End Date:**	December 7, 2010
Project Manager:	David Youmans	**Organization:**	Caltrans
Phone Number:	916.826.4425	**Email:**	david_youmans@dot.ca.gov

Summary: Current Status – If multiple current phases, use section at end to assess the status of additional phases.

Project Phase:	Procurement		
Planned Start Date[1]:	June 17, 2005	**Planned End Date:**	December 7, 2005
Actual Start Date:	June 22, 2005	**Forecasted End Date:**	Unknown

Schedule

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

On Schedule

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:
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 SPR dated September 29, 2008. DGS required SAIC to submit a new sub-contractor (software publisher) and SAIC has submitted an updated proposal with a new software package and vendor. The SPR has been approved and the Section 11 approval notification date was December 5th, 2008. The vendor quote was to expire December 15, 2008. The vendor extended the quote until January 30th, 2009.

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.

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.

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: Functionality is adequately defined for the procurement phase which is nearly at an end. After contract signing more definition will be required as the project moves into the planning phase for implementation.

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 sufficiently defined for this stage of the project. As the project progresses, additional refinement will likely be necessary.

New Risks

No new risks this month.

Progress Toward Addressing Prior Risks

Risk Title: Resource Availability

Risk Statement: Without adequate Caltrans resources working on PRSM, the project implementation schedule could be delayed. While in the procurement phase, some of the PRSM team members are allocated part time. The resource needs are likely to change when the project shifts to the implementation phase.

Probability: Medium Impact: High Time Frame: Short Severity: High Assigned to: TBD

Recommendations:
After the PRSM work plan is complete, determine the resource gaps and reallocate effort as appropriate.

Status Update:
Jan 09 Status: An updated Organization Chart was drafted which includes the project team structure, team members, and high level roles and responsibilities. Draft WBS worksheets were created and distributed to the project team. Team members were asked to review their worksheets and enter time estimates associated with each task. Currently, the information collected is packaged into a WBS work plan, which will be used going forward to track tasks, dependencies, budgeted hours, and resources. The draft WBS work plan is scheduled to be completed in early February.
Dec 08 Status: Until a project plan is entered into project management software with task dependences and resources assigned, an assessment of resource allocations cannot be made. This has not yet been accomplished. The project manager is expected to announce a new organization for the project team over the next few weeks. The business analyst that won the procurement has prior experience with Caltrans and started work in December – this is a significant benefit to the project.

Risk Title: Business Process Changes

Risk Statement: The impact of business changes resulting from the PRSM implementation needs to be sufficiently understood, planned for, and communicated to Caltrans staff. If this is not addressed, the project rollout could result in disruption to the business processes and create issues regarding the perceived quality of PRSM. This could result in increased resistance to acceptance and usage of the system.

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

Recommendations:
Implement a formal change management process which will be used for PRSM project related changes. Change management tasks associated with these changes should be incorporated into the project schedule and budget. Changes should be communicated to the key stakeholders.

Status Update:
Jan 09 Status: The business project managers have reported that District feedback for the implementation challenges document is still being collected and organized. Once the updates have been completed, the document will be redistributed to the districts and project team. This process is estimated to be completed in February.

Dec 08 Status: The IT project manager has reported that she is working on an organizational change management plan that will be ready for review in January. The business project manager reports that he has received feedback from all districts on the published Implementation Challenges document and intends to update and redistribute that document in January. Feedback was received from some districts on a high level business

process model that is still being documented. There has been an acknowledgement by the project that getting broad agreement on Task Management processes is a priority, but this has not yet occurred.

Risk Title: Business Rules

Risk Statement: If District field staff are not in agreement with the decisions and consequences of changing/standardizing business rules, it may have an adverse effect on system acceptance and may disrupt work in progress. If PRSM intends to standardize business rules, the decisions and consequences of changing/standardizing business rules should be documented, communicated, clearly understood and agreed to by the Districts prior to implementation.

Probability: HighImpact: High Time Frame: Med Severity: High Assigned to: David Cordone

Recommendations:
Define the process for gaining field consensus on the new business rules.
Develop a plan that describes how information on new business rules will be communicated to the field with sufficient time to get feedback and buy-in. This business rule information should inform test case development.

Status Update:

Jan 09 Status: District feedback for the implementation challenges document is still being collected and organized. Once the updates have been completed, the document will be redistributed to the districts and project team. This process is estimated to be completed in February 2009.

Dec 08 Status: An implementation challenges document and a high level business process document have been created and distributed to the districts for review. Feedback is being synthesized and the documents will be updated and redistributed in January.

Risk Title: Procurement Delays

Risk Statement: Delays in the State procurement process and decision-making will likely impact the schedule. The delays could lead to higher vendor costs and higher project costs. Delays in the future may result in changes to the PRSM interfaces given the implementation schedule of other systems (i.e. EFIS).

Probability: High Impact: High Time Frame: Short Severity: High Assigned to: Jacquelyn Moore

Recommendations:

Significant procurement milestones should be isolated and brought to the attention of DGS, Finance, the Legislature and senior Caltrans management.
Additional activity times should be added to the schedule. Timeframes can be estimated based on recent experience with the various procurement and control agencies. Schedule plans should reflect the lengthy review, rework and coordination tasks among involved entities.
Clear ownership of individual procurement activities with responsibility for tracking and monitoring the procurement through the process.
An escalation plan should be developed so that delays are quickly identified and communicated.
Where feasible, the project should seek increased delegation authority from DGS and Caltrans Headquarters.

Status Update:

Jan 09 Status: An Evaluation and Selection Report was prepared and submitted to DGS recommending SAIC be awarded the contract. The Final SAIC contract was sent to SAIC on January 30, 2009. DGS is negotiating the CA Clarity Contract model language. Signatures and execution of both the SAIC and CA contracts is expected to be completed the week of February 9, 2009.

Dec 08 Status: Procurement remains behind schedule. At DGS request, SAIC submitted an updated proposal with a new software package and software provider in December. This proposal is being reviewed by the PRSM team.

General Comments

This is the first Independent Project Oversight Report (IPOR) that Deloitte & Touche LLP has provided. This report has been developed in accordance with the applicable standards of the American Institute of Certified Public Accountants (AICPA) as per Deloitte & Touche LLP policy.

A knowledge transfer meeting was held with the previous IPOC vendor in January. IPOC also met with the new OCIO representative, John Correia, to discuss the status of the project. In addition, IPOC met with the District Representative from District 4 to discuss the current state of the project from the district's perspective. IPOC has attended various PRSM project meetings throughout the month of January, including the PRSM Implementation Managers meeting, PRSM Status meetings, and the PRSM Advisory Committee meeting.

At the end of this reporting period, the PRSM project is still in the procurement phase of the project.

Findings and Recommendations Table for January 2009

This section no longer used. Findings and recommendations are incorporated into the IPOR

Project Oversight Review Checklist for January 2009

Project Oversight Review Checklist: High Criticality Project NOTE: Changes from previous month are bolded.

The project remains in the procurement phase now until approximately October or November, 2008.

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		The SPR has been approved by the OCIO. The Section 11 submittal has been delayed. The appropriate project documents will need to be updated when with the new information from the SPR and vendor information.
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 procurement project plan was adequate for the procurement phase. A WBS/task list of approximately 2,000 items exists in an Excel file. A draft WBS work plan is being created which will be used going forward to track tasks, estimated hours, dependencies, and resources.
Is completion of planned tasks recorded within the PM software?	X		Completion of procurement activities are tracked in project management software. An updated project plan and schedule will be developed when the vendor is brought on board.
Are actual hours expended by task recorded at least monthly within PM software?	X		Actual hours are not tracked in PM software. They are being tracked in a spreadsheet.
Are estimated hours to complete by task recorded at least monthly within PM software?		X	Estimated hours to complete are currently not being recorded within PM software. A draft WBS work plan is being created which will be used going forward to track tasks, estimated hours, dependencies, and resources. The project team is planning to use the PM software bid by the vendor when they begin work on PRSM.
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	The project organization has changed and applicable documents should be updated.
Have project cost estimates, with supporting data for each cost category, been maintained?	X		**The latest approved SPR dated September 29, 2008 has reset the baseline.**
Are software size estimates developed and tracked?		N/A	Project is in the procurement phase.
Are two or more estimation approaches used to refine estimates?		N/A	Project is in the procurement phase
Are independent reviews of estimates conducted?		N/A	Project is in the procurement phase
Are actual costs recorded and regularly compared to budgeted costs?	X		A spreadsheet exists that shows planned and actual costs by month.

Practices and Products	Adequate	Deficient	Notes: Items Reviewed; Interviews Conducted; Demonstration
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		High-level work plan activity completion is reported in status meetings and is documented in Excel. Detailed plans should be developed for the Implementation Phase of the project. 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?		N/A	Project is in the procurement phase.
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.
Is user satisfaction assessed at key project milestones?	X		Representatives of a variety of engineering areas and regions participated in the vendor demonstration evaluations. This is adequate for the procurement phase of the project. It is not known at this time what the plan is for this during implementation.
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. At present, PRSM is expected to be a commercial off-the-shelf (COTS) software procurement and implementation. Once vendor selection is complete and it has been determined which additional components (if any) must be developed to support PRSM implementation, applicable SDLC standards will be referenced.**
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	Project is in procurement phase.
Procurement			
Are appropriate procurement vehicles selected (e.g. CMAS, MSA, "alternative procurement") and their required processes followed?	X		A report was prepared and submitted to DGS recommending SAIC be awarded the contract. The Final SAIC contract was sent to SAIC on January 30, 2009. DGS is negotiating the CA Clarity Contract model language. Signatures and execution of both the SAIC and CA contracts is expected to be completed the week of February 9, 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.

Practices and Products	Adequate	Deficient	Notes: Items Reviewed; Interviews Conducted; Demonstration
For large-scale outsourcing, is qualified legal counsel obtained?		N/A	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 March 28. Risks owners have been assigned. A Risk Register is developed and is tracked by the Risk Manager.
Does the management team review risks and mitigation progress at least monthly?	X		Risk management sessions are held regularly with the team. IPOC recommends holding risk sessions with an expanded group of stakeholders after the procurement phase.
Are externally developed risk identification aids used, such as the SEI Taxonomy Based Questionnaire?	X		Risk list was initially populated using the SEI Risk Taxonomy. Additional risks are added to the list by way of team member input or migration from the issue list.
Communication			
Is there a written project communications plan?		X	The Communication Plan was updated to reflect the new organization and implementation strategy. The updated Communication Plan is dated November, 2008.
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, or 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 managers regularly updated on the status of the project.
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		The PRSM Advisory Committee is comprised of Caltrans personnel. The Advisory committee appears to be monitoring the procurement process. This level of involvement appears to be appropriate for the current phase of the project.
Is a formal SDLC methodology followed?		N/A	Project is in the procurement phase.
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.

Practices and Products	Adequate	Deficient	Notes: Items Reviewed; Interviews Conducted; Demonstration
Do software engineering standards exist and are they followed?		N/A	Project is in the procurement phase
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	Project is in the procurement phase
Are formal quality assurance procedures followed consistently?		N/A	Project is in the procurement phase
Do users sign-off on acceptance test results before a new system or changes are put into production?		N/A	Project is in the procurement phase
Is the enterprise architecture plan adhered to?		N/A	Project is in the procurement phase
Are formal deliverable inspections performed, beginning with requirements specifications?		X	Requirements have been reviewed adequately for the procurement phase of the project. 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 December 2008

Independent Project Oversight Report

Project Name: Caltrans PRSM **Assessment Date:** Dec 31, 2008

Frequency: Monthly

Oversight Provider Information

Oversight Leader:	Rochelle Furtah	**Organization:**	Public Sector Consultants, Inc.
Phone Number:	(916) 354-0898	**Email:**	rfurtah@cwo.com

Project Information

Project Number:	**2660-160**	**Department:**	Transportation (Caltrans)
Criticality:	High	**Agency:**	Business, Transportation & Housing
Last Approved Document/Date:	SPR (09/29/08)	**Total One-time Cost:**	$25,544,000
Start Date:	June 7, 2000	**End Date:**	December 7, 2010
Project Manager:	David Youmans	**Organization:**	Caltrans
Phone Number:	916.826.4425	**Email:**	david_youmans@dot.ca.gov

Summary: Current Status – If multiple current phases, use section at end to assess the status of additional phases.

Project Phase:	Procurement		
Planned Start Date[1]:	June 17, 2005	**Planned End Date:**	December 7, 2005
Actual Start Date:	June 22, 2005	**Forecasted End Date:**	November, 2008

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 was set with the approved SPR, but procurement remains behind schedule. DGS required SAIC to submit a new sub-contractor (software publisher) and SAIC has submitted an updated proposal with a new software package and vendor. The SPR has been approved and the Section 11 approval notification date was December 5th, 2008. The vendor quote was to expire December 15, 2008. The vendor extended the quote until January 15th, 2009. This revised date appears to be in jeopardy and it is unlikely that the contract will be in place by mid-January.

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.

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..

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

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

Adequately Defined

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: Functionality is adequately defined for the procurement phase which is nearly at an end. After contract signing more definition will be required as the project moves into the planning phase for implementation.

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 sufficiently defined for this stage of the project. As the project progresses, additional refinement will likely be necessary.

New Risks

No new risks this month.

Progress Toward Addressing Prior Risks

Risk Title: Resource Availability

Risk Statement: Without adequate, qualified resources working on PRSM, the project implementation schedule will likely be delayed.

Probability: High Impact: High Time Frame: Short Severity: High Assigned to: TBD

Risk Context/Analysis: Several resource issues have surfaced, any one of which could delay the schedule. The project manager and IV&V consultant, two individuals with the most history and background on the project have both left within the last nine months. Both individuals have been replaced but together they represent a loss of project history and perspective. David Youmans is now assigned as the project manager and anticipates spending approximately 70% of his time on PRSM. Mr. Youmans has been associated with the project longer than any of the current team members and should be able to replace some of the organizational knowledge. Members of the PRSM project team are not dedicated to the project full time and are often busy with other Caltrans duties. A Business Analysis consultant is expected to join the team December 2, 2008 . The business analysis effort has been augmented by temporary staff from Districts 3 & 7; District 11 is expected to also offer assistance. It is IPOC's opinion that the team will not be ready to provide the information needed for the vendor start scheduled in November 2008. The technical aspects of the project are not a concern at this time. It appears that adequate time is spent addressing the technical side of PRSM.
Related Findings: 022908-PT001, 013108-PT001, 083105-PT003

Mitigation Action Items:
Dedicate the interim project manager to the PRSM project full time with the priorities of leading the team through the tasks required to get all information defined and documented for the vendor when the vendor begins work on the project. This should include completing the "as-is" and the desired state for the first phase of PRSM. An implementation strategy and approach should be developed with the project team and the Implementation Managers. It is necessary to bring the Implementation Managers into the process. It appears that the Implementation Managers in the Districts are disengaged from the project. It will take a team of dedicated resources to accomplish this in time to meet the vendor request for the information.
Hire a full-time dedicated Project Manager for this project. Consider a contract project manager if a Caltrans employee cannot be hired soon with the adequate skills for this project. The project requires a strong leader with expert project management skills. Communication, persuasion and organizational change skills are critical to the success of this project. The technical aspects of PRSM will not sink this project. The business and organizational aspect of this project create the biggest risk to success.
Clearly define the roles and responsibilities of the technical project manager and the project manager so as to avoid conflict in the future.

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Acquire Business Analyst resources as soon as possible. This person should have knowledge of the project, Caltrans business knowledge, excellent communication and persuasion skills, as well as, organizational change expertise. The business analyst procurement is proceeding and the analyst is expected to start December 2, 2008.
Either dedicate the appropriate number of core team members to the project OR make PRSM a clear priority with the core team members. Include them in the implementation strategy sessions and the planning part of the project.
Risk Tracking: Event/Action/Commitment:

Sept 08 Status: IPOC still considers resource availability an issue on this project. Tasks due dates continue to slip. The testing team has started work on the project and is asking for information on the "as is" and "to be" that is not available. With only a couple of outstanding issues left to resolve, the contract with the vendor could be signed at anytime. The vendor will expect adequate Caltrans resources to be available to begin the planning and implementation. Without adequate Caltrans resources available, the schedule will likely be delayed.
Aug 08 Status: IPOC still considers resource availability an issue on this project. Team member availability remains an issue. In July a higher level position was appointed PRSM Project Manager with 70% of his time is supposed to be devoted to PRSM. However, this person runs an entire Division. IPOC is concerned that there will be conflicting priorities that will impact the leadership of the PRSM project. Business process task due dates continue to slip. Implementation support from the Districts is trying to transition some of their current work to others in the District to free up time to work on PRSM.
July 08 Status: Progress in July included installation of David Youmans as PRSM Project Manager and verbal commitments for implementation assistance from key people in Districts 3, 7, and 11. IPOC still considers resource availability an issue on this project, but these are positive signs. Team member availability remains an issue. Example: tracking program costs has been temporarily suspended due to conflicting priorities for the resource tracking program costs.
June 08 Status: The project manager's job position was posted the end of June. The acting, part-time project manager is trying to manage the project and perform critical business readiness tasks at the same time. It is much more effective if the project manager conducts the symphony – not play the instruments at the same time. The Project Manager says he will request District resources in the form of Implementation Managers to complete the tasks related to the final "as is" documentation, the desired "to be" state in each District and perform the gap analysis. The gap analysis should identify the technical gaps and interfaces with District IT systems and business processes. The District Implementation managers are not dedicated to PRSM and have many other duties. It is not clear how high a priority PRSM is in the Districts. It will be necessary for District management to clearly communicate the priority of PRSM and to see that adequate time is dedicated to PRSM tasks. Business Analyst resources have not been added to the project yet. IPOC is not aware of any progress on resolving the conflict in project manager roles and responsibilities. This must be addressed before the vendor begins work. As stated in the update to the Findings and Recommendations 103107-PT001, there is conflict on the team that is appearing in the PRSM status meetings. IPOC recommends have the team define team and meeting rules of engagement, review those rules at the beginning of each meeting and post those rules in the meeting rooms. A conflict resolution process should also be part of the rules and conflicts resolved using those pre-defined rules. IPOC will conduct a team effectiveness survey that will identify areas where the team dynamics could be improved.

May 08 Status: A job posting for the project manager will be advertised soon. A recent RFO for a business analyst was unsuccessful. A contract for a business analyst will not be possible until the budget is signe**d.**

Risk Title: Business Process Changes

Risk Statement: If the impact of business changes PRSM will represent to CALTRANS staff are insufficiently understood, planned for, and communicated, then project rollout could result in disruption to business and business processes and create issues regarding the perceived quality of PRSM that could result in increased resistance to acceptance and usage of the system.

Probability: Med Impact: High Time Frame: Short Severity: High Assigned to: Jackie Moore

Risk Context/Analysis:
If not addressed, disruption of business process changes will likely lead to confusion, incorrect documentation, inadequate training and resistance to use and acceptance of the PRSM system. Related Finding: 083105-PT003
Mitigation Action Items:
Assign a single point of contact person from the project team with responsibility for this area.
Complete a rigorous business impact analysis for each District.
Include key District stakeholders in this effort.
Become familiar with organizational/change management best practices.
Use a tactical perspective on change management by:
Assessing the environment and internal /external conditions
Including all stakeholders in the change process
Planning the change as a sub-project
Integrating change management tasks into the schedule and budget
Implementing the change plan
Closely monitoring the implementation and getting feedback from stakeholders
Making changes based on stakeholder feedback
Ensure complete understanding of the requirements for business readiness for the new system.
Add appropriate work to the WBS, schedule and resource plan to address this area.
Track this area closely and keep lines of communication with stakeholders open.

Risk Tracking: Event/Action/Commitment:

Dec 08 Status: The IT project manager has reported that she is working on an organizational change management plan that will be ready for review in January. The business project manager reports that he has received feedback from all districts on the published Implementation Challenges document and intends to update and redistribute that document in January. Feedback was received from some districts on a high level business process model that is still being documented. There has been an acknowledgement by the project that getting broad agreement on Task Management processes is a priority, but this has not yet occurred.

Nov 08 Status: Work continues in this area. The Districts are providing input on the challenges they may experience implementing PRSM. A few Districts have requested additional time to respond. Since there is no contract at this time, the extra time has been given. The Business project manager has indicated that he is getting valuable input from the Districts. It appears that the biggest challenge is the cultural change that the implementation of task management in all the Capital Divisions will require. A project will be initiated immediately with the Project Management Improvement area using resources separate from the PRSM team.

Oct 08 Status: The Business Project Manager is meeting with each District to review the current documented Business Processes and discuss the migration challenges that they will encounter. Some Districts have requested additional time to discuss the subject with other District staff. A Migration/Transition Strategy Plan still needs to be developed with the tasks entered into MS Project.

Sept 08 Status: Business process task due dates continue to slip, however progress is being made on the “as is”. The acceptance test team has joined the PRSM team and has begun work. The draft testing requirements report is due in mid September. The test team is requesting information for the test plan that is not available at this time. Decisions on the “to be” state are needed to develop the test plan documents. The business manager reports that a Migration Challenges document will be developed to specifically identify all the business process changes that will occur when PRSM is implemented. Afterwards, each District will be expected to develop a Migration Plan lead by the Implementation Manager in each District so that they are ready for PRSM implementation. IPOC believes that the Migration Plan should be a high priority. Limited resource availability will likely impact completion of this by the time it is needed by the vendor.

Aug 08 Status: Business process task due dates continue to slip. Limited resource availability is still an issue.

July 08 Status: The business analysis manager has provided the next level of planning for the completion of business process tasks. He has verbal resource commitments from the Districts to work on some of the tasks. IPOC suggests providing a format guideline to the Districts for the tasks they are asked to complete so that there is consistency in what the District resources produce. This will make it easier to integrate all the information. There is still a great deal of work to be done in this area. IPOC and the Program area do not agree on the urgency of completing business process tasks before the vendor begins work.

June 08 Status: IPOC and IV&V reviewed part of the high-level “as is” business process documents. The Project Manager says he will solicit help from the Implementation Managers in the Districts to complete the next level of detail. Still remaining is the desired “to be” state and the gap analysis for each District. The vendor will require this information when they begin implementation. There is much work to be done on this and little time before the forecasted start date (September) for the vendor. If the information is not documented and available when the vendor needs it, it may have the following impacts: The implementation schedule will be delayed; a basic, bare-bones system may be configured and may be less that Caltrans needs or wants. The interface files/interfaces/reports may be non-existent, incorrect or disruptive to the Districts. IPOC has discussed our concerns with the Project Manager, IV&V and the Project Sponsor. There is some disagreement on how critical this issue is to the success of the PRSM project.

May 08 Status: At the rate that business process work and the migration process planning are progressing, it is highly unlikely that this will be completed before the vendor begins work. It appears that resource limitations are holding this area up. This will cause implementation delays if Caltrans cannot provide the vendor with the information needed in the timeframes they committed to. In addition, the Implementation Managers appear to not be responding to requests for input on business processing documentation.

Apr 08 Status: Work continues on business process modeling. A Migration Plan has been added that will provide a transition strategy for each District. A test team will be added to the PRSM team. This team will work on developing the test plan and UAT cases and scripts.

Mar 08 Status: Business process modeling (the "as is") is nearly completed and will be presented to the Implementation managers for concurrence in the next Implementation managers meeting in early April. IPOC and IV&V will also review. The next step is to define the "to be" and define what functions will be implemented and when.

Feb 08 Status: The team continues to validate and document business processes. Since contract award won't happen for a few more months, the team has more time to ensure business processes and documentation is ready when the vendor begins work.

Jan 08 Status: Work continues on documenting business processes, however, it does not appear that the business process models will be ready if BP begins work in Feb, 08. This could present a potential negative impact to the implementation schedule.

Dec 07 Status: The process was presented in the Implementation Managers meeting on December 5, 2007. Also, a three day meeting was held to further define how Caltrans' business processes will interrelate with the PRSM system. A small team of District and Headquarters staff accomplished the following:

- Developed a common understanding of contract precedence and Admin RFP Requirement 17 for PRSM Business Function Support.
- Reviewed all available past Statewide Project Management Improvement Team (SPMIT) Project Management Business Process documentation.
- Incorporated past SPMIT Business Process Information, as applicable,
- In to PRSM documentation effort.
- Further refined our Caltrans Business Process document by adding new sub-process steps, combining redundant steps, discussing whether each step was within the scope of PRSM, proposing some implementation decisions and identifying applicable phases in Caltrans project development cycle.
- Mapped all Caltrans sub-process steps to the (5) Bearing Point Final Proposal Business Function categories.
- Began development of standard template for 4 of the 5 Bearing Point Business Functions.

Nov 07 Status: Per the Program Project Manager the Department has a detailed and comprehensive process for identifying and managing Business Process/Business Rule changes. Team members, the IT Project Manager and IPOC were not aware of this. In addition, all but three of the District Implementation Managers are new to the project and have not had prior exposure to the process. The process will be presented in the next Implementation Managers meeting on December 5, 2007.

Risk Title: Business Rules

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

Risk Statement:

If District field staffs are not in agreement with the decisions and consequences of changing/standardizing business rules, it will have a negative effect on system acceptance and will be disrupt work in progress.

Risk Context/Analysis:
If PRSM intends to standardize business rules, the decisions and consequences of changing/standardizing business rules must be documented, communicated, clearly understood and agreed to by the Districts.
Business rule example: Who must authorize changes to dates or WBS elements? Appears to vary regionally today. Related finding: 033107-PT001

Mitigation Action Items:
Define the process for gaining field consensus on the new business rules.
Develop a plan that describes how information on new business rules will be communicated to the field with sufficient time to get feedback and buy-in. This business rule information should inform test case development.

Risk Tracking: Event/Action/Commitment:

Dec 08 Status: An implementation challenges document and a high level business process document have been created and distributed to the districts for review. Feedback is being synthesized and the documents will be updated and redistributed in January.

Nov 08 Status: No new issues have been identified.

Oct 08 Status: An issue exists pertaining to earning rules.

Sept 08 Status: No new status.

Aug 08 Status: No new status.

July 08 Status: A high level plan has been developed to address this issue. IPOC looks forward to additional details as resources and time lines are refined.

June 08 Status: No new status.

May 08 Status: No new status.

Apr 08 Status: No new status.

Mar 08 Status: As stated above, the Implementation Managers will review the "as is" Business Process Modeling. The "to be" will presented and input solicited which will help to build agreement and commitment to the changes that will occur with PRSM.

Feb 08 Status: No new issues at this time.

Jan 08 Status: Work continues on business process documentation. Business rule conflicts and concerns will be submitted through the Issue Management process for assignment and resolution.

Dec 07 Status: Any new business rule issues will be processed through the Issue Management System and the Implementation Managers will receive updates in their regular meetings. They will also be publicized statewide through the PRSM Publicity Plan. The Business Rule information is being used by the test case developers.

Nov 07 Status: Per the Program Project Manager the Department has a detailed and comprehensive process for identifying and managing Business Process/Business Rule changes. Team members, the Project Manager and IPOC were not aware of this. In addition, all but three of the District Implementation Managers are new to the project and have not had prior exposure to the process. The process will be presented in the next Implementation Managers meeting on December 5, 2007.

Risk Title: Procurement Delays

Risk Statement: Delays in the State procurement process and decision-making will very likely impact the schedule.

Probability: High Impact: High Time Frame: Short Severity: High Assigned to: David Cordone

Related finding(s): Finding #083105-OT004 (first identified in the August, 2005 IPOR Findings and Recommendations Table) The finding states that "The project is dealing with the lengthy State procurement process and decision-making process. This will most certainly impact the schedule."

Risk analysis: The lengthy and slow State procurement process has and will mostly likely continue to cause delays on the project. These delays could extend the schedule and therefore, the costs for the project and result in a loss of interest on bidding by the vendor community. Delays can lead to the continuation of inefficiencies in the Department's operations that will be addressed by PRSM. The delays could lead to higher vendor costs and higher project costs. The lengthy process has already impacted the hiring of the IV&V vendor, approval of the SPR and RFP and acquiring needed project personnel. Delays in the future will most certainly affect the FSR for and acquisition of data center hardware needed for PRSM, delays in changes to the systems that PRSM will interface and any additional personnel needed for PRSM implementation.

Risk Mitigation Strategies:

- Significant procurement milestones should be isolated and brought to the attention of DGS, Finance, the Legislature and senior CALTRANS management.
- Additional activity times should be added to the schedule. Timeframes can be estimated based on recent experience with the various procurement and control agencies.
- Clear ownership of individual procurement activities with responsibility for tracking and monitoring the procurement through the process.
- An escalation plan should be developed so that delays are quickly identified and communicated.

Where feasible, the project should seek increased delegation authority from DGS and CALTRANS HQ
Risk Tracking: Event/Action/Commitment:
Dec 08 Status: Procurement remains behind schedule. At DGS request, SAIC submitted an updated proposal with a new software package and software provider in December. This proposal is being reviewed by the PRSM team.
Nov 08 Status: DGS Attorneys continuing to work with SAIC / Planisware on contract language issues. DGS has requested SAIC to consider submitting a new sub-contractor (software publisher) if Planisware will not agree to the General IT contract language recommendations. Final contracts still under review by DGS Legal.
SAIC re-submitted two replacement resumes, Caltrans reviewed resumes and deemed them responsive.
Oct 08 Status: Discussions on contract issues continue with Caltrans, DGS and SAIC. The outstanding items are in regards to the General IT provisions for Material Breach and Effect of Termination. The Section 11 was delayed in DOF.
Sept 08 Status: DPAC presented the final contracts to DGS Legal for review. SAIC is preparing the resumes and they will be transmitted to DGS when it is clear that the contract will be executed.
Aug 08 Status: Discussions continue with SAIC and Planisware on the General IT provisions of the State contract. There is no State budget at this time and a contract cannot be executed until there is a State budget. SAIC pricing expires on September 15 and they have indicated that there will be a price increase. It is not clear at this time how much the price increase will be nor how it will impact the project.
July 08 Status: Discussions continue with SAIC and Planisware on the General IT provisions of the State contract. The technical project manager is escalating resolution. The SPR is with OCIO for approval.
June 08 Status: DGS is still negotiating the 8 issues regarding the software publisher's concerns with General IT Provisions. SAIC sent a formal notification to DGS requesting the addition of a new Payment point between Payment point 1 and 2. The current Payment Point 2 (40%) would be reduced to 25 %, the new payment point would be 15%. SAIC submitted an example of the deliverables for each payment point. Caltrans is currently looking at what value would be placed on the new payment point. Basically, Payment Point 2 would be split (2a and 2b) with first payment in March, 2008 and second payment in August, 2008. The SPR, EAW and Issue Memorandum has been completed and was submitted for OPI and Program area review.
May 08 Status: DGS, Caltrans and SAIC continue to discuss and resolve contract issues. If agreement is reached with SAIC and the SPR is approved, the contract will be approved and SAIC may begin work in September, 2008. This assumes that the State budget is approved in time to allow project expenditures.
Apr 08 Status: Procurement delays continue to manifest. DGS, Caltrans and SAIC are discussing contract issues and changes since the SAIC bid response was evaluated. See new risk section of this IPOR for more details. If agreement is reached with SAIC and the SPR is approved, the contract will be approved and SAIC may begin work in September, 2008. This assumes that the State budget is approved in time to allow project expenditures.
Mar 08 Status: Procurement delays continue to manifest. DGS and SAIC will hold contract discussions in early April when the DGS resource returns from vacation. It is forecasted that SAIC will begin work in September, 2008**.**

Feb 08 Status: **DGS rescinded the Intent to Award to Bearing Point and issued**

the Intent to Award to SAIC on February 8, 2008. DGS is currently preparing a draft contract for SAIC. Contract award is forecasted for May, 2008.

Jan 08 Status: The Bearing Point contract was approved by DGS on January 15, 2008.The contract was given to BearingPoint for signature. BearingPoint requested eleven changes on January 23. Eight of these were of an editorial nature. The editorial changes were made and the contract was returned to BearingPoint for signature. The PRSM Project Manager understands that a meeting took place on February 4, 2008, between DGS and BearingPoint. The Project Manager has not been informed of the contents and outcome of that meeting. The Project Manager is awaiting further information from DGS.

Management Memo MM07-10 increases the dollar thresholds for conducting informal competitive solicitations for non-IT goods and IT goods and services and for specific leveraged procurement agreements. However, it is not clear if/how this will impact the PRSM procurement.

Dec 07 Status: The Bearing Point contract is with DGS. Bearing Point has extended their pricing to Jan 15 2008.

Nov 07 Status: The Special Project Report has been approved by DOF. The Bearing Point draft contract package has been reviewed by DGS Legal and feedback is being sent to Caltrans. The IT Project Manger will meet with DGS on Dec 6 to discuss.

Oct 07 Status: The Special Project Report has been completed and is at DOF Budgets for review and approval. The Bearing Point draft contract package is at DGS OLS for review. DTS is currently conducting a design review of the DTS services proposed architecture for PRSM.

General Comments

This is the last Independent Project Oversight Report (IPOR) that PSC, Inc. will provide. Another vendor has been chosen to provide independent project oversight services for this project. A brief kickoff meeting for the new IPOC was held in December at the PRSM site.

PSC IPOC also met with Jack Gibbons of the OCIO and the new OCIO representative John Correia to discuss the current state of the project and turnover to the new OCIO representative. The new IPOC team was unavailable to attend the turnover and there were limited opportunities for knowledge transfer to the new IPOC in December.

Following is a summary of the current state of the PRSM project as we see it.

The PRSM project is challenged. It has been going on for nearly 10 years and has yet to procure the system. The majority of the difficulties experienced getting the PRSM procurement completed do not appear to be of Caltrans making. They appear to be a confluence of factors related to control agencies (DGS and DOF) and State budgeting issues. The previous PRSM project manager had maintained a journal of the history of the PRSM project. It documents a detailed accounting of the project and its delays.

Caltrans is currently managing projects using a dead platform, a COTS system (XPM) that has limited functionality and no vendor support. The 12 Districts plus Engineering Services have had to work around the limitations of the existing system, and what has emerged is a variety of different approaches to project management that use different processes and different software. Field staff contemplating a conversion to PRSM have repeatedly expressed concerns about a loss of locally developed functionality when PRSM is implemented. The project team has not consistently delivered the message that no functionality will be lost.

Because they have been repeatedly told that PRSM implementation was "just over the horizon" and the horizon keeps receding, the field is extremely skeptical of the PRSM project EVER finishing. This has been said in so many words by a variety of the constituencies in the field, repeatedly over the past few years. It has been demonstrated that it is difficult to make PRSM activities a priority in the field... an example of this is the business process review... which has been repeatedly delayed "to give people more time to review the document"... this task should have been done years ago, and the continued delays observed in the Fall of 2008 are seen by IPOC as more a result of a lack of priority for the field, than the team taking advantage of imposed procurement delays.

The biggest challenge likely facing PRSM is the organizational change that is being implemented along with the software solution. It is Caltrans' intent to implement a consistent set of project management controls at the same time that PRSM is implemented. In the opinion of IPOC, inability to establish an effective environment to support this significant cultural change is the biggest risk facing the project, and the critical importance of managing this change may have been underestimated by Caltrans.

Caltrans has encountered repeated delays doing essential pre-work for starting the contract. In the past few months the project has made headway getting risk and issue management systems in place and developing a standardized document management system. As mentioned earlier Caltrans is now addressing the business processes (as is and to be) that will be essential for systems design.

Morale of the Caltrans team is questionable. Morale of the field team is questionable. This is understandable given the delays experienced over the past nine years. Very few of the people associated with the project are familiar with the requirements, few have tenure of more than 3 years with the project. All of their experience with the project has been a series of frustrations completing the procurement. Team composition is changing and new roles and responsibilities are being defined. It is our opinion that the PRSM project requires a full time project manager, a number of dedicated project resources, and District representation to successfully implement PRSM and the organizational changes that will come with PRSM. The recommendations in the Findings and Recommendations Table that pertain to the project manager and project team should be implemented without delay. The Caltrans team should be formed and cohesive before the addition of vendor team members.

An executive steering committee was recently formed and IPOC has not been allowed to participate/attend. It is our recommendation that IPOC attend the executive steering committee to assure that the decisions made relative to the PRSM project and its priority with regard to other Caltrans projects are clearly understood and effectively communicated. It is also our recommendation that a senior level person be accountable for addressing, in writing, the recommendations of both IPOC and IV&V.

PRSM is a complex system that has several key interfaces that must be defined and implemented. Managing these interfaces has been difficult with the delays experienced by the project. They may also be complex given the rollout strategy and how the data to these interfaces will be coordinated while some districts are using PRSM and some are using their current systems must be carefully planned and executed.

In the face of these challenges, there are several positive aspects to the project structure and recent progress:

- The procurement is structured to implement a pilot district, followed by a rolling wave implementation of other districts (rather than a "big bang" implementation). This will allow lessons learned to be applied as the system is rolled out. This will enable tuning of the process, software, training and expectation setting for progressively larger audiences.
- The project made significant progress during the past year on conversion activities to clean up existing data prior the vendor start... although these activities would not have been "early" if the procurement had completed on any of its earlier targets from 2005 through 2007
- The DTS hardware and software systems are largely in place and awaiting vendor start.

Findings and Recommendations Table for December

Status of Previous Findings and Recommendations

Planning and Tracking

Date/ID Number	Finding	Recommendations	Status
10312008-PT001	A draft Training Management Plan was prepared in October and it was reviewed by IPOC	1. Enter all training tasks into the PRSM Implementation MS project plan schedule 2. Develop a mechanism to follow up at some point after the training (maybe one month) to access the effectiveness of the training after staff has a chance to use the new software and processes.	**December Update: The draft plan must be integrated with the vendor plan when it is available.**
09302008-PT001	The acceptance test team has joined the PRSM team and has begun work. The draft testing requirements report is due in mid September. The test team is requesting information for the test plan that is not available at this time. Decisions on the "to be" state are needed to develop the test plan documents.	We recommend Caltrans work with the testing team to develop a strategy for what features will be implemented for the PRSM project in each of its phases. While it is certainly true that some details of the desired state are dependent upon the specific vendor solution selected, we believe that Caltrans should refine the PRSM definition to the next level of detail. A more detailed description of the desired state will facilitate test definition.	**December Update: A draft test plan has been submitted to Caltrans but not yet shared with IPOC**
08312008-PT001	The new SPR defines a different project organization. The Steering Committee is replaced with a Project Advisory Committee and adds an Executive Steering Committee. The project manager position is a higher level position and the current project managers (Business and IT) are now called Business Manager and IT Manager.	1. Clearly define the roles and responsibilities for these positions and communicate to the PRSM project team. 2. Establish rules of engagement for the Executive Steering Committee and the Project Advisory Committee. Include decision making, conflict resolution and escalation processes for both committees. 3. Establish communication processes for the committees and the PRSM project team and monitor those processes for effectiveness. 4. Update the Communication Management Plan and other project documents as applicable.	**December Update: A new project organizational structure is slated for roll out in January to address this issue.**

Date/ID Number	Finding	Recommendations	Status
05302008-PT001	There are insufficient resources available and assigned to perform essential preparation prior to vendor start.	Either immediately assign sufficient, dedicated resources to complete tasks necessary or consider delaying project start until necessary tasks are completed.	**December Update: The revised organization structure to be released in January is intended to address this issue, but in absence of plans that reflect resource load and corresponding estimates, IPOC cannot assess progress.**
013108-PT003	Issues regarding "My Reports" are identified in Risk Management. My Reports may be outside of the scope of PRSM; however, customer acceptance of PRSM will be directly impacted by availability of reports.	The assigned resource for My Reports should provide an update on this and review the strategy for implementing My Reports including the schedule and inter-dependencies with PRSM. It will be critical to communicate with team members and users so that acceptance of PRSM is not negatively impacted.	**December Update: No new status** **A reporting strategy should be developed to determine how reporting in the Districts will be provided. The Project Manager reports that the Districts will continue to get the same information that XPM provides now. Options are being explored now and will need to be finalized and a strategy developed.**
013108-PT005	EFIS may rollout during the PRSM implementation.	Establish close communication with the EFIS team and identify, analyze and plan for schedule and project inter-dependencies with PRSM.	**December Update: No new status (see project Risk #54)** **An IT representative is participating on both the PRSM and EFIS teams to coordinate these efforts and requests for information. The Quarterly meeting was held and focused on strategic projects in development.**
013108-PT006	Due to the rescinded Intent to Award to Bearing Point, the signing of the contract is not imminent. Talks have begun with SAIC and contract signing is projected for	When the SAIC team joins the current PRSM team, the team will move back in the forming stage of team development (the stages of team development are:	**December Update: No progress at this point.**

Date/ID Number	Finding	Recommendations	Status
	early 2009. When the vendor does begin work new members who have a different culture and agenda, will be added to the PRSM team.	forming, storming, norming, performing). The Program Project Manager should lead the newly formed team through the rules of engagement, roles and responsibilities, meeting management rules, communication methods, decision making methods and authority rules, problem solving methods and conflict resolution process etc.	**IPOC strongly recommends preparing for the addition of the SAIC team by following the recommendations for this finding.**
103107-PT001	Project status meetings are now occurring bi-weekly. The meetings had been reduced to one hour and that is not enough time for the meeting. The meeting is being extended to 1.5 hours.	1. Include time for strategy discussions or schedule working sessions to discuss/develop implementation strategies and various plan development. 2. Use a high level project schedule (MS Project or other) with task due dates to track status on tasks in progress. 3. IPOC recommends defining meeting rules of engagement, communicating those rules, reviewing in each meeting and holding team members accountable to the rules. Those rules should include conflict management guidelines. It appears that working sessions and/or strategy sessions are not held/ or not held frequently enough outside of the status meeting so that issues can be worked out before the status meeting. IPOC will be conducting a team effectiveness survey to help identify areas for improving team cohesiveness and team morale. 4. As implementation begins and status meetings continue IPOC recommends including the following specific items: Schedule status (using a project management scheduling tool that clearly shows planned vs actual completion of tasks) IPOC recommends using a project management scheduling tool that is familiar and not introduce a new tool to manage the PRSM project. When the PRSM system is in and staff is trained on it, the PRSM implementation schedule may be converted to the new system.	**December Update:** **Strategy discussions are presented when available.** **All project tasks are not entered into scheduling tool and are not being tracked appropriately. Some tasks are tracked in Excel and there is no way to track planned vs actual or assess the impact of tasks where due dates slip repeatedly.** **This has not been addressed** **Risks and issues are covered. Others are not addressed.**

Date/ID Number	Finding	Recommendations	Status
		Resource status (planned vs actual, what it will take to complete the task, other non-human resources consumed, if applicable) Scope status (is task completion criteria being met, are work products meeting specifications, are reviews being conducted as expected, is rework necessary, are agreed upon methods and standards being followed and have new tasks been identified?) Risk information (new risks, update current risks) Issue information (new issues, significant changes or progress toward addressing issues) Change item – outstanding or pending issues of change control against the project definition or specifications.	
083107-PT001	The vendor cost proposal is valid for 90 days from bid submission. This may not be long enough for the State to get the bid award approved before the cost proposal expires.	1. Begin now and contact the vendor to request and extension for the cost proposal. 2. We recommend that Caltrans not lose its sense of urgency to get the cost extension in writing or finalize the contract.	**December Update: SAIC submitted a new proposal with a new software vendor in December 2008**
033107-PT001	The Caltrans District Implementation Managers continue to meet regularly. Discussions in these meetings has revealed that extended delays between development and documentation of requirements and the implementation of a system responsive to those requirements has lead to some confusion and ambiguity regarding the precise meaning and rationale of requirements. The PRSM procurement has experienced unexpected delays, and hopes to begin implementation soon. The PRSM project team has used some of the time afforded by the delayed procurement to refine implementation and conversion plans in concert with key users in the field	1. Define the process for gaining field consensus on the new business rules. 2. Develop a plan that describes how information on new business rules will be communicated to the field with sufficient time to get feedback and buy-in. 3. This business rule information should inform test case development. 4. Identify additional tasks for process assessment and reconciliation and review with the Steering Committee.	**December Update: PRSM business project manager acknowledges that work must be done to formalize and communicate task management rules that will be standardized under PRSM.** **The PRSM business project manager is consolidating feedback received from the field on the PRSM**

Date/ID Number	Finding	Recommendations	Status
	organizations. This process has raised questions about the interpretation of some requirements. Left unresolved, these issues have the potential to affect the cost, schedule, and user acceptance of the final system.	5. Document risks and mitigation strategies 6. Resolution of business rule issues must be resolved so that test plans can be finalized. 7. Increase the resources devoted to test plan development.	**Implementation Challenges document and the High Level Business Requirements document. Drafts of these documents reflecting district input are expected in January 2009.**
083105-PT001	A number of "unofficial" information systems have been developed to the current system by field organizations to supplement the existing planning tool (XPM) or work around its limitations. Supporting these locally grown applications is technically beyond the scope of the PRSM project, but if field personnel perceive substantial functionality loss that is not replicated, or perceive that the project is indifferent to the effort required to retrofit field applications it may increase resistance to the PRSM implementation. The decentralized and autonomous nature of the different facets of the Department presents a communication and customization challenge that may increase user resistance to PRSM. This finding is based upon IPOC interviews with stakeholders who intimated that the current system is old and inadequate and has required sometimes extensive work arounds in the field.	1. Identify the target "to be" state and perform gap analysis in each District to identify what changes will be necessary to other District information systems to support current operations and minimize business disruption when PRSM is implemented. 2. Assure tasks exist to publish and distribute Application Programming Interfaces (APIs) to allow read access to PRSM data as soon as the information is available 3. Establish mechanisms for recording and prioritizing field requests for data access that is not covered by APIs. 4. Establish mechanisms for recording and prioritizing requests for update access APIs (versus data read only). 5. Establish some kind of help desk or contact point for field organizations who are trying to retrofit applications. 6. Assure publicity plan includes information distribution about the plan for handling unofficial APIs.	**December Update: No status update.** **Work continued in November on a description of the "as is" state of business processes within Caltrans. A detailed as-is business process document was developed and circulated to the districts for review. However, that feedback has been delayed. A few Districts have requested more time to review documents and provide feedback.**
083105-PT003	Implementation managers have been identified. It's not clear how the business process impact of PRSM is being assessed. It is not clear to IPOC who owns the tasks	Assign a single point of contact person from the project team with responsibility for this area. Complete a rigorous business impact analysis for each District. Include key District stakeholders in this effort. Become familiar with organizational/change	**December Update: Responsibility for business processes has been assigned to James Monroe, a new member of the Caltrans team.**

Date/ID Number	Finding	Recommendations	Status
	related to business process changes and business readiness that PRSM may require. If not addressed, unmanaged changes will most certainly lead to confusion, incorrect documentation, inadequate training and resistance to use and acceptance of the PRSM system. If the business impact analysis for PRSM is inadequate, the project may overlook some implications of the changes to the business which could result in disruption to business processes and create quality perception issues with PRSM that could result in increased resistance to acceptance and use of the system	management best practices. Use a tactical perspective on change management by: Assessing the environment and internal /external conditions Including all stakeholders in the change process Planning the change as a sub-project Integrating change management tasks into the schedule and budget Implementing the change plan Closely monitoring the implementation and getting feedback from stakeholders Making changes based on stakeholder feedback Add appropriate work to the WBS, schedule and resource plan to address this area. Track this area closely and keep lines of communication with stakeholders open. Ensure complete understanding of the requirements for business readiness for the new system. 1. The publicity plan should provide opportunities for end users to identify and communicate business impacts to the project. 2. Special attention should be paid to the first pilot to identify missed business implications. IPOC has recommended adding a business analyst to the team to assure that: • The vendor correctly and consistently translates the RFP requirements into business rules and processes consistent with CALTRANS intended direction. • To represent CALTRANS interests when the project maps the diverse processes in use by field divisions to target business processes that PRSM will implement and enforce • To provide a backup, support, and additional coverage for the project's business process re-engineering efforts (the Project Manager is currently the primary point of contact for this knowledge)	**The biggest cultural change, namely the implementation of task management in all the Capital Divisions will be initiated immediately as a Project Management Improvement project using resources separate from the PRSM team.** When the Mitigation Challenges document was distributed to the District Implementation Managers one comment from a District was "One of the core missing pieces that I see here is the human side. By this I mean the cultural change that will need to take place. We are talking about a major Statewide business process change that will affect all of our work plans and this will cause a lot of hesitancy and worry, not to mention some anger. I think that should definitely be identified as a major migration challenge - the human side of this. If we don't, we are missing a very high risk element." IPOC continues to be concerned about the organizational and cultural changes that PRSM will bring to Caltrans. We continue to recommend that a resource skilled in this area have responsibility to lead this effort. IPOC feels that this area needs more attention and resources in order to plan and implement the changes that PRSM will bring to Caltrans.

Date/ID Number	Finding	Recommendations	Status
083105-PT004	The project is dealing with the lengthy State procurement process and decision-making process. This will most certainly impact the schedule.	1. Significant procurement milestones should be isolated and brought to the attention of DGS, Finance, the Legislature and senior CALTRANS management. 2. Additional activity times should be added to the schedule. Timeframes can be estimated based on recent experience with the various procurement and control agencies. 3. Clear ownership of individual procurement items with responsibility for tracking and monitoring the procurement through the process. 4. An escalation plan should be developed so that delays are quickly identified and communicated. 5. Where feasible, the project should seek increased delegation authority from both DGS and CALTRANS HQ.	**December Update: SAIC submitted a revised proposal with a new software product/vendor in late December. Caltrans is reviewing that proposal. It is unlikely that the various entities who must review and approve the contract will meet the extended time that SAIC agreed to provide. The current bid expires January 15, 2009.**
013105-PT001	Current project plans do not provide sufficient granularity to support verification that effort and schedule estimates are credible, nor to support effective tracking.	Activities that comprise the details of the current WBS items (currently activities are managed in a separate MS Word document) should be reviewed, refined and integrated into the project plans for the current phase. Plans should be refined to include resource allocation. Tracking should be enhanced to include performance against planned schedule and resource estimates. IPOC believes that getting <u>all</u> the tasks into a project management scheduling tool (like MS Project) should be a top priority. In addition to the tasks, dependencies and resource requirements must be included so that an Implementation schedule can be developed and the project schedule used as a management tool. IPOC understands that the schedule cannot be finalized until there is a contract and the vendor joins the team. However, the vast majority of the tasks are known and the plan can be fine tuned with the vendor in a short period of time if most of the plan is already in the project management tool.	**December Update: The project plan has been delayed.** An action item from the PRSM Status Meeting on 11/26/08 is to develop a PRSM work plan in Microsoft Project before the next status meeting.

Date/ID Number	Finding	Recommendations	Status
		Until there is a complete project schedule the creditability of the project plan and schedule cannot be evaluated.	
013105-PT004	**While PRSM software requirements are documented in the FSR and Value Analysis, we have not found documentation regarding the details of the final implementation, the "desired" state.** **The requirements outline desired functionality, but do not elaborate on implementation details that will need to be clarified to complete detailed planning. For example:** **The FSR describes the need for a detailed training plan to be developed after the PRSM pilot. It does not specify how many Caltrans staff will receive training and be certified by the vendor so that they can deliver subsequent training to Caltrans employees.** **The FSR describes two classes of users, 800 "power users" and 12,000 others. The skills that must be imparted to the power users are not described. The FSR suggest that the 12,000 non-power users will primarily use PRSM for time reporting, but the PRSM RFQI (written 4+ years after the FSR) suggests that Caltrans' current timesheet application, Peoplesoft's Staff Central will not be replaced by**	**We recommend that the PRSM team review and refine the definition of the desired outcomes of the PRSM project and each of its phases. While it is certainly true that many details of the desired state are dependent upon the specific vendor solution selected, we believe that Caltrans should refine the PRSM definition to the next level of detail. A more detailed description of the desired state after PRSM implementation will facilitate contract negotiation with the vendor and detailed planning for implementation.**	**December Update: PRSM business project manager acknowledges that work must be done to formalize and communicate task management rules that will be standardized under PRSM.** **The PRSM business project manager is consolidating feedback received from the field on the PRSM Implementation Challenges document and the High Level Business Requirements document. Drafts of these documents reflecting district input are expected in January 2009.**

Date/ID Number	Finding	Recommendations	Status
	PRSM. If Staff Central will remain the primary mechanism for time reporting, is PRSM training still necessary for the 12,000 non-power users? **The FSR suggests (table 5.1) that there will be 12,000 PRSM users when the system is fully implemented, is this still the case?** **It is not clear what amount of business process reengineering will be required to implement basic PRSM functionality or further to exploit the new information available from PRSM.**		
Systems Engineering			
Date/ID Number	**Finding**	**Recommendations**	**Status**
083107-SE001	PRSM will be required to interface with other IT systems at Caltrans. The interfaces include: FIDO, Staff Central, CTIPS and SMART (bridge log).	Assign a PRSM resource to take responsibility for the IT Interface area. Establish on-going meetings with representatives in the Interface areas to communicate current status of PRSM and develop specific steps to implement the interfaces to PRSM. Begin research on the interface areas and what will be required to interface with PRSM. Define schedule for interface development	**December Update: Monitoring continues with the various interface areas. IPOC recommends adding interface tasks in the project plan**. The IT project manager is reformatting the interface specifications into a clear and concise format which builds in a traceability matrix and maps the RFP requirements to the interface specifications.

Project Oversight Review Checklist for December, 2008

Project Oversight Review Checklist: High Criticality Project NOTE: Changes from previous month are bolded.

The project remains in the procurement phase now until approximately October or November, 2008.

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		The SPR has been approved by the OCIO. The Section 11 was submitted and the waiting period ended Dec 5. The appropriate project documents will need to be updated when with the new information from the SPR and vendor information.
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 procurement project plan was adequate for the procurement phase of the project. A WBS/task list of approximately 2000 items exists in an Excel file. Procurement tasks are recorded and tracked in MS Project. Cost estimates (matching the SPR) are included. Vendor tasks are included and will need to be validated when the vendor begins work on PRSM. Also, the implementation strategy (what features, when) needs to be defined. In addition, timeframes, resource requirements and interdependencies need to be added and a schedule developed in a project management software tool.
Is completion of planned tasks recorded within the PM software?	X For Procure-ment Tasks Only		The project is back in the procurement process until early 2009. A subset of the WBS/task list (task, task manager, deliverable and due date) documented in Excel is used for status meetings. This is adequate for the procurement phase of the project. Completed tasks are noted. Completion of procurement activities are tracked in project management software. The complete project plan and schedule should be entered in a project management software tool such as PS Project. The final schedule will be developed with the vendor, however work on the schedule can and should be done now.
Are actual hours expended by task recorded at least monthly within PM software?	X		Actual hours are not tracked in PM software. They are being tracked in a spreadsheet.
Are estimated hours to complete by task recorded at least monthly within PM software?	X		Estimated dollars to complete are recorded in a Performance Report in Excel. Estimated hours to complete are not being recorded within PM software because project management software is not being used. The plan is to use the project management software bid by the vendor when they begin work on PRSM. However, it is unclear if estimated hours to complete will be recorded at that time. There is an Excel spreadsheet that contains estimated costs of future tasks and will support capture of actual hours/costs and calculate estimate to complete. Actual hours are captured in the Department's official accounting system by WBS element.
Is there a formal staffing plan, including a current organization chart, written roles and responsibilities, plans for staff acquisition, schedule for arrival and	X		The project organization has changed and applicable documents must be updated and those changes communicated to the PRSM stakeholders.

Practices and Products	Adequate	Deficient	Notes: Items Reviewed; Interviews Conducted; Demonstration
departure of specific staff, and staff training plans			
Have project cost estimates, with supporting data for each cost category, been maintained?	X		**The latest approved SPR has reset the baseline..**
Are software size estimates developed and tracked?		N/A	Bulk of procurement is expected to be commercial off-the-shelf software procurement (COTS). When vendor selection and contract negotiation is complete, any essential software not being developed by the vendor must be identified and would then be subject to software size and cost estimation
Are two or more estimation approaches used to refine estimates?		N/A	Bulk of procurement is expected to be commercial off-the-shelf software procurement (COTS). When vendor selection and contract negotiation is complete, any essential software not being developed by the vendor must be identified and would then be subject to software size and cost estimation
Are independent reviews of estimates conducted?		N/A	Bulk of procurement is expected to be commercial off-the-shelf software procurement (COTS). When vendor selection and contract negotiation is complete, any essential software not being developed by the vendor must be identified and would then be subject to software size and cost estimation
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 For Procure-ment Tasks Only		Adequate for the procurement phase. Will not be adequate for implementation. High-level work plan activity completion is reported in status meetings and is documented in Excel. Planned vs actual is not tracked. As stated earlier, when the vendor begins work the team will use the project management software product to plan, track and monitor the project. When the system is procured, detailed plans need to be developed for the Implementation Phase of the project. IPOR recognizes that final plans cannot be developed until the vendor begins work. A monthly status is not being done at this time. A high-level status report is posted on the Caltrans Improvement Project web database. 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?		N/A	Cannot begin until the vendor begins work. No formal configuration management process is currently in place. The Communication Plan describes a naming convention being used by the project team for document version control that appears sufficient for the project's current needs.
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		Issue Management Plan is approved and all open issues are in the database. The technical project manager is considering the same tool for managing project changes. The change tool should be in place before the vendor joins the project team.
Is user satisfaction assessed at key project milestones?	X		Representatives of a variety of engineering areas and regions participated in the

Practices and Products	Adequate	Deficient	Notes: Items Reviewed; Interviews Conducted; Demonstration
			vendor demonstration evaluations. This is adequate for the procurement phase of the project. It is not known at this time what the plan is for this during implementation.
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. We have made a recommendation about increased granularity for planning and tracking elsewhere. At present, PRSM is expected to be almost exclusively a commercial off-the-shelf (COTS) software procurement and implementation, not a system development project. Once vendor selection is complete and it has been determined which additional components (if any) must be developed to support PRSM implementation, any applicable SDLC standards will be referenced for appropriate work. **Initially, the FSR said that Oracle's Application Implementation and Project Management Methodologies would be used. The project manager has informed IPOC that this is no longer the case.**
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	Not applicable for this phase of the project.
Procurement			
Are appropriate procurement vehicles selected (e.g. CMAS, MSA, "alternative procurement") and their required processes followed?	X		**A new proposal was received from the vendor in December. The evaluation process should be finished in January.**
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. Much of the desired functionality is consistent with industry practices for project planning and tracking. **During vendor demonstrations, the review team used the opportunity to review and refine the business requirements used in the preliminary procurement. This should further improve the quality of the solicitation 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	Project does not involve outsourcing as currently defined.

Practices and Products	Adequate	Deficient	Notes: Items Reviewed; Interviews Conducted; Demonstration
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 March 28. Risks owners have been assigned. A Risk Register is developed and is tracked by the Risk Manager.**
Does the management team review risks and mitigation progress at least monthly?	X		Risk management sessions are held regularly with the team. IPOC recommends holding risk sessions with an expanded group of stakeholders after the procurement phase.
Are externally developed risk identification aids used, such as the SEI Taxonomy Based Questionnaire?	X		Risk list was initially populated using the SEI Risk Taxonomy. Additional risks are added to the list by way of team member input or migration from the issue list.
Procurement			
Are appropriate procurement vehicles selected (e.g. CMAS, MSA, "alternative procurement") and their required processes followed?	X		**A new proposal was received from the vendor in December. The evaluation process should be finished in January.**
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. Much of the desired functionality is consistent with industry practices for project planning and tracking. **During vendor demonstrations, the review team used the opportunity to review and refine the business requirements used in the preliminary procurement. This should further improve the quality of the solicitation 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	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 March 28. Risks owners have been assigned. A Risk Register is developed and is tracked by the Risk Manager.**

Practices and Products	Adequate	Deficient	Notes: Items Reviewed; Interviews Conducted; Demonstration
Does the management team review risks and mitigation progress at least monthly?	X		Risk management sessions are held regularly with the team. IPOC recommends holding risk sessions with an expanded group of stakeholders after the procurement phase.
Are externally developed risk identification aids used, such as the SEI Taxonomy Based Questionnaire?	X		Risk list was initially populated using the SEI Risk Taxonomy. Additional risks are added to the list by way of team member input or migration from the issue list.
Communication			
Is there a written project communications plan?		X	The Communication Plan needs to be updated to reflect the new organization and implementation strategy. The current Communication Plan is dated May, 2005.
Are regular written status reports prepared and provided to the project manager, department CIO (if applicable) and other key stakeholders?		X	IPOC has not seen the distribution of a monthly status report. Executive Committee meetings are occurring monthly and notes were distributed. A PowerPoint presentation is made at this meeting providing an update on the procurement. IPOC has not been invited to participate in or observe these meetings. IPOC has requested to be present at the Executive Committee. The project manager is carrying that request forward.
Are there written escalation policies for issues and risks?	X		The Risk Management Plan contains a risk escalation process. The Issue Management Plan (Appendix D of the Communication Plan) dated May, 2005 contains an escalation process.
Is there regular stakeholder involvement in major project decisions, issue resolution and risk mitigation?		X	Implementation Managers roles and responsibilities were sent out for review. The roles and responsibilities have been accepted by the Implementation Managers. Recent Business Process documents that were created by the Core Test Team consisting of the HQ, District 3 and District 7 Implementation Managers were sent out for statewide review and some comments were received. Most of the Implementation Managers are participating in the monthly conference calls. IPOC suggests meeting (phone, face-to-face, video conference) one-on-one with each of the Implementation Managers to get them involved. They are the PRSM champions in the Districts and it is vitally important that they are onboard and committed to PRSM. The project organization has changed and stakeholders should be made aware of these changes and how it will affect them. The revamping of the Steering Committee has been discussed. As of this date, this has not happened. IPOC recommends the Steering Committee include executive level stakeholders and District reps.
System Engineering			
Are users involved throughout the project, especially in requirements specification and testing?	X For Procure-ment Only		See note above under regular stakeholder involvement. 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
			This level of involvement seems appropriate for the current phase of the project.
Do users formally approve/sign-off on written specifications?	X		The PRSM Steering Committee is comprised of Caltrans personnel from a variety of disciplines and geographical areas. The Steering committee appears to be monitoring the procurement process. This level of involvement seems appropriate for the current phase of the project.
Is a formal SDLC methodology followed?		N/A	At present, PRSM is expected to be almost exclusively a commercial off-the-shelf (COTS) software procurement and implementation, not a system development project. Once vendor selection is complete and it has been determined which additional components (if any) must be developed to support PRSM implementation, any applicable SDLC standards will be referenced for appropriate work.
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. Work has begun on this area. The level of requirements management presently in place seems appropriate for the current phase (procurement) of the project. At present, PRSM is expected to be almost exclusively a commercial off-the-shelf (COTS) software procurement and implementation, not a system development project. This reduces the need for requirements tracking through the life cycle. Requirements are needed to support the procurement (the FSR and Value Analysis provide a baseline for this) and will serve as the basis for testing.
Do software engineering standards exist and are they followed?		N/A	At present, PRSM is expected to be almost exclusively a commercial off-the-shelf (COTS) software procurement and implementation, not a system development project. Once vendor selection is complete and it has been determined which additional components (if any) must be developed to support PRSM implementation, any applicable SDLC standards will be referenced for appropriate work.
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	At present, PRSM is expected to be almost exclusively a commercial off-the-shelf (COTS) software procurement and implementation, not a system development project. Once vendor selection is complete and it has been determined which additional components (if any) must be developed to support PRSM implementation, any applicable SDLC standards will be referenced for appropriate work.
Are formal quality assurance procedures followed consistently?		N/A	At present, PRSM is expected to be almost exclusively a commercial off-the-shelf (COTS) software procurement and implementation, not a system development project. Once vendor selection is complete and it has been determined which additional components (if any) must be developed to support PRSM implementation, any applicable SDLC standards will be referenced for appropriate work.

Practices and Products	Adequate	Deficient	Notes: Items Reviewed; Interviews Conducted; Demonstration
Do users sign-off on acceptance test results before a new system or changes are put into production?		N/A	Not applicable for the procurement phase. Contract testing resources are being procured.
Is the enterprise architecture plan adhered to?		N/A	The RFQI describes the target environment. Any variances proposed by the vendors must be examined as they arise.
Are formal deliverable inspections performed, beginning with requirements specifications?		X	While the requirements have been reviewed, formal inspections have not been performed. We expect that requirements inspections and review with the vendor will be essential to the development of acceptance testing plans.
Are IV&V services obtained and used?	X		**The IV&V Contract was approved and Ken Angelo from Infinity began work in April 2008. IV&V involvement is minimal until a vendor contract is signed.**