AZ360 HRIS Modernization

State of Arizona – Arizona Department of Administration

Informational Update

09/20/2023

Our Vision

Excellence in Arizona government with leading-edge enterprise support

Our Mission

To deliver effective and efficient enterprise support services to our agency customers, allowing them to focus more on their unique missions.

ARIZONA

DEPARTMENT OF ADMINISTRATION

Team Introduction

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TECHNOLOGY

Roles Present at ITAC

- Sean Price, Deputy Director ADOA and HRIS Program Director
- Emily Parish, Assistant Director ADOA Human Resources and HRIS Project Sponsor
- J.R. Sloan, Assistant Director ADOA ASET and HRIS Project Sponsor
- Alba Valencia, AZ360 HRIS Deputy Program Director
- Cam Nielsen, AZ360 HRIS Functional Project Manager
- Victor Carrasco, AZ360 HRIS Technical Project Manager
- James Kane, CGI Project Director
- Sandra Milosavljevic, CGI Deputy Project Director

Project Status

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Description of Project

This project replaces the State of Arizona's aging enterprise HRIS, an on-premise, 20-year-old legacy system, with a cloud- based, leading-edge application that provides a comprehensive suite of modern HR/Benefits/Payroll functionality. The new solution, called AZ360, will be integrated with the State's central accounting system (AFIS) and will perpetually upgrade automatically to the latest technology.

Updates

- Project launched 2022 Oct 01; Align Phase opened.
- Configuration & Development Phase opened 2023 Feb 13
- Align Phase closed 2023 May 05
- Configure and Develop Phase opened in February 2023 and is scheduled to run through August 2024
- Current Project Status: **RED**
- Target Project Phase 1A deployment 2024 Oct 01

Executive Summary - Project Status

Red
- Impact to scope, budget or timeline

Yellow
- Concerns exist, risk monitoring increases

Green
- Risk mitigation is effective

Dashboard - Overall Project Status	Red		
	Previous Status	Current Status	Path to Green
Schedule	Red	Red	The IST schedule has been adjusted begin October 23rd, to allow for all teams to be ready. Team velocity is being closely monitored to evaluate the impact to IST.
Resources	Yellow	Yellow	Resources have been re-assigned to assist teams that are trending behind schedule.
Quality	Green	Green	
Scope	Green	Red	Benefits MVP is being evaluated by State & CGI which has the potential to change project scope. A change request is pending.
Risks	Yellow	Yellow	Project has identified 18 open risks, 1 is red, 3 are yellow and 14 are green status.
Issues	Yellow	Yellow	Project has identified 1 open issues that continue to be evaluated and mitigation strategies applied, both issues are red.

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Executive Summary - Team Status

- Red: Impact to scope, budget or timeline
- Yellow: Concerns exist, risk monitoring increases
- Green: Risk mitigation is effective

Dashboard - Overall Project Status	Red		
Team	Previous Status	Current Status	Path to Green
Functional	Red	Red	The Functional Team along with the PMO Team continue to identify opportunities for improvement to the sprint plan with focus on LOE, due dates, dependency on Technical Team, managing resources and addressing roadblocks.
Technical	Yellow	Red	The Technical Team along with the PMO Team continue to identify opportunities for improvement to the sprint plan with focus on LOE, due dates, dependency on Functional Team, managing resources and addressing roadblocks.
OCM/ Training	Green	Green	

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Metrics driving RED status - Functional Configuration

Workstream	Expected	Actual	Planned Complete	Total Planned Sprints
Benefits	85.7%	58.8%	10/20/2023	7
Deductions	85.7%	85.8%	10/20/2023	7
PAM	80%	65.4%	10/20/2023	5
Payroll	85.7%	40.8%	10/20/2023	7
Personnel	87.5%	85.8%	10/20/2023	8
Position Control	100%	94.9%	6/30/2023	5
Time & Leave	85.7%	40.1%	10/20/2023	7

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Metrics driving RED status - Technical Development

Workstream	Expected	Actual	Planned Complete	Total Planned Sprints
Data Conversion	66%	65.4%	4/5/2024	12
Business Intelligence	53%	12.4%	4/5/2024	15
Interfaces & Integration	66%	24.3%	4/5/2024	12
App Sec & WF	53%	76.5%	4/5/2024	15
Architecture & Infrastructure	66%	31.6%	4/5/2024	12

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Immediate steps to mitigate RED status

Action	Due Date	Status
Streamline Knowledge Transfer Sessions Hands on practice for end users instead of presenting concepts	07/31	Done
Add State Scrum Master - Aaron Kirkland	07/26	Done
Add CGI Agile Coach/Scrum Master - Kim Roper	07/26	Done
Add - State Product Owner - TBD Presented definition to Business/Technical Leads on 8/28	08/04	Done
Move team members to assist other teams not ready for IST: Travis - Payroll, Teresa & Kimberly -Benefits	07/26	Done
Adjust IST Schedule from a staggered start to start when all teams are ready	07/26	Done

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Additional mitigation steps to consider

- AZ and CGI Staff Increases
  - Bolster underperforming functional and technical areas
    - 3 new CGI team members added
    - 2 new State team members added
  - Increased cost
- Minimum Viable Product (MVP)
  - Benefits team developed a list of MVP items (must haves) for the project
  - CGI reviewed the list (insert status of 9/5 mtg)
  - Increased timeline
  - Increased cost
- Move September 2024 Go-Live to 2025
  - Evaluate current sprint velocity to determine new Go-Live date
  - Increased cost
  - Impacts to external partners

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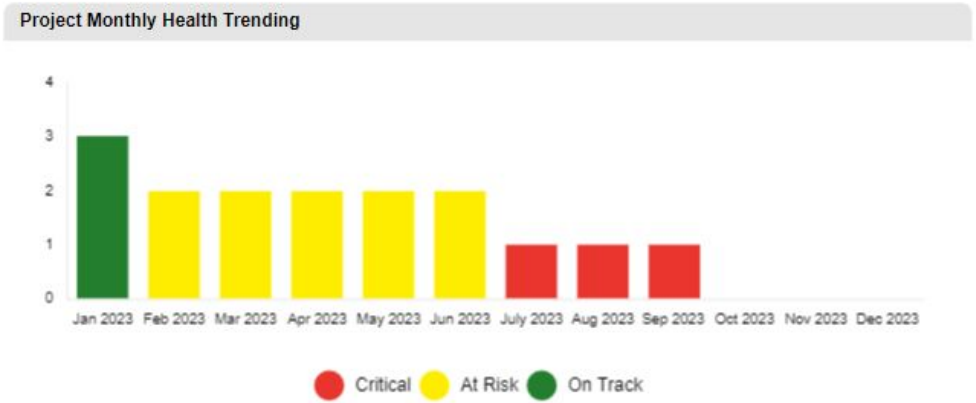
Financial Burndown Chart

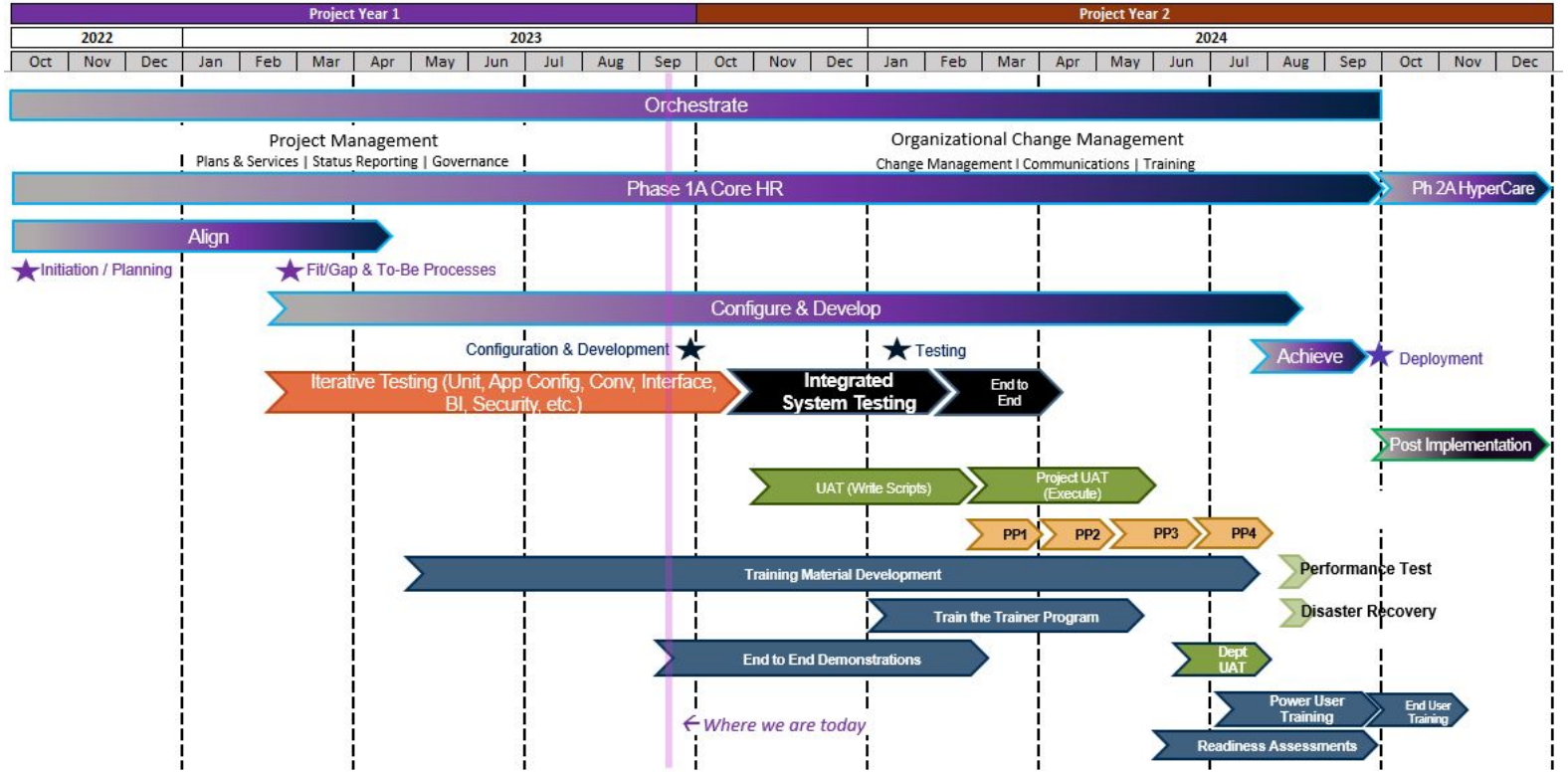
Project Budget

Total Budget:	$44,166,800.00	FY23 Budget:	$22,397,800.00	FY24 Budget:	$20,647,800.00	FY25 Budget:	$1,121,200.00
Total Budget Expended:	$12,733,231.46	FY23 Expended:	$12,274,861.00	FY24 Expended:	$458,370.46	FY25 Expended:	

Project Health Status



Project Timeline



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IV&V Report

Observations and Next Steps

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IV&V Report

Report 4	Plan Viability	Key Observations	Next Steps
↓	Timeline	The agile sprint roadmap lacks the required detail to determine level of effort. Specific work item delay impact to project timeline is difficult to determine with the current schedule. A benefits MVP is required to determine remaining project timeline.	1. Details continue to be added to the sprint plan. 2. Benefits MVP in progress. Additional analysis will be required.
↓	Implementation Methodology	Level of Effort for technical work should be scoped earlier. Accountability to outlined work needs to be improved. The Program work log (Jira) does not include all associated work (data retention exercises, etc.).	1. LOE for technical and functional work continues to be added to sprint plan/JIRA.
↑	Data Management /Migration/ Conversion	Conversion of reference data for use in sprints was a higher lift than anticipated. Remaining effort should be scoped early and effort forecasting routinely reviewed. The ownership, and sign off, of the validation data loads needs clarity.	1. LOE for conversion activities continues to be added to sprint plan. Adjustments are being made to the sprint plan and start of IST to accommodate LOE.
↓	Schedule Management	Current sprint planning and discovery sessions are not providing enough lead time to adequately scope, assign, and plan work across the Program. The viability of the timeline is not known. Technical tasks not related to functional items need more efficient tracking.	1. LOE for technical and functional work continues to be added to sprint plan/JIRA.

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IV&V Report

Report 4	Plan Viability	Key Observations	Next Steps
↑	Completeness of Plan	Benefits functional capability in Advantage 4.0 may have some serious gaps relative to State goals. The technical planning remains gapped. Misalignment of duties between vendor and State exist.	1. Benefits MVP in progress. Additional analysis will be required.
→	Staff Levels and Skills	The vendor Program Director and the State Program Director were onboarded to the Program. The demarcation of duties on the programs PMO team need additional clarity. A Product Owner is required as the product backlog is not well managed.	1. Completing a RACI is in progress to clarify roles and responsibilities on the PMO Team.
→	Business Process Improvement	The State will need to determine its Benefits MVP in order to determine its long-term strategy to satisfy the workstream's processes. Backlog tactical/strategic mgmt. ownership is gapped onboarding a Scrum Master/Product Owner will help resolve.	1. Benefits MVP in progress. Additional analysis will be required. 2. State and CGI has identified a Scrum Master. Identifying a Product Owner is in progress.
→	Project Governance	The programmatic governance structures in place are adequate for the size and complexity of the project. The Program should create a complete PMO RACI chart inclusive of vendor responsibilities. The Executive Steering Committee meeting cadence should be increased.	1. Completing a RACI is in progress to clarify roles and responsibilities on the PMO Team.

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IV&V Report

Report 4	Project Delivery	Key Observations	Next Steps
↓	Scope Management	The change control process has been tested, but would benefit from additional vendor input, an OCM review, a testing review, and alignment on expediting the process. Program scope creep has occurred.	1. Addressing the change control process is in progress.
→	Risk Management	The Program risk register is not currently reflective of status. The Program is more reactive to issues than proactive with risks. The Program process and monitoring of risks is reasonably mature.	1. The PMO Team recently added 20 new business and technical risks that are pending evaluation and mitigation steps.
→	Resource Management	Responsibilities, accountabilities, where to consult and inform for the Program from workstream leads to project directors need granular documentation. Accountability in general should be pushed down where possible otherwise management/directors will be at risk for burnout.	1. Completing a RACI is in progress to clarify roles and responsibilities on the PMO Team.
↓	Communication Management	Accountability of sprint operation tasks at the PMO level has created some confusion. The project has developed a set of quantitative metrics which aggregate progress into a reportable dashboard. Blocker communication specifically needs improvement.	1. Completing a RACI is in progress to clarify roles and responsibilities on the PMO Team.

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Elevated (Risks)

-1
-3
-14 18 Open Risks

Legacy Attachment Storage into Data Lake

- Data conversion to the data lake. More specifically, we need the data lake to store unstructured data such as blob objects to store performance appraisals from AZP! and MAP so they can render as pdfs to the end users in the data lake. Also needs to be setup so it's accessible for agencies and is user friendly.
  Mitigation Plan: 8/28/2023: Brian to set up a working session to talk through the solution.

Overlapping Tasks and Activities

- There are overlapping activities - development, IST and UAT script writing. UAT and parallel payroll occur in parallel. Incremental additions of completed content to IST over time will require IST testing to be repeated multiple times over.
  Mitigation Plan: 8/28/2023: James to set up discussion on overlap changes and ways to move forward with minimal overlap of activities.

Adoption

- Across the board there are a lot of changes for the agencies to adopt and implement within their agency.
  Mitigation Plan: 8/28/2023: OCM Team is working with Change Ambassadors and updating standard work to confirm work outside the system is defined and including checkpoints in the Readiness Checklists.

Benefits MVP Solution

- The Benefits Solution is being evaluated for MVP. If the Advantage application cannot meet the MVP within an acceptable level of manual effort, there could be a high impact to the overall project and lead to scope and schedule changes.
  Mitigation plan: 8/21/2023 CGI received MVP spreadsheet from the State and is working with product team on the applicable resolutions.

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Issues

● - 1 Open Issue

Tight timeline, scheduling, and resource management ●

- HRIS implementations require an immense amount of effort from business units to define requirements, confirm designs, validate data, integrate test, and user acceptance test.
- The effort, combined with day-to-day business operations and competing initiatives (AFIS), will cause resource constraints.
- The timeline has no obvious built-in contingency for known unknowns.
- Teams are having trouble keeping up with scheduled activities.
- The project team members are stretched across multiple activities which is creating challenges in keeping up with the planned workload.
- Competing internal projects and operational responsibilities are burdening key State resources potentially impacting two projects and operations.

Mitigation Plan: 7/24/2023 - The IST schedule has been adjusted to begin October 23rd, to allow for all teams to be ready. Resources have been reassigned to assist teams that are trending behind schedule.

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Decisions (Open)

● - 1 Open Decision

Data Warehouse into Data Lake Options

- Data conversion to the data lake. A decision needs to be made on how to retain, manage, retrieve and provide agency access to historical data. The State requires the ability to retrieve historical data to perform transactions such as retro pay and employment verifications.
  Mitigation Plan: 8/28/2023: The State team is gathering information to bring to the ESC for a decision. Options are being vetted for to include details on long term vs short term solutions. If a decision is not made by IST start (10/23/2023) then it would impact conversions that are needed to begin Integrated System Testing.

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