

AZ360 HRIS Modernization

State of Arizona – Arizona
Department of Administration

Project AD22009

Change Request

5/15/2024

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.



Project Team Introduction

Project Leadership Team

- Sean Price, Deputy Director ADOA and AZ360 HRIS Program Director
- Alba Valencia, AZ360 HRIS Deputy Program Director
- Cam Nielsen, AZ360 HRIS Functional Project Manager
- Victor Carrasco, AZ360 HRIS Technical Project Manager
- Veronica Darwin, AZ360 HRIS Organizational Change Management Lead
- James Kane, CGI Project Director
- Sandra Milosavljevic, CGI Deputy Project Director
- Nicole Sornsins, Assistant Director ADOA Human Resources and HRIS Project Sponsor
- J.R. Sloan, Assistant Director ADOA ASET and HRIS Project Sponsor
- Paul Shannon, ADOA Assistant Director and HRIS Project Sponsor
- Ashley Retsinas, ADOA Assistant Director and HRIS Project Sponsor
- Jacob Wingate, ADOA Assistant Director Budget

Project Introduction

Date/high-level overview of the approved original project investment justification (PIJ):

On *July 20, 2022*, ADOA ASET approved the original project investment justification (PIJ) to procure the HRIS Modernization solution.

This solution offers:

- Continuity of Operations - Fully supported and scalable - Flexibility for future initiatives
- Centralized HR Functions - One system with one interface
- Industry Best Security - Incorporates user access management best practices, AZRAMP compliance, ensures data security and integrity
- Vendor Provided Technology - Elimination of costly system upgrades
- Changing Workforce - Provides ability to effectively respond to workforce changes
- Operational Efficiencies - Best practices, built-in workflow
- Robust Reporting - Single source for employee data - Informed decision making
- Virtual Assistant - Employees can ask questions for Time Entry, Time Off, etc.

The original PIJ spanned *36 months, including 2 phases* and had development costs of *\$44,166,800*

Project Change Request Overview

What in the PIJ is changing?:

- ✓ Timeline
 - Phase 1A From September 2024 to May 2025
 - Phase 1B From July 2025 to March 2026

- ✓ Budget
 - From \$44,166,800 to \$62,309,100

What initiated this change?:

- The project is currently in a **RED** status and has been since July 2023 because of the complexity and underestimated level of effort for key milestones.

Change Request

AZ360

- **The Back Story**
 - History of HRIS
- **HRIS Modernization Project**
 - The journey of AZ360
- **Why the Project is Behind Schedule**
 - Grasping the complexity and level of effort
- **Extension of the project timeline for go live**
 - Timeline and Budget
 - Does not include a scope change
- **How did we determine the current go live was not attainable**
 - Project moved to Red in July of 2023 due to sprint velocity and growing backlog
 - CGI provided new level of effort calculation in October 2023
 - Based on analysis of LOE, CGI provided a new go live recommendation in January 2024

Solution Process:

- **Data Collection & Analysis:**
 - CGI provided their recommended level of effort
 - Evaluated and Identified gaps and concerns
 - Time studies and worked with contract partners
 - IV&V, ISG, CGI
 - Project resources review
 - Confirm project milestones dates
- **Development Process:**
 - Develop Project Plan
 - Develop Resource Plan
- **Review**
 - Review with project leadership, workstream leads, IV&V and executive leadership
 - Incorporate feedback

Change Request

Decision:

- **Decision**
 - State does not have the capacity to meet CGI March 11, 2025 Go Live
 - Additional 6 weeks based on resource plan
 - Additional 4 weeks for contingency
 - **New Go Live May 20, 2025**
- **Contingency**
 - In addition to the four week contingency built into the May 20th go live date...
 - Crash schedule up to 4 additional weeks

Leadership Accountability:

- **Accountability to Milestones**
 - EPIC Milestones Established with dates and success criteria
 - Monthly meeting with executive steering committee
 - Milestone Metrics
 - Critical Path

- **Contract**
 - Amendment with new payment milestones on critical path deliverables
 - Integrated System Testing (IST) 4/1/2024 - 7/26/2024
 - End to End (E2E) 7/29/2024 - 10/18/2024
 - Mock Conversions (4 iterations) 6/3/2024 - 1/3/2025
 - Parallel Payroll (4 iterations) 5/6/2024 - 2/21/2025
 - Cutover & Achieve Phase “Go-Live” 3/11/2025 - 5/15/2025

- **Success Criteria/Stage Gate**
 - Critical defects have been resolved
 - Data conversion tables loaded with 85% success rate
 - Mock Conversion >=95% success rate

Budget

Change Request

Project Budget History

Key Dates & Changes *(All amounts include ADOA costs, vendor costs, taxes, & contingency)*

- **\$52.0 M – Original September 2022 Budget Request**
- **\$68.0 M – December 2022 Request Revision**
 - Revised cost estimates after working with consultant to refine system requirements
 - FY 2023 Executive Budget:

“The project is expected to be completed in FY 2026 for a total cost in the range of \$58.0 million to \$68.0 million.”
 - FY 2023 JLBC Appropriations Report:

“Total project costs are expected to be \$68,000,000 over 3 years.”
- **\$44.2 M – July 2022 Procurement Updates**
 - Reduced project budget based on lower CGI bid
 - Project development costs comparison under various bids →
- **\$62.3 M – Current Proposal**
 - Includes costs for extended timeline

System	Project Cost Range
SAP	\$64.4 M – \$75.7 M
Workday	\$57.6 M – \$67.7 M
CGI (Selected)	\$44.2 M

Analysis of Development Cost Changes

Total for All Phases

	Current	Revised	Difference
CGI – System Hosting (Net)	\$8,533,100	\$8,533,100	-
CGI – Project Management & Implementation Services	\$16,551,000	\$24,736,000	+\$8,185,000
State – Other Professional & Outside Services	\$6,877,500	\$9,499,800	+\$2,622,300
State – Agency Staff, Contingency, & All Other	\$12,205,300	\$19,540,300	+\$7,335,000
Total Development	\$44,166,800	\$62,309,100	+\$18,142,300

Key Changes

- **CGI – Project Management & Implementation**
 - Extension of Phase 1A through May 2025
- **State – Other Professional & Outside Services**
 - Continue current contractor engagement levels through extension
- **State – Agency Staff, Contingency, & All Other**
 - Maintain State staffing levels through extension & add resources to meet requirements
 - Additional licensing costs for existing system to extend life

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Requesting Approval:

Recap	Current	Revised	Difference
Go Live Dates Phase 1A	September 2024	May 20, 2025	8 months
Go Live Dates Phase 1B	May 2025	March 2026	1 year
Budget	\$44,166,800	\$62,309,100	+\$18,142,300
Scope	n/a	n/a	none

Q & A Session

Recommended Conditions

ADOA-ASET Conditions

1. Should development costs exceed the approved estimates by 10% or more, or should there be significant changes to the proposed technology scope of work or implementation schedule, the Agency must amend the PIJ to reflect the changes and submit it to ADOA-ASET, and ITAC if required, for review and approval prior to further expenditure of funds.
2. Monthly reporting on the project status is due to ADOA-ASET no later than the 15th of the month following the start of the project. Failure to comply with timely project status reporting will affect the overall project health.
3. The agency shall provide the quarterly Independent Verification & Validation (IV&V) report, via email communication, to ADOA-ASET 90 days following the start of the project.
4. NEW Condition: Approval by the Committee does not constitute an obligation on behalf of the State to provide additional funding. Should the total project funding change from what was approved by ITAC, the Agency shall return to ITAC and inform the committee of the changes.

ITAC Voting Options

What ITAC May Consider In Review Whether:

- a. The proposed solution addresses the stated problem or situation;
- b. The budget unit is competent to carry out the project successfully;
- c. Sufficient sponsorship and support by budget unit leadership exists;
- d. Cost estimates provided are accurate;
- e. The proposed project aligns with the budget unit's Strategic IT Plan; and
- f. The proposed solution complies with statewide IT standards.

ITAC Motions:

- a. Move to Approve
- b. Move to Approve with Conditions As Presented
- c. Move to Approve with Conditions
 - i. Committee May Modify or
 - ii. Add Conditions
- d. Move To Deny or temporarily suspend development activities

Relevant Statutes and Rules

Appendix

Change Request

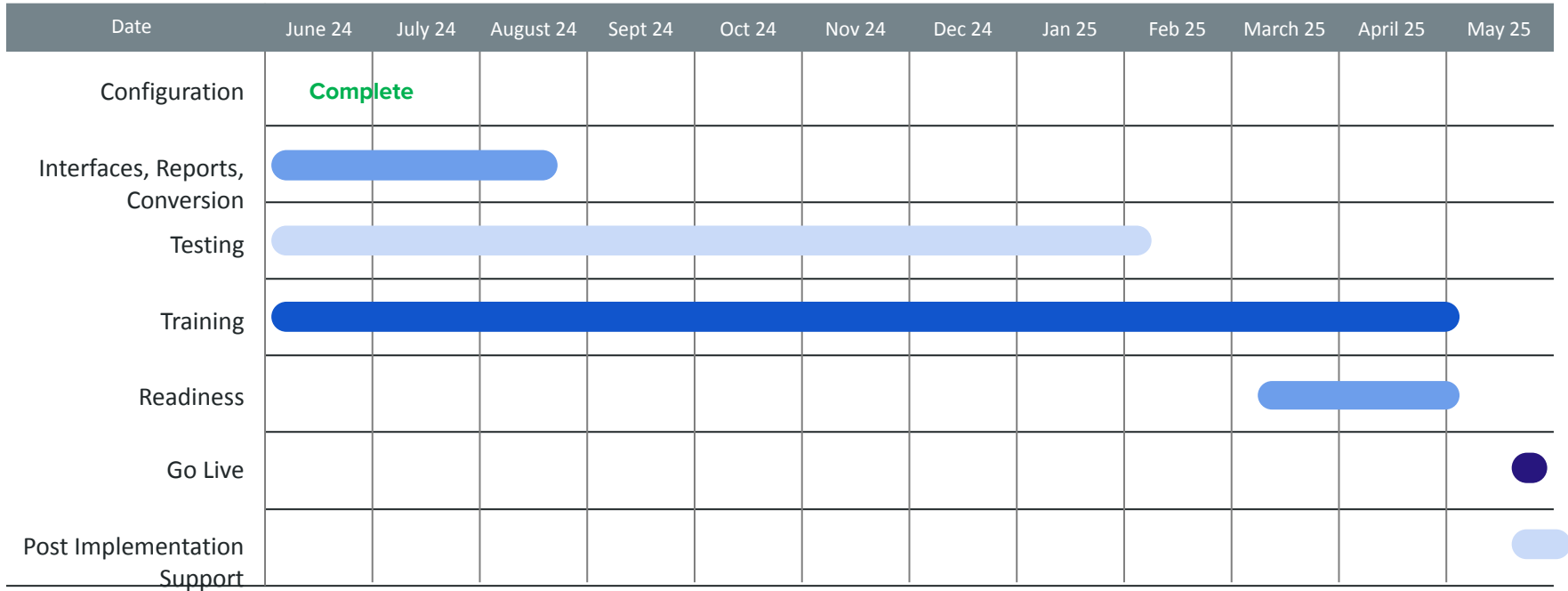
Supporting Documents

Current/Revised Project Timeline

Milestone Date Changes:

Milestone:	Original Start Date:	Original End Date:	New Start Date:	New End Date:
Configure and Develop	2/13/23	8/15/24	n/a	3/7/25
Interfaces	2/13/23	4/12/24	8/28/23	8/23/24
Reports	2/13/23	4/12/24	4/1/24	3/7/25
Project UAT	2/1/24	5/31/24	7/29/24	11/15/24
Department UAT	6/1/24	8/1/24	11/18/24	2/7/25
End User Training	9/15/24	10/31/24	4/7/2025	5/30/2025
Power User Training	7/1/24	10/31/24	2/10/25	5/2/25
Achieve	8/16/24	10/1/24	3/7/25	5/15/25
Phase 1A	10/2022	9/2024	n/a	5/20/2025
Phase 1B	7/2024	7/2025	5/2025	3/2026

Revised Project Timeline



↑ - Current



Current Project Costs - appendix

Total Five-Year Development and Operational Costs

	FY 2023	FY 2024	FY 2025	FY 2026	FY 2027	Total
CGI – System Hosting (Net)	\$2,592,700	\$2,776,800	\$3,163,500	\$1,879,000	\$2,158,400	\$12,570,400
CGI – Project Management & Implementation Services	\$7,651,600	\$4,230,000	\$4,291,400	\$378,000	-	\$16,551,000
State – Other Professional & Outside Services	\$874,800	\$3,410,300	\$2,468,300	\$124,000	-	\$6,877,500
State – Agency Staff, Contingency, & All Other	\$1,155,700	\$4,236,200	\$6,763,200	\$3,092,900	\$4,780,100	\$20,028,100
Total Development	\$12,274,900	\$14,653,400	\$16,686,400	\$552,200	-	\$44,166,800
Total Operational	-	-	-	\$4,921,700	\$6,938,500	\$11,860,200

Revised Project Costs - appendix

Total Five-Year Development and Operational Costs

	FY 2023	FY 2024	FY 2025	FY 2026	FY 2027	Total
CGI – System Hosting (Net)	\$2,592,700	\$2,776,800	\$3,163,500	\$1,879,000	\$2,158,400	\$12,570,400
CGI – Project Management & Implementation Services	\$7,651,600	\$4,230,000	\$8,185,000	\$4,669,400	-	\$24,736,000
State – Other Professional & Outside Services	\$874,800	\$3,410,300	\$3,716,600	\$1,436,100	\$62,000	\$9,499,800
State – Agency Staff, Contingency, & All Other	\$1,155,700	\$4,236,200	\$8,454,800	\$8,730,200	\$4,786,300	\$27,363,100
Total Development	\$12,274,900	\$14,653,400	\$23,519,800	\$11,792,900	\$68,200	\$62,309,100
Total Operational	-	-	-	\$4,921,700	\$6,938,500	\$11,860,200

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Supporting Material:

- **Supporting Documents:**
 - Planning Documents
 - Microsoft Project Plan
 - Consolidated Sprint Plan
 - User Acceptance Testing Plan
 - Interface Plan
 - IV&V Recommendations with Action Plans
 - Backlog Plan
 - Success Criteria Sprint Gate
 - Sprint Planning
 - Budget
 - Data
 - Resource Report
 - Confluence
 - Consolidated Sprint Plan Level of Effort

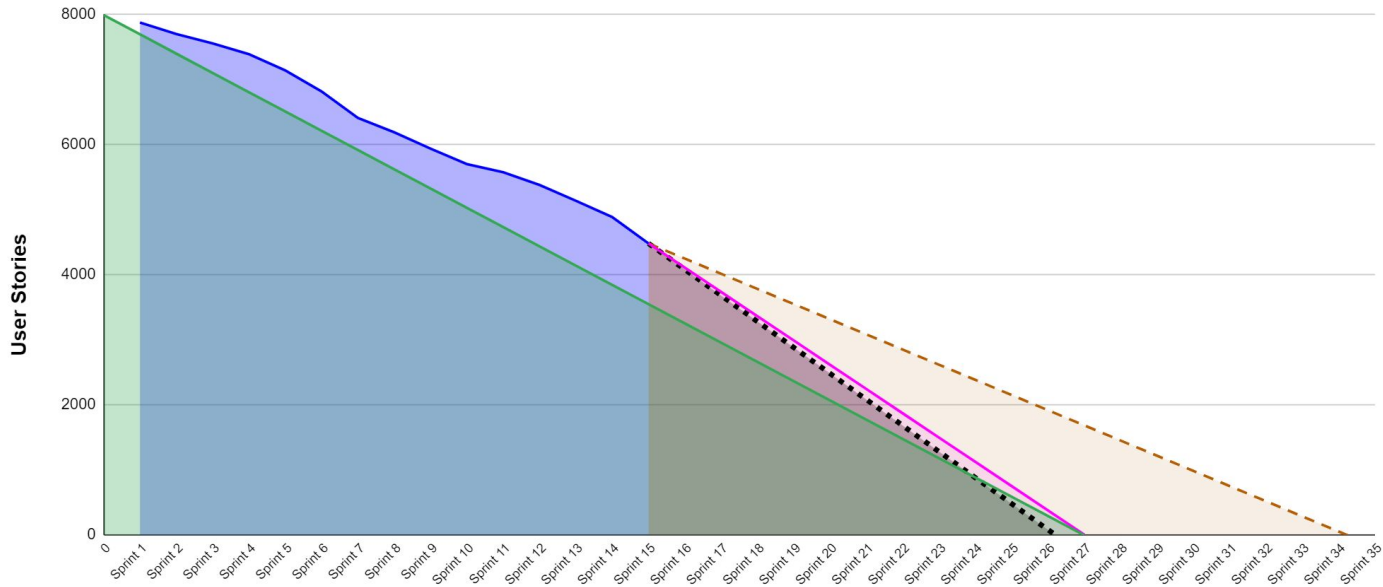
Project Management & Accountability:

- **Project Management**
 - Efficiency in Sprint Planning & Sprint Refinement
 - Enter all Jira/User Stories for duration of project to determine full scope
 - Track end of week, end of sprint outstanding user stories to determine root cause
 - Monthly grooming sessions prior to next sprint
- **Accountability & Oversight**
 - Accountability Structure
 - Moved from a monthly to weekly
 - Daily scrum meetings
 - Dependencies and Blockers
 - Accountability meetings to project upcoming deliverables and manage past due items
 - Monthly metrics with targets presented to ESC to determine progress to plan

Project Metrics (Burndown)

Burndown Chart

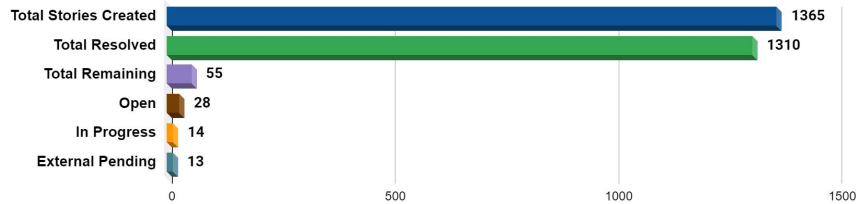
•• High Forecast Burndown — Forecast Trend* ■ Forecast Burndown ■ Actual Burn ■ Ideal Burn
(Estimated Burndown at 400 stories) (Estimated Burndown of 373 stories - Current Average) (Estimated Ideal Burndown to Done)



Project Metrics (Functional Configuration)

Functional Team - Total Story Count

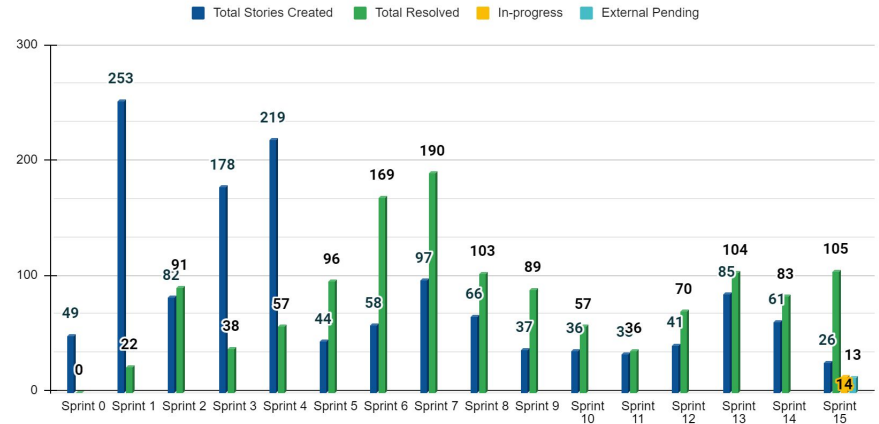
(Excluding IST & UAT)



Updated: 4/05/2024 - 12:10pm

Story Count by Sprint

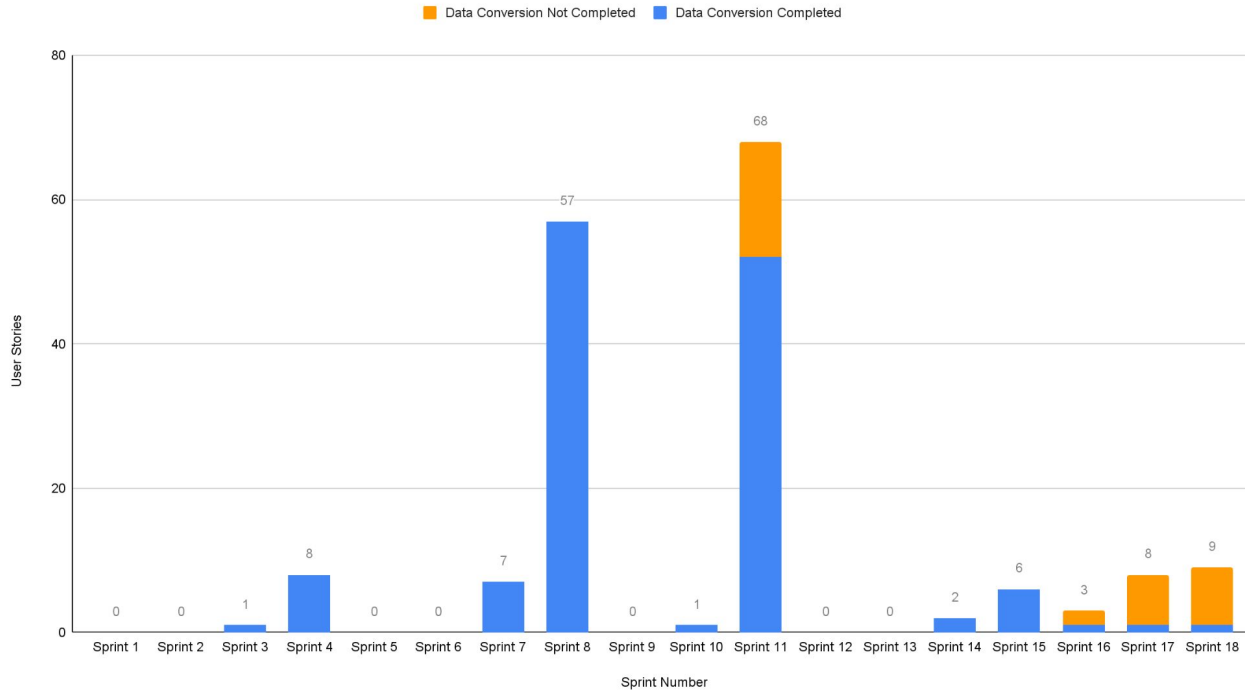
(Functional Team)



Updated: 04/05/2024 - 12:10pm

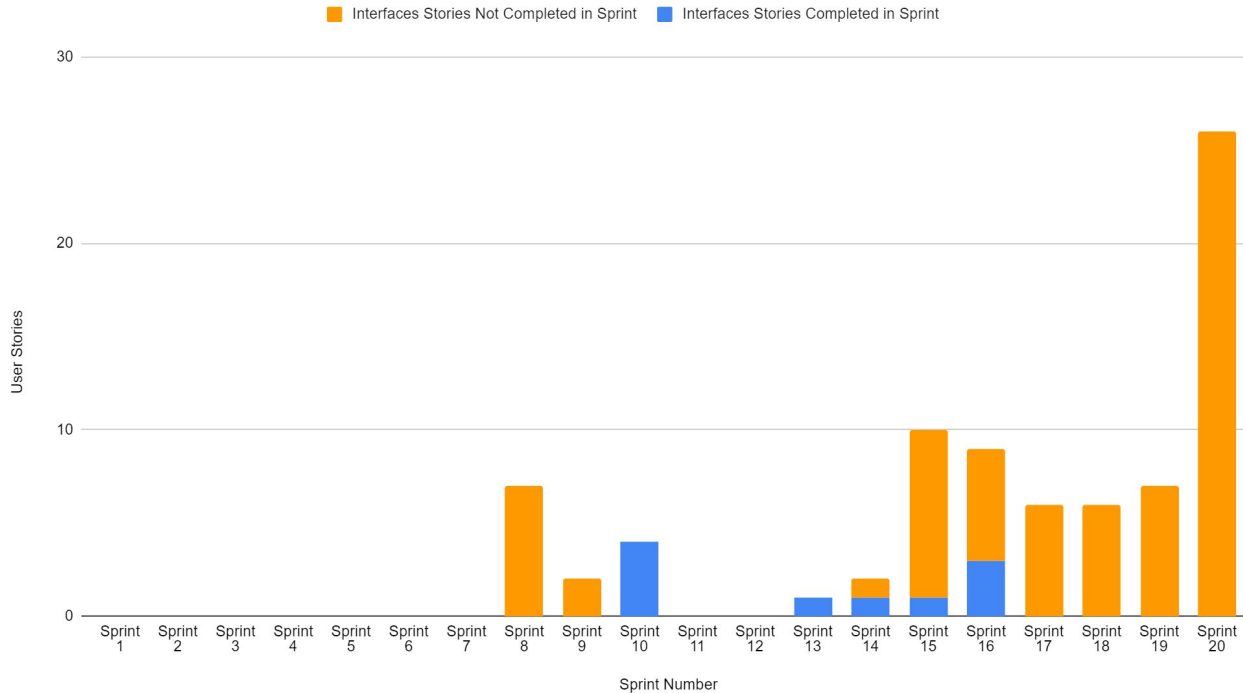
Project Metrics (Conversions)

Data Conversion (Includes Reference Data and Transactional Data)



Project Metrics (Interfaces)

Interfaces Stories Completed in Sprint and Interfaces Stories Not Completed in Sprint



Project Metrics (Reports)

Reports Stories Completed in Sprint and Reports Stories Not Completed in Sprint

