



North Dakota Public Employees Retirement System

Legacy Application System Replacement (LASR) Project Charter

June 22, 2006



Project Name	Legacy Application System Replacement
Agency	North Dakota Public Employees Retirement System
Business Unit/Program Area	All program areas
Project Sponsor	Sparb Collins, Executive Director
Project Manager	Deb Knudsen, Program Development and Research Manager
Project Coordinator	Cheryl Stockert, Manager, Administrative Services



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1 INTRODUCTION

The following sections identify the purpose of this document, the project background, the project scope, and project objectives.

1.1 Purpose of Document

The purpose of this document is to establish the “Development of a Request for Proposal (RFP)” phase of the Legacy Application System Replacement (LASR) project being undertaken by the North Dakota Public Employees’ Retirement System (NDPERS). The document will also define the assumptions, constraints and limits of authority for various roles in the project.

1.2 Project Background

The North Dakota Public Employees Retirement System Board met in late 2005 and determined that a study needed to be conducted to determine if NDPERS should consider replacing the legacy business application systems. This decision gave rise to the LASR project. A deliverable of the LASR project was a Feasibility Study. The purpose of this study was to review the current operating environment of PERS, identify its business issues and challenges, determine needed system enhancements to meet those challenges and identify the options to meet those challenges along with a recommendation. Current issues and challenges of the legacy system include:

- The systems for many of the programs and functions that NDPERS administer are not integrated. This forces NDPERS staff to enter data multiple times and gives opportunity for data to be out of sync, missing and inaccurate and provides poor internal controls.
- The legacy systems are now between 8 and 33 years old. After going through many changes and enhancements over the years, the systems have become very complex and difficult to maintain or enhance.
- The State of North Dakota has also experienced difficulty in recruiting, training and retaining technical staff capable of maintaining the system.
- New programs and benefit options implemented by NDPERS have led to several stand alone systems being implemented to solve the immediate processing needs.
- The fragile nature of the application evidences itself when maintenance is performed on the system. Even seemingly simple changes often cause unanticipated problems in other areas of the application.

These and other challenges are documented in the [Legacy Application System Review \(LASR\) Feasibility Study](#).

All these shortcomings have brought NDPERS to an understanding that replacement of the legacy system with a comprehensive, all inclusive record keeping system that accommodates all the various benefit plans they administer would be the best course for the agency. The NDPERS Board of Trustees reviewed the Feasibility Study and has authorized expenditures for efforts to develop an RFP and the procurement of a replacement system.

1.3 Project Scope

The scope for the RFP Development phase of the LASR Project is defined in the [RFP for the Business Applications System Replacement Project](#) and includes the following:



1. Develop criteria to be included in the RFP
2. Develop a procurement strategy
3. Create draft RFP
4. Create final RFP
5. Manage pre-bid conferences
6. Evaluate RFP responses and provide an analysis to NDPERS
7. Manage post-bid sessions with finalists
8. Participate in and conduct on-site visits of finalists
9. Recommend top implementation vendors to NDPERS
10. Reference checks on vendor finalists
11. Assist in final contract negotiations
12. Provide NDPERS with estimated implementation timeframes and NDPERS staffing requirements
13. Present information to the Board as requested by the Executive Director

1.4 Project Objectives

The primary objectives of the RFP Development phase of the project are:

- Develop an RFP for the procurement and implementation phase of the LASR Project.
- Assist NDPERS in reviewing responses from vendors.
- Assist NDPERS in the selection process of a system solution.
- Assist in the contract negotiations with an implementation vendor that will ensure the best interests of NDPERS and the State of North Dakota.
- Develop an accurate projected cost for the implementation phase of the system replacement project for inclusion into the budget request to be presented to the Legislature in January 2007 session.



2 REQUIRED RESOURCES

The following resources will be required for the successful completion of this phase of the project:

- NDPERS Project Sponsor
- NDPERS Project Manager
- NDPERS Project Coordinator
- NDPERS management staff
- NDPERS subject matter experts
- NDPERS IT staff
- Contractor with experience in public employee benefits administration to facilitate and guide the RFP development effort and procurement process, details of which are identified in the “Legacy Application System Replacement Project” RFP.
- Resources provided by the selected vendor

Name	Area	Core Team ¹	Steering Committee	Subject Matter Expert	Percent of Time on Project
Sparb Collins	Exec Dir	X	X		10%
Deb Knudsen	R&D	X	X		70%
Dirk Huggett	ITD		X		10%
Ron Gilliam	IT	X	X	X	40%
Sharon Schiermeister	A	X	X	X	30%
Cheryl Stockert	ADM	X	X	X	25%
Kim Humann	ADM	X			5%
Jamie Kinsella	IA	X	X		30%
Kathy Allen	BEN	X	X		20%
Sharmain Dschaak	DB			X	35%
Diane Heck	DC			X	15%
Cheryle Massett	INS			X	25%
Rebecca Fricke	BEN			X	25%
Leon Heick	IA			X	5%
Raleigh Moore	ACCTG			X	20%
Tammy Becker	ACCTG			X	20%
Vickie Johnson	ACCTG			X	20%
Leon Heick	ACCTG			X	20%
Kevin Pfannsmith	IT			X	25%
Arnie Seitz	IT			X	25%
Julie Nagel	MEMSVC			X	20%
Appointed ITD representative	ITD			X	20%? As needed

The “Core Team” consists of individuals who oversee specific business functional areas within PERS. It is through them and through their staff that information will be gathered when developing the RFP. A definition of the Steering Committees roles and responsibilities may be found in Section 4, below.

¹ An “X” in any column within the table indicates that the person identified participates in the group identified in the column heading or fulfills the role along with their NDPERS responsibilities.



3 PROJECT ASSUMPTIONS AND CONSTRAINTS

The following sections outline assumptions made for the project and identify constraints that apply to the project.

3.1 Assumptions

The assumptions listed below will be used as the basis for project planning:

- The NDPERS Board will support the decision to procure a replacement system.
- The NDPERS Sponsor will allocate the necessary resources (budget and personnel) in order to make the RFP development and procurement phase a success.
- NDPERS management and staff will be available and engaged and will provide the appropriate and accurate information necessary to develop a thorough RFP.
- ITD will provide staff knowledgeable in areas of the RFP where their contribution is required (e.g., data structures, existing programs, project management requirements, infrastructure, administrative requirements, etc.).
- NDPERS and the selected vendor will negotiate in good faith to develop a contract that successfully meets the needs and serves the best interests of NDPERS and the State of North Dakota.
- NDPERS will continue to provide current level of services to members during implementation.

3.2 Constraints

Successful completion of this phase is constrained by schedule and resources. Specifically, the project is constrained by:

- **Schedule** – The completion date of this phase is June 1, 2007.
- **Project Resources** – Participation by NDPERS staff and management in the RFP development process is constrained by the need to get their daily responsibilities done and by their familiarity with the RFP development process. Currently, staff is working at capacity. Their ability to participate in data gathering sessions, to collect and provide pertinent information and review and comment on document deliverables, all part of the RFP development process, will all materially impact the timely delivery of an RFP that reflects all NDPERS' requirements.
- **Affordability** – NDPERS is limited in amount of dollars available for this project and will need to amortize the amount over a period of time.



3.3 Project Timeline

July 1, 2006	Project Kick-off
August 1, 2006	Project update, Review of Project documents developed to date
September 5, 2006	Project update, Review of Project documents developed to date
October 3, 2006	Project update, Review of Project documents developed to date
October 15, 2006	Submission of draft RFP to NDPERS
November 15, 2006	Final draft of RFP completed.
November 30, 2006	RFP released to solicit bids
January 15, 2007	RFP responses due
January 15 – March 15	Review RFP, develop recommendations
March 15, 2007	Review findings with NDPERS Board
April 15, 2007	Conduct interviews of final candidates
April 30, 2007	Conduct and participate in site visits of finalists
May 15, 2007	Final recommendation presented to NDPERS Board
June 1, 2007	Selection decision conveyed to finalists

3.4 Project Budget

Cost Item	Cost Unit	Rate	Sub-total	
Wechsler staff	1824 hours	Mixed rate	\$316,720	
NDPERS Staff/SME	806 hours/month	Salaries & benefits	\$177,865	
Site Visits	No more than 3 sites, or 4 people	\$1600.00/per person	\$ 19,200	
ITD Costs	305 hours (assuming 20% time of 80% of 11 months)	\$75.00/hr	\$ 22,875	
Contingency		10%	\$53,666	
Total				\$590,326



3.5 Initial Project Risks

Risk Area	Assessment		Impact	Mitigation
	Probability	Severity		
Timeframe is aggressive, while trying to handle heavy workload.	High	High	Response times and availability could be impacted. Staff may become stressed due to workloads.	Workload has been analyzed and prioritized. If necessary, some non-essential services will be suspended.
It is assumed that five or six vendors will be interested in bidding. It is possible there may be insufficient interest in the marketplace.	High	High	If there is insufficient interest in the project, pricing could exceed the proposed budget.	Project would have to be re-evaluated.
NDPERS is a smaller entity with limited back-up available. In the event atypical turnover or a key person leaves employment, significant impact would be felt.	Medium	Medium	Depending on turnover, project resources would be affected negatively.	<ul style="list-style-type: none"> • Project timelines may have to be extended. • Project budget may have to be enhanced.



4 PROJECT AUTHORITY, ROLES AND RESPONSIBILITIES

The following sections identify the parties involved in the RFP development and procurement effort along with their authority and responsibilities.

4.1 Project Sponsor

The Project Sponsor has ultimate authority over the project. The project sponsor, through the Board of Trustees, provides project funding, resolves issues and scope changes, approves major deliverables, and provides high level direction. The project sponsor also acts as champion of the project from within the organization and outside the organization.

Sparb Collins, Executive Director, NDPERS, will fill the role of Project Sponsor. Sparb will:

- Provide guidance and support to the project team
- Provide resources needed to successfully complete the project
- Provide the final decision point for resolution of any issues not resolved by the Steering Committee
- Coordinate project activity with the NDPERS Board and other outside or oversight entities.

4.2 LASR Steering Committee

The LASR Steering Committee is responsible for the business issues associated with the project that are essential to ensuring the attainment of project benefits. This includes defining and realizing benefits, monitoring risks, quality and timelines, making policy and resource decisions, and assessing requests for changes to the scope of the project.

Additionally, Steering Committee responsibilities include:

- Ensuring project's scope aligns with the agreed requirements of the key stakeholder groups
- Providing those directly involved in the project with guidance on project business issues
- Ensuring that strategies to address potential threats to the project's success have been identified and that the threats are regularly re-assessed
- Addressing any issue which has major implications for the project
- Keeping the project scope under control as emergent issues require changes to be considered
- Reconciling differences in opinion and approach as well as resolve disputes that may arise, and
- Reporting on project progress to those responsible at a high level such as the Board of Trustees and other oversight entities.

For the development of the RFP phase of the LASR project, the following will comprise the Steering Committee:

- Sparb Collins, NDPERS Executive Director
- Deb Knudsen, Program Development and Research Manager
- Dirk Huggett, ITD, IT Business Analyst
- Ron Gilliam, IT Coordinator
- Sharon Schiermeister, Accounting Manager
- Cheryl Stockert, Administrative Services Manager



- Jamie Kinsella, Internal Auditor
- Kathy Allen, Employee Benefit Programs and Human Resource Manager
- Representatives from LRWL.

4.3 Project Manager

The project manager is responsible for seeing that the goals of the project are attained by the scheduled completion date of the project and within the budget set forth for the project. In addition, the Project Manager is responsible for:

- Integration – ensure that the various elements of the project are properly coordinated
- Scope – ensure that the project includes all the work required - and only the work required – to complete the project successfully
- Time – ensure timely completion of the project
- Cost – ensure that the project is completed within the approved budget
- Quality – ensure that the project will satisfy the needs for which it was undertaken
- Human resources – make the most effective use of the people involved in the project
- Communications – ensure timely and appropriate generation, collection, dissemination, storage, and ultimate disposition of project information
- Risk – identify, analyze, and appropriately respond to project risk including issue resolution, and

Deb Knudsen will fill the role of Project Manager.

4.4 Project Coordinator

- Maintain record of meetings and related documents
- Set up and coordinate meetings for project
- Coordinate development of agency documents
- Procurement – acquire goods and services from outside the organization when needed.

Cheryl Stockert will fill the role of Project Coordinator.

4.5 Subject Matter Experts

A Subject Matter Expert or SME is an individual who understands a business process or area well enough to answer questions from people in other groups. An SME is most commonly used to explain the current process to IT and then answer their questions as they try to build a technology system to automate or streamline a process. In this case, SMEs will be assisting the project team in identifying requirements of the replacement benefits administration system for inclusion in the RFP. An SME represents the interests and knowledge of the business area from which they are drawn.

A SME is responsible for:

- Requirements gathering and use case development (scripting a procedure)
- Review and comment on draft sections of the RFP related to their functional area
- Provide and explain documentation



- Communicating to co-workers regarding the project and bringing those co-workers ideas and comments back to the project manager and teams
- Evaluating RFP Responses, and
- Identifying issues and risks.

SMEs will be identified by business area representatives on the Steering Committee sufficiently in advance of data gathering sessions for the RFP development effort.



5 COMMUNICATIONS PLAN

The table below describes the communication methods to be employed on this project.

Deliverable/Description	Sender/organizer	Receiver Categories	Delivery Method	Delivery Frequency	Response Needed (Y/N)
Project Charter	NDPERS Project Mgr LRW Project Mgr	NDPERS Board	Paper report emailed to Project Coordinator	Project Initiation	Y
Weekly LASR Steering Committee Meeting	Project Coordinator	LASR Steering Committee Members	Meeting	Weekly Wednesdays at 9:00 a.m.	N
Status Reports	LRW Project Manager	LASR Steering Committee Members	Via email	Weekly	N
Project Updates	LRW Project Manager	NDPERS Board	Paper report mailed to Project Coordinator	Monthly	N
Deliverable reviews	LRW Project Mgr & NDPERS Project Mgr	Team members	Meeting	As needed	Y
RFP Release	LRW Project Mgr & NDPERS Project Mgr	Venders	Hard copy letter containing link to RFP on web	Once at beginning of bidding process.	Y
Bidders Conference	LRW Project Mgr	Venders	Meeting	Once, in middle of bidding process	Y
Post project review	Project Coordinator	SME's, Steering Committee Members, Core members	Meeting & Paper report emailed	Once when project closes out.	N



6 PROJECT CHARTER APPROVAL

Project Sponsor Name: Sparb Collins, Executive Director Action: Approve ___ Reject ___

Comments:

Project Sponsor Signature: _____

Date: _____