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July 22, 2021

The Honorable Ronald D. Kouchi,
  President, and
  Members of The Senate
Thirty-First State Legislature
Hawaii State Capitol, Room 409
Honolulu, Hawaii 96813

The Honorable Scott K. Saiki,
  Speaker, and
  Members of The House of Representatives
Thirty-First State Legislature
Hawaii State Capitol, Room 431
Honolulu, Hawaii 96813

Dear President Kouchi, Speaker Saiki, and Members of the Legislature:

Pursuant to HRS section 27-43.6, which requires the Chief Information Officer to submit applicable independent verification and validation (IV&V) reports to the Legislature within ten days of receiving the report, please find attached the report the Office of Enterprise Technology Services received for the State of Hawaii Department of Transportation-Highways Financial Management System Project.

In accordance with HRS section 93-16, this report may be viewed electronically at http://ets.hawaii.gov (see "Reports").

Sincerely,

Douglas Murdock (Jul 22, 2021 10:06 HST)

DOUGLAS MURDOCK
Chief Information Officer
State of Hawai'i

Attachment (1)
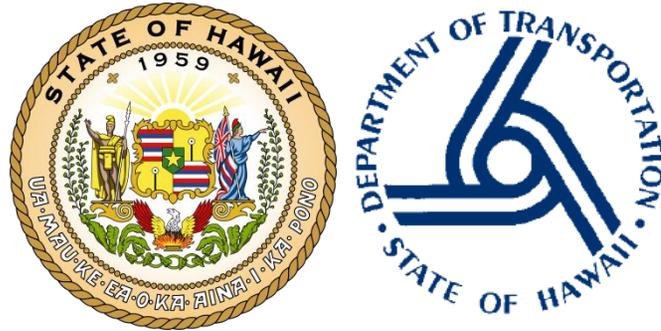
Monthly Project Assessment Report – May 2021

Independent Verification and

Validation (IV&V) for the Implementation of the Highways

Financial Management System Project

Author: Ohanasoft/IV&V Project Team

Creation Date: June 03, 2021

Last Updated: June 13, 2021

Version: Final v1

Version History

Version Number	Updated By	Revision Date	Description of Change
Draft v1	IV&V Project Team	6/03/2021	• Draft
Final v1	IV&V Project Team	6/13/2021	• Changed color of Medium Impact icon image to more vivid orange. • Added busiest months for Budget personnel. • Added clarification on Environment Preparation (Sandbox, Development). • Added clarification on O-210513-01 feedback/mitigation. • Added Summary - Number of Deliverables Status for Wave 1, Prepare Phase.

Table of Contents

I.   Introduction and Summary

Department of Transportation Highways (DOTH) manages the planning, construction, and maintenance of the State of Hawaii's approximate 2,675 lane miles of highway on Oahu, Kauai, Maui, Lanai, Molokai, and Hawaii. DOTH's mission is to provide a safe, efficient and accessible highway system through the utilization of available resources in the maintenance, enhancement and support of land transportation facilities. DOTH's primary function is to plan, design, and supervise the construction and maintenance of the State's highway system.

DOTH engaged an Enterprise Resource Planning (ERP) Contractor, LSI in March 2021 to provide an accounting system solution that will modernize certain State of Hawaii, Department of Transportation, Highways Division (DOTH) IT systems, associated systems and business processes, including fully replacing DOTH's legacy Highways Financial Accounting System (HWYAC) and certain software components of DOTH Districts' AS400 systems.

DOTH also acquired a contract with IT Management Consulting Firm, Ohanasoft who will provide information technology independent verification and validation consulting services for the implementation of the DOTH Highways Financial Management System. The IV&V contractor will provide an objective, neutral, third-party view of the implementation of the Highways Financial Management System with the intent of protecting the State's interests for success of the project. Throughout the system implementation, the IV&V team will perform ongoing project IV&V activities and will identify issues/deficiencies/risks with the System implementation project, provide feedback and recommendations for mitigation and improvement, and provide on-going reporting on project activities.

The first Monthly Project Assessment IV&V Report was submitted on 06/07/2021 for implementation team's review. The Monthly Project Assessment IV&V Report is to document and monitor IV&V observations, risks, issues, achievements for the month, documents and deliverables reviewed for the month, as well as the next period activities, and to share overall project status with the project stakeholders and the implementation team.
The FMS Project is currently completing the Prepare Phase which is to establish a framework for the project, the project charter, and the project schedule, to identify project resources, to create the project document repository, and to initiate the project team training and chart of account design. The Prepare Phase started on 3/22/2021 and was expected to be completed on 5/31/2021. There were a few planned deliverables that were not completed and the Explore phase is starting on 6/1/2021. These uncompleted deliverables are expected to be completed in Explore phase, however these deliverables, especially the Project Plan/Implementation Schedule, should be completed as soon as possible to minimize potential risk during project implementation.
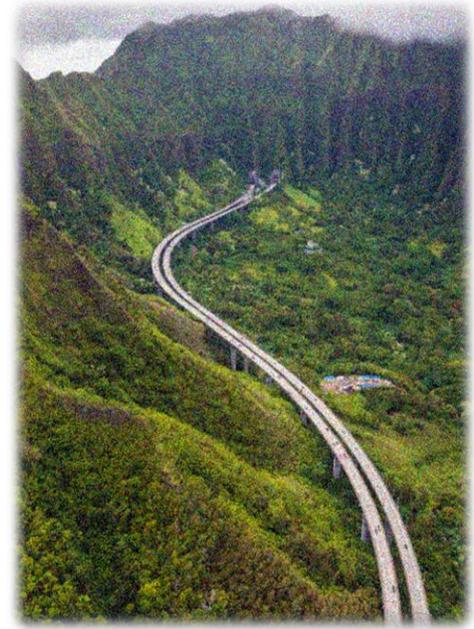
II. IV&V Dashboard

A. Subject Category

IV&V Dashboard – Subject Category		Impact	
Subject Area	**Subject Category**	**Previous Month**	**Current Month**
Project Management	Risk/Issue Management	N/A	✔
	Communication Management	N/A	✔
	Resource Management	N/A	L
	Quality Management	N/A	✔
	Schedule Management	N/A	M
	Organization Change Management	N/A	N/A
	Contract Management	N/A	✔
	External Impact Management	N/A	N/A
System Implementation	Requirement Management (Processes, Requirements and Fit/Gap)	N/A	N/A
	Solution Design and Configuration	N/A	N/A
	System Testing	N/A	N/A
	Interface and Integration	N/A	N/A
	Reports and Analytics	N/A	N/A
	Security	N/A	N/A
	Data Conversion	N/A	N/A
	Documentation	N/A	N/A
	Training and Knowledge Transfer	N/A	✔
	Production Migration	N/A	N/A

B. Observation, Risk, Issues, Subject Category

IV&V Dashboard – Observation, Risk, Issues, Subject Category
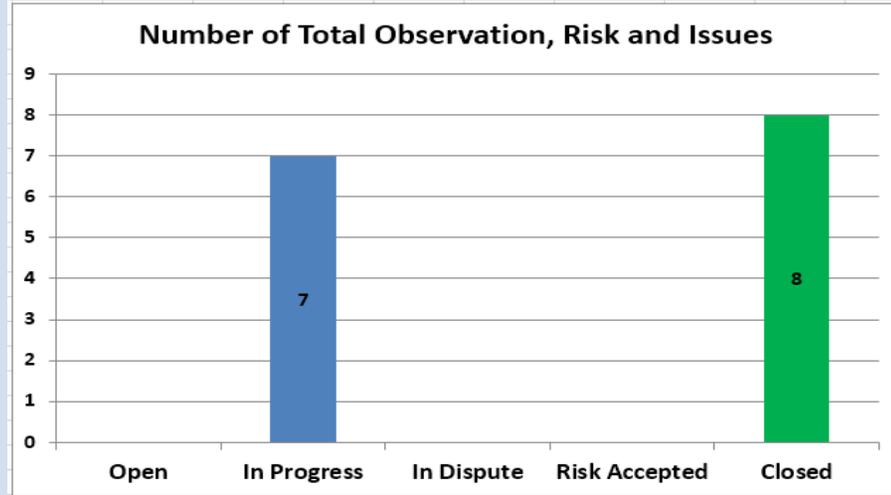
Number of Total Observation, Risk and Issues **Number of Observation, Risk and Issues by Status**

Number of Total Observation, Risk and Issues

Number of Observation, Risk and Issue by Status

Number of Observation, Risk and Issues by Subject Category
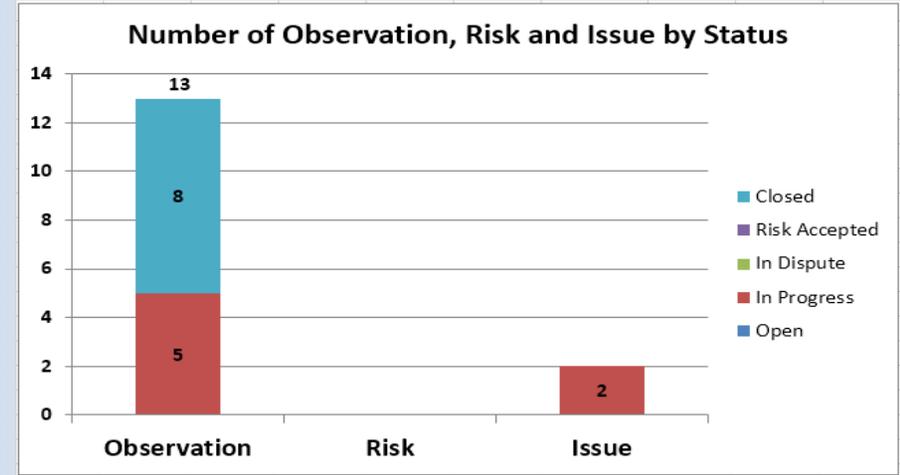
Number of Observation, Risk and Issues by Subject Category
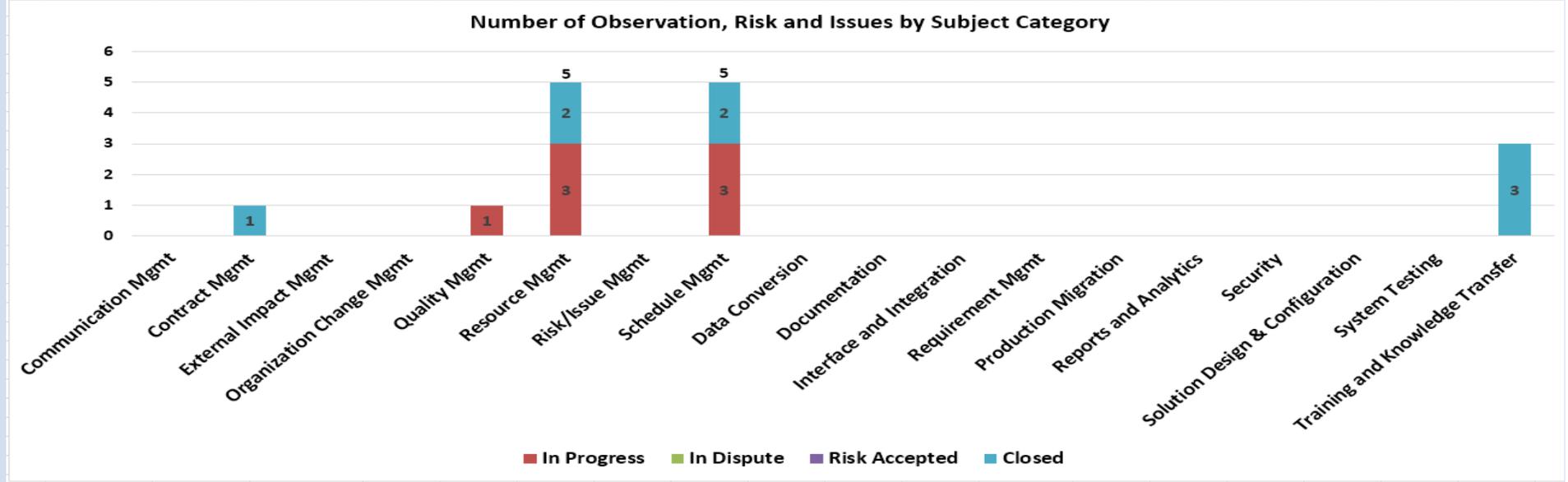
C. Total Budget vs. Inception to Date Expenditure, Project Timeline

IV&V Dashboard – Total Budget vs. Inception to Date Expenditure and Project Timeline

Total Budget Vs. Inception to Date(ITD) Expenditure	**Number of Observation, Risk and Issues by Status**

Total Budget Vs. ITD Expenditure

Total Budget: $10,955,000

ITD Expenditure: $71,844

(axis: $0, $2,000,000, $4,000,000, $6,000,000, $8,000,000, $10,000,000, $12,000,000)
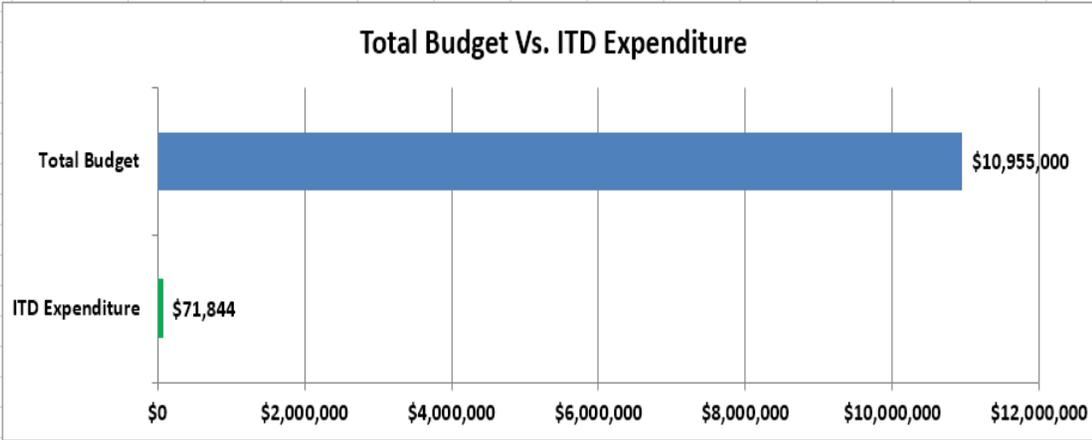
- Remaining Months: 16
- Completed Months: 3
- Percentage of Completed Months vs. Total Months: 15.79%
- Percentage of ITD Expenditure vs. Total Budget: 0.66%
- Remaining Budget Balance: $10,883,156.24

Project Timeline

DOTH Financial Management System (Wave I)	Mar-21	Apr-21	May-21	Jun-21	Jul-21	Aug-21	Sep-21	Oct-21	Nov-21	Dec-21	Jan-22	Feb-22	Mar-22	Apr-22	May-22	Jun-22	Jul-22	Aug-22	Sep-22
Phase																			
Prepare																			
Explore																			
Realize																			
Deploy																			
Production																			

Go Live

DOTH

DOTH FMS is transitioning from Prepare Phase to Explore Phase.
- Prepare Phase: Define Strategy, Project Initiation, Project Standards, Technical Requirements
- Explore Phase: Business Workshops and Requirements, Fit-Gap Analysis, Technical Solution Design, Testing Strategy, Training Strategy
- Realize Phase: Organization Alignment, Knowledge Transfer, Build, Development, Unit Test, Integration Test
- Deploy Phase: Support Plan, Training Delivery, Cutover Plan, User Acceptance, Simulations, Go/No-Go Decision
- Production: Cutover, Go-Live, Hypercare Support, Transition to Operations, Project Closeout

III. IV&V Findings – Observations, Risk, Issue and Feedback/Mitigation

A. Subject Category: Schedule Management

Schedule Management: Observation, Risk, Issue and Feedback/Mitigation
Observation
ORI ID: O-210330-01 The Prepare Phase was started in March 2021. The major activities in the Prepare Phase are the Project Charter, the Project Plan, the Communication Plan, the Project Team Training Plan, the Project Team Training, the COA Design Workshop, the Organization Change Management Plan, and the ENV Preparation. After completion of the Prepare Phase, starting the Explore phase in June leaves only 13 months to Go-Live and this can be an aggressive project plan.
Feedback/Mitigation
PMO and IV&V should check and monitor project status and activities to ensure the project is on schedule. June is the busiest month for DOTH preparing for Fiscal Year end and LSI should be cognizant of it when scheduling the Explore Phase tasks.

Schedule Management: Observation, Risk, Issue and Feedback/Mitigation	
Issue	**Impact**
ORI ID: I-210531-01 As of 5/31/2021, the deliverables of the Communication Plan, the Chart of Accounts Design, the Business Process Organizational Change Management (OCM) Plan, the Project Management Plan (PMP) and the Project Team Training have not been submitted to DOTH or completed yet. They were due on or prior to 5/31/2021, which was the end of the Prepare Phase.	**L**
Feedback/Mitigation	
LSI should complete the Communication Plan, the Chart of Accounts Design, the Business Process Organizational Change Management (OCM) Plan, and the Project Management Plan and submit to DOTH for review as soon as possible. The New Target Dates for the following deliverables are set by LSI to: - Communication Plan: 6/11/2021 - Chart of Accounts Design: 7/2/2021 - Business Process Organizational Change Management (OCM) Plan: 6/11/2021 - Project Management Plan (PMP): 6/18/2021 - Project Team Training: 6/18/2021 (Note: Completed only Financial training as of 5/28/2021. Purchasing/Contracts and other modules need training.)	

Schedule Management: Observation, Risk, Issue and Feedback/Mitigation	
Issue	**Impact**
ORI ID: I-210531-02 As of 5/31/2021, the final Project Plan/Implementation Schedule has not been completed and submitted to DOTH. This is a foundational document for a project management and scheduling and one of the most critical deliverables. Delay in the Project Plan and Implementation Schedule pose decreased confidence in being able to meet the final Go-Live date. Also, without the Project Plan and the Implementation Schedule DOTH has limited project visibility and it will impact schedule and resource management.	**M**
Feedback/Mitigation	
LSI should complete Project Plan/Implementation Schedule as soon as possible. The New Target Date for Project Plan/Implementation Schedule is set to 6/11/21 by LSI.	

B. Subject Category: Resource Management

Resource Management: Observation, Risk, Issue and Feedback/Mitigation
Observation
ORI ID: O-210429-01 LSI is currently trying to secure an Organization Change Management Lead personnel.
Feedback/Mitigation
PMO and IV&V should check and monitor to ensure LSI brings the Organization Change Management Lead into the project as soon as possible according to the staffing plan (June).

Resource Management: Observation, Risk, Issue and Feedback/Mitigation
Observation
ORI ID: O-210513-01 LSI is currently trying to secure a LSI Payroll/HR/Time & Attendance Lead.
Feedback/Mitigation
The Payroll/HR/Time & Labor Leads are currently not identified and PMO and IV&V should check and monitor to ensure LSI brings resources into the project by July according to the staffing plan.

Resource Management: Observation, Risk, Issue and Feedback/Mitigation
Observation
ORI ID: O-210514-02 DOTH project team members stated that June through September are the busiest months of the year and expressed concerns on project participation. Fiscal (HWY-SF) is the busiest in June and July, Budget (HWY-SB) is the busiest in September and October, and Project/Grants (HWY-SM) is the busiest in August and September. Each department of DOTH has particularly busy times in a year, but not all at the same time.
Feedback/Mitigation
LSI and DOTH should determine the busy season of the year and the availabilities of SMEs to schedule the meetings around those availabilities of SMEs for efficient and effective use of meeting time without impacting DOTH's regular business activity. DOTH is waiting for the Project Plan so that DOTH can schedule their time accordingly.

C. Subject Category: Quality Management

Quality Management: Observation, Risk, Issue and Feedback/Mitigation
Observation
ORI ID: O-210527-01 DOTH purchased SAP software license. As of 5/26, there is no established account and access for SAP support website. IV&V brought up that DOTH purchased software licenses and that they should be provided access to the SAP support website that including product information, troubleshooting and direct SAP support.
Feedback/Mitigation
It is recommended that LSI support and follow up with SAP for DOTH to gain access to the SAP support website.

IV. Meetings and Discussions

Meetings and Discussions			
Meeting ID	**Meeting Date**	**Meeting Title**	**Meeting Description**
M210330-1	3/30/2021	LSI, DOTH Project Introduction Meeting	The project introduction meeting was held on 3/30/2021 to introduce the DOTH steering committee and LSI executive teams and discussed the overall project plan.
M210429-1	4/29/2021	LSI Weekly Project Status Meeting	The LSI Weekly Project Status meeting was held to report project management status, key milestones, high-level activities, and deliverable status.
M210504-1	5/4/2021	FMS Kick Off Meeting	DOTH FMS kick off meeting was held on 5/4/2021.
M210504-2	5/4/2021	SAP S/4 ERP Essential Concepts for the DOTH FMS	Project Team Training (Introduction to SAP) was conducted and it covered SAP S/4 ERP Essential Concepts.
M210505-1	5/5/2021	Fundamentals of SAP S/4 Financial Accounting - Enterprise Structure and Master Data	Project Team Training (Introduction to SAP) was conducted and it covered Fundamentals of SAP S/4 Financial Accounting - Enterprise Structure and Master Data.
M210505-2	5/5/2021	Fundamentals of SAP S/4 Financial Accounting - GL Master Data & Processes	Project Team Training (Introduction to SAP) was conducted and it covered Fundamentals of SAP S/4 Financial Accounting - GL Master Data & Processes.
M210510-1	5/10/2020	Fundamentals of SAP Funds Management	Project Team Training (Introduction to SAP) was conducted and it covered Fundamentals of SAP Funds Management.
M210511-1	5/11/2021	Fundamentals of SAP Grants Management	Project Team Training (Introduction to SAP) was conducted and it covered Fundamentals of SAP Grants Management.
M210512-1	5/12/2021	Fundamentals of SAP Controlling & Project Systems	Project Team Training (Introduction to SAP) was conducted and it covered Fundamentals of SAP Controlling & Project Systems.
M210512-2	5/12/2021	Fundamentals of SAP Accounts Payable	Project Team Training (Introduction to SAP) was conducted and it covered Fundamentals of SAP Accounts Payable.
M210513-1	5/13/2021	Fundamentals of SAP Fixed Assets	Project Team Training (Introduction to SAP) was conducted and it covered Fundamentals of SAP Fixed Assets.
M210513-1	5/13/2021	LSI Weekly Project Status Meeting	The LSI Weekly Project Status meeting was held to report project management status, key milestones, high-level activities, and deliverable status.
M210514-1	5/14/2021	Fundamentals of SAP Accounts Receivable & Cash	Project Team Training (Introduction to SAP) was conducted and it covered Fundamentals of SAP Accounts Receivable & Cash.
M210514-2	5/14/2021	IV&V Mid Month Assessment Meeting	The IV&V Mid Month Assessment Meeting was held to report project status, IV&V deliverables, observation, risk and issues.
M210520-1	5/20/2021	LSI Weekly Project Status Meeting	The LSI Weekly Project Status meeting was held to report project management status, key milestones, high-level activities, and deliverable status.
M210527-1	5/27/2021	LSI Weekly Project Status Meeting	LSI Weekly Project Status meeting was held to report project management status, key milestones, high-level activities, and deliverable status.

V.   IV&V Deliverables, Reports and Meetings Completed

| IV&V Deliverables, Reports and Meetings Completed					
IV&V ID	**IV&V Deliverable Name**	**LSI Wave / Seq ID**	**LSI Deliverable Name**	**Submission Date**	**Note**
IVV1.0	IV&V Management Plan	N/A	N/A	4/20/2021	
IVV2.0	IV&V Project Schedule	Wave 1 / #6	N/A	4/20/2021	
IVV5.0	IV&V Issue and Risk	Wave 1 / #5, #6	Issue and Risk Management Strategy	4/24/2021	
IVV3.01	IV&V Mid Month Assessment	N/A	N/A	5/14/2021	
IVV4.01	Monthly Project Assessment Report	N/A	N/A	6/3/2021	
IVV5.01	Verification and Validation of Project Deliverables – Project Charter	Wave 1 / #2	Project Charter	6/2/2021	

VI. IV&V Deliverables, Reports and Meetings Planned To be Completed in Explore Phase

IV&V Deliverables, Reports, Meetings Planned To Be Completed in Explorer Phase					
IV&V ID	**IV&V Deliverable Name**	**LSI Deliverable Name**	**LSI Wave / Seq ID**	**Estimated Submission Date**	**Note**
IVV5.03	Verification and Validation of Project Deliverables - Business Process Organizational Change Management (OCM) Plan	Business Process Organizational Change Management (OCM) Plan	Wave 1 / #12	Jun 2021	Carried over from Prepare Phase
IVV5.04	Verification and Validation of Project Deliverables - Project Management Plan	Project Management Plan	Wave 1 / #3	Jun 2021	Carried over from Prepare Phase
IVV5.05	Verification and Validation of Project Deliverables - Communication Plan	Communication Plan	Wave 1 / #8	Jun 2021	Carried over from Prepare Phase
IVV5.06	Verification and Validation of Project Deliverables - Chart of Accounts Design	Chart of Accounts Design	Wave 1 / #11	Jun 2021	Carried over from Prepare Phase
IVV5.07	Verification and Validation of Project Deliverables - Master Data Design Documents	Master Data Design Documents	Wave 1 / #18	Jun 2021	
IVV5.08	Verification and Validation of Project Deliverables - Enterprise Structure Design Documents	Enterprise Structure Design Documents	Wave 1 / #17	Jun 2021	
IVV5.09	Verification and Validation of Project Deliverables - Data Conversion Plan	Data Conversion Plan	Wave 1 / #22	Aug 2021	
IVV5.10	Verification and Validation of Project Deliverables - Initial Deployment Plan	Initial Deployment Plan	Wave 1 / #23	Aug 2021	
IVV5.11	Verification and Validation of Project Deliverables - Analysis of Reporting Requirements	Analysis of Reporting Requirements	Wave 1 / #15	Sep 2021	
IVV5.12	Verification and Validation of Project Deliverables - Requirements Traceability Matrix	Requirements Traceability Matrix	Wave 1 / #16	Sep 2021	
IVV5.13	Verification and Validation of Project Deliverables - End User Training Strategy	End User Training Strategy	Wave 1 / #19	Sep 2021	
IVV5.14	Verification and Validation of Project Deliverables - Process Design Documents (PDD) (Documented Business Process Model)	Process Design Documents (PDD) (Documented Business Process Model)	Wave 1 / #20	Sep 2021	

IV&V Deliverables, Reports, Meetings Planned To Be Completed in Explorer Phase					
IV&V ID	**IV&V Deliverable Name**	**LSI Deliverable Name**	**LSI Wave / Seq ID**	**Estimated Submission Date**	**Note**
IVV5.15	Verification and Validation of Project Deliverables - Interface Plan	Interface Plan	Wave 1 / #21	Sep 2021	
IVV5.16	Verification and Validation of Project Deliverables - Technical Infrastructure Plan/Design	Technical Infrastructure Plan/Design	Wave 1 / #24	Sep 2021	
IVV5.17	Verification and Validation of Project Deliverables - Document Fit/Gap Analysis	Document Fit/Gap Analysis	Wave 1 / #25	Sep 2021	
IVV3.02	Mid Month Assessment - Jun 2021	N/A	N/A	Jun 2021	
IVV3.03	Mid Month Assessment - Jul 2021	N/A	N/A	Jul 2021	
IVV3.04	Mid Month Assessment - Aug 2021	N/A	N/A	Aug 2021	
IVV3.05	Mid Month Assessment - Sep 2021	N/A	N/A	Sep 2021	
IVV4.02	Monthly Project Assessment Report - Jun 2021	N/A	N/A	Jun 2021	
IVV4.03	Monthly Project Assessment Report - Jul 2021	N/A	N/A	Jul 2021	
IVV4.04	Monthly Project Assessment Report - Aug 2021	N/A	N/A	Aug 2021	
IVV4.05	Monthly Project Assessment Report - Sep 2021	N/A	N/A	Sep 2021	

VII. Phase Gate – Prepare Phase

A. Summary - Number of Deliverables Status for Wave 1, Prepare Phase
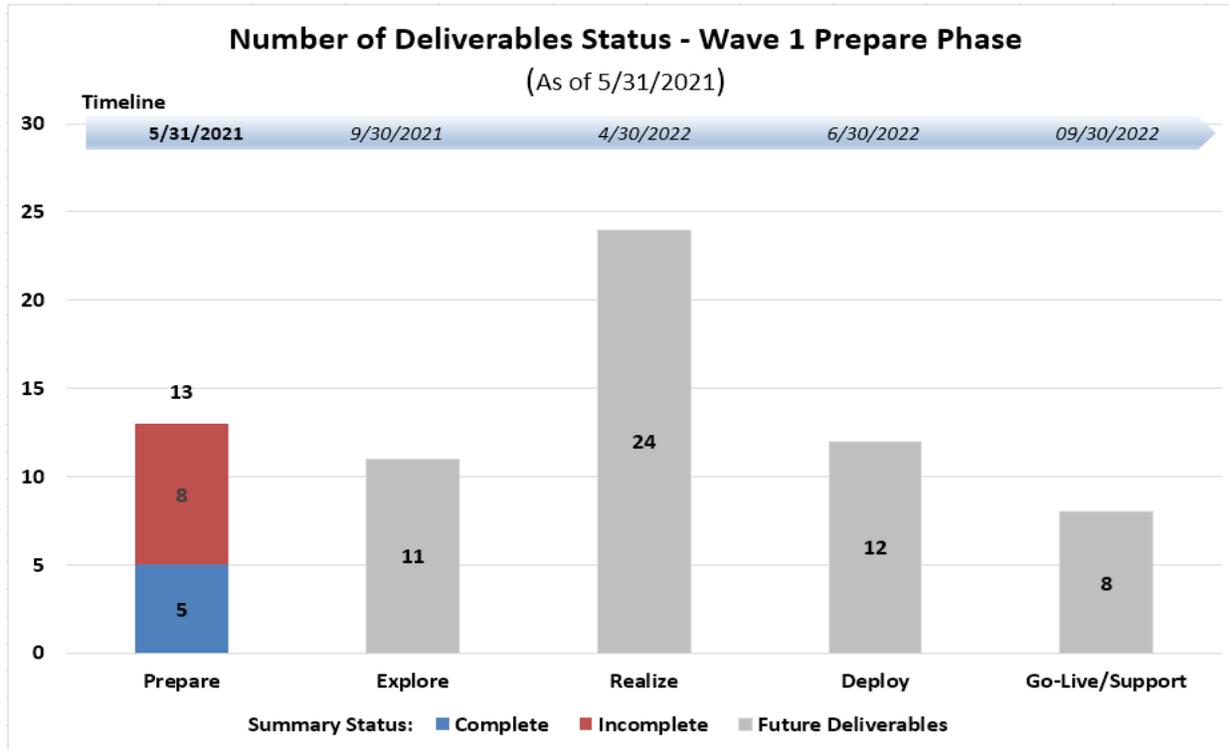
Complete: Status of Completed and Approved are included in this category.

Incomplete: Status of Not Submitted, Reviewed & Returned, Partially Completed, and N/A are included in this category.

Future Deliverables: Deliverables expected in the future phases.

The Prepare Phase of the DOTH Financial Management System Implementation Project ended on 5/31/2021. There were some Deliverables that were due during the Prepare phase but not fully completed by LSI. The Deliverables not completed in the Prepare Phase are not expected to directly affect the next phase, the Explore phase, except for the Project Plan/Implementation Schedule. Therefore, the Project Plan/Implementation Schedule must be completed as soon as possible, and rest of the Deliverables missed the due dates must be continuously worked on by LSI and completed soon.

RFP stated: *Each of the project Phases will have a defined set of entrance and exit criteria that both the CONTRACTOR and DOTH will need to meet to verify that all parties have completed their assigned tasks and activities and are ready to move on to the next Project Phase.*

It is recommended that LSI and DOTH establish mutually agreeable dates as the deadlines for completing and approving remaining Prepare phase deliverables in order to move the project into the next phase.

B. Details - Deliverables Status for Wave 1, Prepare Phase

Sequence ID	LSI Deliverable	Phase	Estimated Acceptance Month (Contract)	Baseline Acceptance Date (from Weekly Status Report dated 5/27/2021)	Submission Date to DOTH	Reviewed or Accepted Date by DOTH	Detail Status	Note
1	Kick-off meeting	Prepare	April 2021	5/4/2021	5/4/2021	5/4/2021	Completed	
2	Project Charter	Prepare	April 2021	5/4/2021	5/24/2021	5/28/2021	Approved	
3	Project Management Plan	Prepare	May 2021	5/28/2021	N/A	N/A	Not Submitted	Carried over to Explore Phase from Prepare Phase
4	Weekly Project Status Report	Prepare	March 2021	4/6/2021	Every Thursday	Every Thursday	Completed	
5	Issue Management Tool	Prepare	April 2021	5/11/2021	5/11/2021	5/20/2021	Approved	
6	Risk Management Tool	Prepare	April 2021	5/11/2021	5/11/2021	5/20/2021	Approved	
7	Updated Project Plan and Implementation Schedule	Prepare	May 2021	4/21/2021	4/26/2021	4/28/2021	Reviewed & Returned	DOTH reviewed and returned to LSI for updates.
8	Communication Plan	Prepare	May 2021	5/28/2021	N/A	N/A	Not Submitted	Carried over to Explore Phase from Prepare Phase
9	Project Team Training Plan	Prepare	April 2021	5/4/2021	N/A	N/A	N/A	DOTH and LSI agreed to skip the training plan since LSI conducted the Project Team Training already.
10	Project Team Training	Prepare	May 2021	5/28/2021	In Process	In Process	Partially Completed	**Completed**: Funds Management, Grants Management, Controlling & Project Systems, Accounts Payable, Fixed Assets, AR & Cash **Not Completed**: Contract / Lease Management, Purchasing, Inventory Management, Projects Systems/Resource Related Billing, Human Capital Management (Organizational Management / Personnel Administration, Human

Sequence ID	LSI Deliverable	Phase	Estimated Acceptance Month (Contract)	Baseline Acceptance Date (from Weekly Status Report dated 5/27/2021)	Submission Date to DOTH	Reviewed or Accepted Date by DOTH	Detail Status	Note
								Capital Management (Time and Attendance Cross Application Timesheet), Employee Reimbursement, Payroll, MM/IM/Plant Maintenance, Embedded Analytics, Cloud Analytics Package.
11	Chart of Accounts Design	Prepare	May 2021	5/28/2021	N/A	N/A	N/A	Carried over to Explore Phase from Prepare Phase
12	Business Process Organizational Change Management (OCM) Plan	Prepare	April 2021	5/13/2021	N/A	N/A	N/A	Carried over to Explore Phase from Prepare Phase
13	Environment Preparation (Sandbox, Development)	Prepare	June 2021	5/28/2021	N/A	N/A	Partially Completed	As of 5/28/2021, the Sandbox was set up and complete. The DOTH and LSI technical teams were working on the VPN connection for access between AWS and DOTH to access the sandbox. The Development environment is not needed at this time in the project and LSI has initiated with SAP for the release of the licenses once the licenses are received the Development environment will be stood up well in time for when consultants will need to configure the system.

VIII. Appendix

A. Impact Definition

Value	Legend	Description
N/A	N/A	Not Applicable
No Impact	✔	No Impact
Low	L	A priority of **Low** is assigned if there is a possibility of low impact to product quality, scope, cost, and/or schedule. Minimal disruption is possible and some monitoring is likely needed to ensure priority does not increase.
Medium	M	A priority of **Medium** is assigned if there is a possibility of moderate impact to product quality, scope, cost, and/or schedule. Some disruption is likely and a different approach may be required. Mitigation strategies should be implemented as soon as feasible.
High	H	A priority of **High** is assigned if there is a possibility of substantial impact to product quality, scope, cost, and/or schedule. A major disruption is likely and the consequences would be unacceptable. A different approach is required. Mitigation strategies should be evaluated and acted upon immediately.

B. Status Definition

Status	Description
Open	Observation, risk, or issue is created.
In Progress	Observation, risk, or issue is addressed and is being worked on by the implementation team.
In Dispute	Observation, risk, or issue is not acknowledged or accepted by the implementation team.
Risk Accepted	Observation, risk, or issue is acknowledged or accepted by implementation team but is not being worked on now.
Closed	Observation, risk, or issue is closed.

C. Subject Category Definition

Subject	Subject Category	Description
Project Management	Communication Management	Identify and assess risks and issues that prevent stakeholders from communicating effectively by assessing their key objectives, developing and implementing procedures to communicate purposes clearly, and analyzing methods to obtain feedback.
	Contract Management	Identify and assess risks and issues that could impact the project team's ability to deliver on it's contractual commitments such as cost, scope, size, etc.
	External Impact Management	Identify and assess risks and issues external to DOTH, IV&V, and LSI that could impact the following: subcontractors, regulatory, market, customer, weather, etc.
	Organization Change Management	Identify and assess risks and issues involved in implementing changes necessary to optimize benefits of the new system. This may include end-user education, business process flow, procedures, roles, responsibilities, technology, etc.
	Quality Management	Identify and assess risks and issues to quality, specifically software, functionality, testing, documents, etc. via implementation of internal and external measures and processes established to regulate quality level as needed.
	Resource Management	Identify and assess risks and issues associated with allocating proper resources necessary to complete the project.
	Risk/Issue Management	Identify and assess risks and issues to software and deliverables. This may include considering and/or implementing processes to identify, monitor, communicate regarding, and mitigate potential items that could negatively impact the project.
	Schedule Management	Identify and assess risks and issues that may impact the project completion schedule. This may include analysis of the scale and complexity required, work breakdown and assignments, and assessment of proper planning regarding scope, budget, resources, etc.
Implementation	Data Conversion	Identify and assess risks and issues to data conversion process or resulting data when moving data from the old system to the new system.
	Documentation	Identify and assess risks and issues in documentation deliverables.
	Interface and Integration	Identify and assess risks and issues that relate to functionalities that interact with outside system or software.
	Requirement Management (Processes, Requirements and Fit/Gap)	Identify and assess risks and issues to business process, system software requirements, and fit/gap of process and available functionalities of the software.
	Production Migration	Identify and assess risks and issues to the system migrating from test environment to production environment.
	Reports and Analytics	Identify and assess risks and issues to reporting and analytics functionality of the system.

Subject	Subject Category	Description
	Security	Identify and assess risks and issues to security of the system such as authentication, user access control, encryption, or any other items that relate to keeping the information secure.
	Solution Design and Configuration	Identify and assess risks and issues to solution design and configuration of the software implementation of the system.
	System Testing	Identify and assess risks and issues related to testing the functionalities of the system for the requirements.
	Training and Knowledge Transfer	Identify and assess risks and issues with training and knowledge transfer of the new system and its use.

D. Observation, Risk and Issues List

ORI ID	Type	LSI Deliverable / ORI Source	Creation Date	Subject Area	Modules	Summary	Description	Responsible Party	Status	Impact	Probability	Feedback / Mitigation	Updates	Next Review / Target Date	Close Date	Reference ID/Doc	Comments
O-210330-01	Observation	M210330-1	3/30/2021	Schedule Management	N/A	Aggressive Project Plan and Go Live Date	The Prepare Phase was started in March 2021. The major activities in the Prepare Phase are the Project Charter, the Project Plan, the Communication Plan, the Project Team Training Plan, the Project Team Training, the COA Design Workshop, the Organization Change Management Plan, and the ENV Preparation. After completion of the Prepare Phase, starting the Explore phase in June leaves only 13 months to Go-Live and this can be an aggressive project plan.	DOTH/LSI	In Progress	N/A	N/A	PMO and IV&V should check and monitor project status and activities to ensure the project is on schedule. June is the busiest month for DOTH preparing for Fiscal Year end and LSI should be cognizant of it when scheduling the Explore Phase tasks.		5/31/2021			
O-210407-01	Observation	Email-Ron-210407	4/7/2021	Resource Management	N/A	Replacement of LSI Project Manager	The project manager, Matthew was replaced by John on 4/7/2021. Matthew was involved in contract scope of work, project plan and discussions with DOTH until he left LSI.	LSI	Closed	N/A	N/A	PMO and IV&V should check and monitor if there's a smooth transition in roles and responsibility of LSI PM.		5/31/2021	5/31/2021		
O-210429-01	Observation	M210429-1	4/29/2021	Resource Management	N/A	In progress of identifying LSI Organization Change Management Lead	LSI is currently trying to secure an Organization Change Management Lead personnel.	LSI	In Progress	N/A	N/A	PMO and IV&V should check and monitor to ensure LSI brings the Organization Change Management Lead into the project as soon as possible according to the staffing plan (June).		5/31/2021			
O-210429-02	Observation	M210429-1	4/29/2021	Schedule Management	N/A	Updating LSI project plan	LSI is currently updating project plan with correct date and resource assignment. "Updated Project Plan and Implementation Schedule" was returned to LSI for more completed document with updates to dates and resource assignment, etc.	LSI	Closed	N/A	N/A	PMO and IV&V should check and monitor LSI project plan updates.	5/14/2021: IV&V Mid Month Meeting: IV&V and DOTH agreed that the project plan should be delivered as soon as possible for project management and schedule. Per meeting, expected updated Project Plan delivery date is 5/21/2021. 5/28/2021: This observation became an issue.	5/31/2021	5/31/2021	I-210531-02	
O-210505-01	Observation	M210504-1	5/5/2021	Contract Management	N/A	FMS Kick Off Meeting	Kick Off meeting was held on 5/5/2021 and the presentation was well organized and delivered nicely.	LSI	Closed	N/A	N/A	N/A		N/A	5/31/2021		
O-210505-02	Observation	M210504-2	5/5/2021	Training and Knowledge Transfer	GL	SAP S/4 ERP Essential Concepts for the DOTH FMS	Overall training went well, however there were some people who couldn't log in and were not able to follow the training and that was not addressed during the training. There also were some minor technical difficulty with switching screen (or may have been switching between presentation decks).	DOTH/LSI	Closed	N/A	N/A	There needs to be a process in place where participants are monitored for questions or issues during training. There may need some general training for MS teams presentation (including meeting settings setup, monitoring participants, sharing screen, muting/unmuting participants) usage.		N/A	5/31/2021		
O-210505-03	Observation	M210505-1	5/5/2021	Resource Management	PG	Retirement of HYWAC Resource in Dec 2021	A key DOTH personnel, Chuck for HYWAC will retire in Dec 2021.	DOTH	Closed	N/A	N/A	DOTH should ensure to have a proper knowledge transfer and transition to his successor. DOTH already hired another employee and she's getting trained and prepared to be responsible for HYWAC maintenance and support.		N/A	5/31/2021		
O-210512-01	Observation	M210512-2	5/12/2021	Training and Knowledge Transfer	N/A	Generic Training without focus of DOTH requirements	Project Team Training were conducted by LSI based on generic functionalities of SAP. However, LSI's proposal stated "*Functional project team training will take place as a Explore activity, and will be delivered by LSI functional consultants. This is a differentiator, because the training is not centered on a generic system with a universe of capabilities, but will be focused on DOTH's system functionality as delivered*"	LSI	Closed	N/A	N/A	LSI project manager stated that there would be more Discovery Workshop that will review and discuss DOTH's specific requirements and learn how SAP's functionalities will meet DOTH's requirements. It needs to be confirmed in which deliverable that these workshop will be performed in the plan.		N/A	5/31/2021		
O-210513-01	Observation	M210513-1	5/13/2021	Resource Management	N/A	In progress of identifying LSI Payroll/HR/Time & Attendance Lead	LSI is currently trying to secure a LSI Payroll/HR/Time & Attendance Lead.	LSI	In Progress	N/A	N/A	The Payroll/HR/Time & Labor Leads are currently not identified and PMO and IV&V should check and monitor to ensure LSI brings resources into the project by July according to the staffing plan.		5/31/2021			
O-210513-01	Observation	Email-Ron-20210513	5/13/2021	Schedule Management	N/A	Project Team Training Plan document hasn't submitted by LSI.	Project Team Training (LSI Wave1/Seq Id: 9) was started without Project Team Training Plan Document submitted to DOTH (LSI Wave1/Seq ID: 10).	LSI	Closed	N/A	N/A	PMO and IV&V should check and monitor to ensure LSI delivers Team Training Plan Document (LSI Wave1/Seq ID: 10).	DOTH and LSI agreed to skip the training plan since LSI conducted the Project Team Training already.	5/31/2021	5/31/2021		
O-210514-01	Observation	M210514-2	5/14/2021	Training and Knowledge Transfer	N/A	SAP Terminology	DOTH project team members stated that during the SAP project team training (Introduction to SAP), DOTH project team members had difficulty understanding SAP's terminology and relating SAP's terminology and standard functions to DOTH's requirements. The introduction to SAP training was mostly centered around SAP standard functionality and did not strongly correlate to DOTH's requirements.	DOTH/LSI	Closed	N/A	N/A	LSI consultants need to learn and be more familiar with DOTH's business requirements along with DOTH's terminology and processes as listed in RFP and LSI's proposal. Also DOTH project team members should learn and be more familiar with SAP terminologies as well. LSI should start to dive into DOTH's requirements and conduct the training with DOTH's specific requirements, not only generic SAP standard functions. Cross reference of terminology (SAP & DOTH terminology glossary) would help DOTH project team members to understand how SAP functionality will work for DOTH's requirements.		5/31/2021	5/31/2021		
O-210514-02	Observation	M210520-1	5/14/2021	Resource Management	N/A	DOTH Project Team Availability	DOTH project team members stated that June through September are the busiest months of the year and expressed concerns on project participation. Fiscal (HWY-SF) is the busiest in June and July, Budget (HWY-SB) is the busiest in September and October, and Project/Grants (HWY-SM) is the busiest in August and September. Each department of DOTH has particularly busy times in a year, but not all at the same time.	DOTH/LSI	In Progress	N/A	N/A	LSI and DOTH should determine the busy season of the year and the availabilities of SMEs to schedule the meetings around those availabilities of SMEs for efficient and effective use of meeting time without impacting DOTH's regular business activity. DOTH is waiting for the Project Plan so that DOTH can schedule their time accordingly.		5/31/2021			
O-210527-01	Observation	Email-Ron-210527	5/27/2021	Quality Management	N/A	SAP Support Website	DOTH purchased SAP software license. As of 5/26, there is no established account and access for SAP support website. IV&V brought up that DOTH purchased software licenses and that they should be provided access to the SAP support website that including product information, troubleshooting and direct SAP support.	LSI	In Progress	N/A	N/A	It is recommended that LSI support and follow up with SAP for DOTH to gain access to the SAP support website.		5/31/2021			
I-210531-01	Issue	M210527-1	5/31/2021	Schedule Management	N/A	Delay in Deliverables	As of 5/31/2021, the deliverables of the Communication Plan, the Chart of Accounts Design, the Business Process Organizational Change Management (OCM) Plan, the Project Management Plan (PMP) and the Project Team Training have not been submitted to DOTH or completed yet. They were due on or prior to 5/31/2021, which was the end of the Prepare Phase.	LSI	In Progress	Low	N/A	LSI should complete the Communication Plan, the Chart of Accounts Design, the Business Process Organizational Change Management (OCM) Plan, and the Project Management Plan and submit to DOTH for review as soon as possible.	6/3/2021: The New Target Dates for the following deliverables are set to LSI: - Communication Plan: 6/11/2021 - Chart of Accounts Design: 7/2/2021 - Business Process Organizational Change Management (OCM) Plan: 6/11/2021 - Project Management Plan (PMP): 6/18/2021 - Project Team Training: 6/18/2021	5/31/2021			

Observation, Risk and Issues (ORI) 5/31/2021

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I-210531-02	Issue	M210527-1	5/31/2021	Schedule Management	N/A	Project Plan and Implementation Schedule	As of 5/31/2021, the final Project Plan/Implementation Schedule has not been completed and submitted to DOTH. This is a foundational document for a project management and scheduling and one of the most critical deliverables. Delay in the Project Plan and Implementation Schedule pose decreased confidence in being able to meet the final Go-Live date. Also, without the Project Plan and the Implementation Schedule DOTH has limited project visibility and it will impact schedule and resource management.	LSI	In Progress	Medium	N/A	LSI should complete Project Plan/Implementation Schedule as soon as possible.	6/3/2021: The New Target Date for Project Plan/Implementation Schedule is set to 6/11/21 by LSI.	5/31/2021			