



Oregon

Kate Brown, Governor

Department of Administrative Services

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MEMORANDUM

To: Terrence Woods, State Chief Information Officer (State CIO)
From: Jim Klopfer, IT Investment Oversight Analyst
Date: February 28, 2019
Subject: Oregon Employment Department Unemployment Insurance Modernization Project (#00000822) Stage Gate 2 Endorsement

BACKGROUND

The Oregon Employment Department (OED) is responsible for administering the state's Unemployment Insurance program and public labor exchange. OED has engaged in planning activities intended to enhance service capabilities to efficiently fulfill the Department's responsibility to support business and promote employment within Oregon. In 2017 the agency developed preliminary foundational documents supporting initiation of the Modernization Program. Stage Gate 1 endorsement was received in January 2018 and the agency formally initiated the program and its associated projects. OED has chosen to focus initial efforts on modernization of the unemployment insurance (UI) program. The agency prefers to pursue an integrated UI solution for both tax and benefits. Therefore, the agency is initiating a single unemployment insurance project, with planned phases for each area.

DISCUSSION

The UI Modernization Project was chartered under the OED Modernization Program (#00000675). Its stated purpose is to replace computer systems supporting receipt of UI taxes and payment of UI benefits as well as transforming associated agency business processes to take advantage of opportunities and benefits available through new system capabilities.

The UI Modernization Project team submitted a revised program-level business case and associated project-level artifacts to demonstrate readiness to proceed with planned procurement activities. OED intends to release a Request for Proposal (RFP) to solicit vendor solutions to meet the requirements of the UI Modernization Project. At this stage, the project team estimates that UI Modernization will cost between \$80 and \$123 million with project completion anticipated for 2023. Accordingly, this project requires Stage Gate oversight, independent Quality Assurance, and will be subject to Major IT Project reporting requirements.

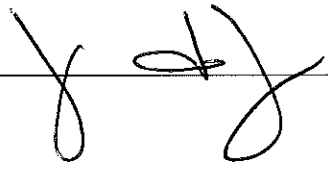
RECOMMENDATION

Endorse the OED UI Modernization Project through Stage Gate 2 and allow OED to engage Department of Administrative Services Procurement Services to collaboratively develop an RFP to acquire a comprehensive solution, specific to Unemployment Insurance administration, with the following conditions:

- (1) OED must obtain independent Quality Assurance (QA) services for the entire duration of the project.

- a. In addition, the following project artifacts must be reviewed for Quality Control purposes by the independent QA vendor (and if necessary, remediated by OED) prior to releasing the UI Modernization solution RFP:
 - i. Solution Requirements
 - ii. RFP Evaluation/ Scoring Approach
 - iii. Stakeholder Engagement Plan
 - iv. Risk and Issue Management Plan
 - v. Change / Scope Management Plan
 - vi. Organizational Change Leadership Plan
 - vii. Communication Management Plan
- (2) All independent Quality Assurance deliverables are to be submitted to OSCIO for review and approval prior to acceptance in accordance with Statewide QA Program Guidance.
- (3) The successful UI Modernization solution RFP respondent's contractual statement of work must be reviewed and approved by OSCIO prior to executing the contract.
- (4) Project management artifacts (including, at minimum, a complete, detailed project management plan) must be submitted to OSCIO for Stage Gate 3 review and endorsement.
- (5) Stage Gate 3 endorsement must be obtained from OSCIO prior to project execution/implementation.
- (6) OED must engage the Enterprise Security Office to ensure that appropriate solution security planning is completed prior to project execution/implementation.
- (7) OED must maintain open communications with OSCIO concerning the progress of the UI Modernization Project, including monthly status reporting, and risk & issue tracking.

Analysis prepared by:  Date: 2/28/2019

Analysis approved by:  Date: 2.28.19