

THOMAS M. SALMON, CPA, CFE  
STATE AUDITOR



STATE OF VERMONT  
OFFICE OF THE STATE AUDITOR

SITUATION REPORT:  
*State Contracts*

*A look at three important state contracts*

*April 2012*

# **Situation Report**

## **State Contracts**

**April 2012**

**A situation report is not an audit.** It is an effective tool to inform citizens and management of issues in order to foster forward progress. It expresses no opinion nor draws conclusions. Instead the report gathers information in order to identify issues relevant to the questions presented. Ultimately, it is the responsibility of the entity's stakeholders to address the issues. A situation report is a tool to improve effectiveness and efficiency. Unlike an audit, we do not validate the information provided by individuals or organizations provided for this report. If we improve government performance we will improve the lives of Vermonters.

*– State Auditor Thomas M. Salmon, CPA, CFE*

Our office decided to review three very significant contracts where there have been questions about the selection process and the performance of the contractor. The contract processes we reviewed were:

- The Voice Radio Interoperability Solution (VCOMM)
- The Medicaid Enterprise Solution (MES) RFP process for the Medicaid Management Information System
- The DMV Driver and Registration information and Verification Enterprise System

## **Contract #1: Voice Radio Interoperability Solution**

On March 16, 2008, State Auditor Tom Salmon released a report of a review of the contract award process for the Vermont Radio Interoperability Solution. This review was initiated by a request from a member of the Vermont House of Representatives and others to investigate the fairness of the vendor selection process for this project.

That report follows.

After this review, during which we received excellent cooperation from both VCOMM and the Department of Public Safety, the project was put on hold, with the likelihood that it would be revised and rebid.

In May 2009, an RFP for a revised Voice Radio Interoperability Solution was put out for bids. Two firms – Motorola and Harris – submitted bids ranging from \$8 million to \$11.6 million. The selected contractor was Harris Corporation of Lynchburg, VA. The RFP, bid responses, and the Harris contract follow.



---

Report of the Vermont State Auditor

---

May 16, 2008

LEGISLATIVE ADVISORY REVIEW  
OF CONTRACT AWARD PROCESS:

VERMONT "VOICE RADIO  
INTEROPERABILITY SOLUTION"

*May 16, 2008*

---

**Thomas M. Salmon, CPA**  
Vermont State Auditor

THOMAS M. SALMON, CPA  
STATE AUDITOR



STATE OF VERMONT  
OFFICE OF THE STATE AUDITOR

May 16, 2008

Rep. Harry S. Monti  
PO Box 1107  
Barre, VT 05641

Re: VCOMM/DPS Vendor Selection Process

Dear Rep Monti:

Having read of your decision to retire from the Legislature this year, I would like to salute you on your many years of service to the citizens of Vermont. Good luck with your next new adventures and commitments.

During the past Session, you and others asked our Office to examine the fairness of the process by which a vendor was selected last year in response to the State of Vermont's RFP for a "Voice Radio Interoperability Solution." The RFP for this project was dated October 2006. Let me provide you with the results of a preliminary inquiry into this matter.

The State's RFP and selection process were jointly developed and conducted by staff at the Department of Public Safety and the Steering Committee of the Vermont Communications Board (VCOMM), chaired by J. Paul Duquette, Chief of the Newport City Police Department. VCOMM was established by executive order of the Governor and is comprised of representatives from a wide variety of first responder organizations, including fire departments, EMS agencies, law enforcement officials and others.

This was a highly complex RFP which generally asked for "solutions," rather than presenting specific requirements for equipment, installation, and implementation, and asking vendors to develop a price to implement the State's system design.

**Preliminary Opinion**

Based solely on a preliminary assessment of the process by my Office, in our opinion, DPS and VCOMM are in general compliance with contracting procedures established by the State of Vermont which seek to ensure a fair and open competitive bidding process that serves the best interests of the State and its citizens, with two important exceptions which I will explain below.

## Process Overview

Based on interviews with DPS staff, VCOMM members, the VCOMM consultant and a review of documentation, we note that the process included a number of steps to ensure open, informed, competitive bidding as required by State policy:

- a comprehensive and detailed RFP (156 pages with supplementary material) issued by the State which included particulars on how proposals would be evaluated;
- adequate opportunities for vendors to ask questions and clarify portions of the RFP, including a pre-proposal bidders conference;
- reasonably sufficient time to prepare proposals that were due March 23, 2007;
- opportunities for some site visits to be accompanied by State personnel;
- in-person presentations by bidders on June 19-20, 2007 in Waterbury;
- technical review of each proposal by a VCOMM-selected consultant to determine how well each one addressed the requirements outlined in the RFP;
- a decision by the VCOMM chair to set up a 7-person evaluation committee to reduce the risk that the consultant's previous employment relationship with Motorola might unfairly impact the decision;
- individual, separate proposal review and scoring by 7 individuals – the consultant and 6 members of the VCOMM Steering Committee;
- proposal evaluation criteria and a weighting framework suggested by the State in the contracting and purchasing manual developed by the Dept. of Buildings and General Services (BGS); and
- at least two meetings of the evaluation committee (one via conference call) before the VCOMM Chair informed bidders in a letter dated July 17, 2007 that “we feel that the proposals were all viable solutions” and “we have elected to enter into discussion and negotiations with Motorola.”<sup>1</sup>

---

<sup>1</sup> Section 4.5.1 of the Request for Proposal states: “Evaluations of Proposals and recommendations by the Evaluation Team(s) are advisory only. Such evaluations and recommendations will be submitted to the Owner, which will make a final decision of award. The Owner may accept, reject or modify the Evaluation Team’s recommendation of award ... Section 4.5.2 of the Request for Proposal states: “Owner will make the final decision regarding award of Contract. Owner is not obligated to award any Contract or respond to

**Proposal Cost Totals**

The DPS/ VCOMM group appears not to have conducted a public bid opening, which is required for contracts over \$100,000. Thus, I believe I can share the bid cost totals with you. They were:

EF Johnson	\$4,944,159
Rinkers Communications/WFI	\$5,092,634
Motorola	\$12,486,624

It is clear from the documentation and interviews that the evaluation committee agreed that Motorola's proposal best met the requirements outlined in the RFP and that Motorola was selected for further negotiation even though the price was highest.

**Exception No. 1 – Documentation of Decision to Choose Highest Bidder**

Under state contracting rules (Bulletin No. 3.5) for cost-based projects, when other than the lowest bid is accepted,

**there must be documentation concerning the quality of services, products, or other relevant considerations offered by a higher priced vendor that justify the award of the contract to the higher priced vendor.**

We did not see documentation that, in our opinion, would be sufficient to support a decision to choose a bidder approximately \$7 million above the low bid. We did see scoring sheets from the evaluators, which gave the selected vendor the highest combined score, and meeting notes of the evaluation committee which indicated a consensus agreement on a preferred vendor. However, we would normally expect to see some type of substantive documentation, such as a detailed memo to the Commissioner or to the contract file, justifying the decision to reject two proposals at approximately \$5 million, and to select one at approximately \$12 million, as required by State guidelines. Such documentation is important not only to collect and summarize relevant detail for the record and comply with policy, but it also serves to protect the integrity of the evaluation committee should a challenge or dispute arise concerning its decision.

Such documentation, in our opinion, should include a full list of the evaluation committee and their credentials, experiences and backgrounds which enable each member to sufficiently evaluate the proposals.

We did not see specific documentation from the Commissioner of the Dept. of Public Safety approving the vendor selection and authorized the VCOMM steering committee and DPS staff to begin negotiations. This should be included in the

---

Proposals submitted, nor is it legally bound in any manner by the submission of a Proposal." We did not find documentation which indicated that the Owner (State of Vermont/Commissioner of DPS) approved the Evaluation Committee's decision or made any final decision regarding the award of Contract.

documentation to show that a review and acceptance of the evaluation committee's work took place.

### **Exception No. 2 – Evaluation Criteria**

During the pre-submission period, a bidder asked the State and VCOMM about the specific evaluation criteria:

**The general evaluation criteria, described in section 4.4.2 [of the RFP], does not have weighted scores. The criteria specified in [the] Bulletin 3.5 outline have specific weighting; will the general evaluation criteria also be weighted? If so, please provide the scores for these.**

The vendor received this answer, dated January 8, 2007:

*The areas that will be evaluated have been identified. The actual scoring method including the potential for weighted scores has not been determined.*

The evaluation committee did, in the end, choose a scoring method to grade the proposals. However, the framework chosen was a generic suggestion for a generic personal services contract found in the Buyer's Resource Guide developed by the Purchasing and Contract Administration Division of BGS.

We found no documentation in the contract file as to why this scoring method was chosen. The grading scheme placed a 25% emphasis on "qualifications of staff to be assigned and supervision to be exercised over staff by firm's management." The RFP, on the other hand, did not appear to emphasize this selection criteria; the State's solicitation noted that "proposals will be evaluated in accordance with the following general criteria." (Sec. 4.4.2) There were 48 criteria noted. Thirty-three (68.7%) were technical in nature. Four (8.3%) were targeted to areas of qualifications and supervision of staff. We believe more consideration should have been given to a scoring method that better matched the submission requirements listed in the RFP.

### **Rinkers/WFI Proposal**

You posed several questions regarding this vendor. The evaluation committee was clearly impressed with the effort made by Rinkers/WFI to visit proposed broadcasting sites throughout the state to enhance the quality of its proposal. However, a misconception by Mr. Karl A. Rinker, President of Rinkers Communications, that only \$6.5 million was being budgeted by the State and VCOMM for the project, appears to have affected his bidding approach and ultimately weakened his firm's proposal. Mr. Rinker said he reviewed VCOMM general information flyers that included budget numbers and tried to stay within that budget. For example, a VCOMM flyer with the FY 06 budget showed a total of \$7.5 million for its communication interoperability activities.

The RFP, however, did not mention a specific cost cap, and at the oral presentations and discussions on June 20, 2007, the VCOMM committee further

established with Mr. Rinker that the committee had not put in place any financial limitation on the cost of proposals.

By keeping the bid below a perceived cap, Rinkers/WFI was apparently unable to include additional equipment and installations that may have more completely addressed the RFP. Though the company expressed a willingness to revise its proposal in a short time frame, there was no decision by the VCOMM Steering Committee to pursue this option.

### **Project Status Today**

I should point out that according to Chief Duquette's communication with Vermont's first responder community on Feb. 12, 2008:

**"The 'Lifeline' Project is in a holding pattern. We have selected a vendor to negotiate with and approve of their project design."**

No contract has been signed with Motorola at this point. An independent review, required by statute and bid out by the State's Department of Information and Innovation (DII), has been put on hold while VCOMM and the State seek to get Industry Canada to approve the FCC (frequency) license applications. This aspect of the project was not discussed in the RFP. Chief Duquette wrote on Feb. 12, 2008,

**"Because of these FCC issues we have decided to put the Independent Review on hold and not negotiate with the vendor for best & final price until we know where we stand with licensing. If we are not able to obtain licensing for certain sites it changes the make-up of the project."**

A contract cannot be executed until this review is done. When completed, it would evaluate the Motorola proposal as it relates to the RFP requirements, and the soundness of the Motorola concepts as compared to industry best practices, among other points.

In addition, the Vermont Electric Power Co., Inc., (VELCO), responsible for approximately 600 miles of electric transmission lines, is embarking on a communications upgrade which could be of assistance to VCOMM's Lifeline project; VCOMM and VELCO are having discussions on technical aspects of each other's proposals. Into this mix, we must add the Vermont Telecommunications Authority, created by the Legislature last year, which has broad authority on a number of communications issues. DPS staff indicated that VCOMM is now in the process of determining if potential partnerships with other entities could be beneficial and feasible.<sup>2</sup>

VCOMM leaders and DPS staff were aware of the possibility of having to work with other vendors, or to re-bid a changed project, in the event that negotiations with

---

<sup>2</sup> "Inclusion of utilities as a shared system partner could derive significant economic benefit to Vermont's taxpayers," according to a report prepared by Macro Corporation, June 17, 2005, titled, "State of Vermont – Communications Study Committee."

Motorola were unsuccessful or if the project's scope of work changes to such a degree as to require a new RFP. At this time, it appears that the project leaders prefer to re-bid the RFP due to the amount of time that has passed since the original bid. Further, VCOMM recognizes that technology has changed within that time frame, and that VCOMM also now has a potential partner to share in the cost. Finally, VCOMM recognizes that more assessments must be completed for the National Emergency Channels. These factors may likely change the scope of the original RFP, and thus, a re-bid of this project would be prudent, officials indicate.

### **Conclusion**

I hope this assessment answers the main questions you have posed. Please note that we have no opinion on the technical approach of the RFP or the technical responses made by bidders. We also did not review federal guidelines and requirements attached to the Homeland Security funding for this project<sup>3</sup>. We also did not review other VCOMM activities that are benefiting the State, such as its program to pay for reprogramming of local first responder radios to improve communications in a multi-agency response to an incident.

We do feel that, overall, the RFP process in question was carried out largely according to the State's procedures to ensure fair and open competitive bidding. It is clearly permissible under State guidelines to choose other than the lowest bidder. There is currently a serious gap in documenting the ultimate decision to go with Motorola which VCOMM is addressing.

We did not find any evidence that bidders were treated unfairly or that the decision makers were not acting in the best interests of the State.

Our recommendations to VCOMM and DPS at this point would be to review the contract file and to provide additional documentation that supports the Steering Committee's choice of vendors. The credentials of the evaluators should also be noted. Documentation should be located, if possible, explaining the decision to use the selected scoring method.

Further, I do not feel that a formal audit of this contracting process is required. I will provide this assessment, and backup documentation, to the Commissioner of DII for use in the independent review of the contract proposal should the State and VCOMM move ahead with the Motorola contract. DII's review is expected to be independent and comprehensive; I will suggest to the Commissioner of DII that the review re-examine all proposals to provide a technical opinion on the sufficiency of the evaluation committee's decision.

I should also inform you that during our preliminary review, we received excellent cooperation from VCOMM and the Dept. of Public Safety.

---

<sup>3</sup> A range of federal procurement guidelines might impact this RFP, evaluation, and source selection. A formal audit would examine these requirements, if necessary.

Please feel free to contact me at anytime if you have further questions about this RFP and bidder selection process.

Sincerely,

*Thomas M. Salmon CPA*

Thomas M. Salmon, CPA  
Vermont State Auditor

cc: Commissioner Thomas Tremblay, Dept. of Public Safety  
Thomas Murray, Commissioner of the Dept. of Information and Innovation  
Jim Reardon, Commissioner of the Dept. of Finance and Management

The Request for Proposals for a Voice Radio Interoperability Solution (May 2009)

may be viewed by clicking [here](#).

The State of Vermont Standard Contract for Services may be accessed

by clicking [here](#).

**From:** Salmon, Tom  
**Sent:** Thursday, June 30, 2011 03:36 PM  
**To:** Spaulding, Jeb; Lofy, Bill  
**Cc:** Sorrell, Willaim  
**Subject:** Letter of Preliminary Review

Dear Jeb,

We are conducting a LETTER Of PRELIMINARY REVIEW

The article below is disconcerting if true. The contracting process in the State of Vermont requires much more integrity than displayed below. It warrants further review from our perspective. It is one thing to have a contract with John Franco be criticized, but this is a big deal. When able, please answer back the following preliminary questions:

1. If this is true as stated, an official leaked information on the situation and the "favorite" and the negatives of the "runner up?"
2. Why no mention of bidder number 3 and 4?
3. How does Bulletin 3.5 impact this?
4. What actions are being taken regarding the leaker of information?
5. Is this bidding process void?
6. What is the Administration's (incl DVHA) position and response.

Thanks, Tom

## **Digger Tidbits: HP and Xerox vie for state Medicaid contract**

by Anne Galloway 06/29/11

Subsidiaries of the Hewlett-Packard and Xerox corporations are in a bidding war for a contract to manage Vermont's Medicaid billing system. HP Enterprise Services (formerly known as Electronic Data Systems), which has held Vermont's Medicaid Management Information System contract since 1992, is in a fierce battle with Affiliated Computer Services, a subsidiary of Xerox, over the deal, according to an official who asked not to be identified.

The Department of Vermont Health Access has requests-for-proposal out for the Medicaid Enterprise System, also known as the Medicaid Management Information System. Four companies have placed bids for the contract. Susan Besio, commissioner of DVHA, said the names of the bidders are confidential, and she wouldn't say where the other two bids came from.

HP is a purveyor of Medicaid billing services in 18 states, including Nevada, Alabama, Kansas, Connecticut, Kentucky and Vermont, according to a report from the Centers for Medicare and Medicaid Services. Its offices in Vermont are located in the same Williston building as DVHA. ACS has Medicaid contracts with a dozen states across the country, including New Hampshire, where the company has repeatedly failed to meet deadlines for the installation of a new computer system. ACS has a \$61 million contract with the New Hampshire Department of Health and Human Services to develop and operate a new Medicaid billing system. It was supposed to have the system up and running in 2007, and it has been fined \$500,000 for delays, according to an October 2010 story in New Hampshire Business Review.

ACS contracts have been terminated in at least three states — Minnesota, Wyoming and Idaho — over the last two years, according to the business magazine.

DVHA will name the winning bidder in July.

## Want to revolutionize health care? Apply here

Three weeks after Gov. Peter Shumlin signed Act 48, which sets up a framework for the creation of a single-payer health care plan, his administration has moved forward with arguably the most important first step toward implementation: Finding the right five people to run the Green Mountain Care Board.

The board will work with the Shumlin administration to design the governor's single-payer health care plan. It will address the big questions that were not answered by Act 48, namely: What the benefits package will look like; what reimbursement rates will be for providers; how much the system will cost; and how it will be paid for. The work begins Oct. 1.

Meanwhile, the applicant search is now under way. The Green Mountain Care nominating committee began advertising the five paid positions on Friday. In July the committee will vet the candidates for Shumlin who will hand pick the members of the board.

The 20-page application form is like a final exam for executive types, with large empty white spaces for essay-length answers on a variety of topics. Got experience? The Green Mountain Care Nominating Committee wants to know about it.

"Please describe your experience in each of the following areas: health care financing, information technology, policy and economics." Not to mention exhaustive knowledge of state and federal regulations. Management experience, BTW, is a plus.

Applicants must also divulge their sources of income and list “anticipated receipts from deferred income arrangements, stock options, uncompleted contracts and other future benefits which you expect to derive from legal or previous business relationships, professional services, firm membership, former employers, clients or customers.”

The nominating committee has also asked applicants to share information about any lawsuits or disciplinary actions they may have been subject to. Tax liens, tax audits and bankruptcies must also be listed and explained. Candidates also must submit six references, explain why they want to serve on the board, and propose suggestions for ensuring that the Green Mountain Care Board is “both transparent and accountable.”

The applications are due no later than 2 p.m. on July 11. The committee is advertising the five positions in local newspapers and on health care public interest and industry websites.

The faint of heart need not apply.

## Besio goes to Pacifica Group

Susan Besio, commissioner of the Department of Vermont Health Access, is retiring at the end of the month. Besio was charged with managing the state’s Medicaid system and a suite of government subsidized health programs under Green Mountain Care, including Dr. Dynasaur, the state’s health care plan for children, Catamount Health, Medicaid and the Vermont Health Access Plan.

Medicaid spending in Vermont is about \$1.24 billion, or roughly a quarter of the state’s annual budget. Unlike most states, Vermont has what is known as a “global commitment” waiver that gives the state the flexibility to use the federal funding for a broader range of health care programs.

Besio is staying in Vermont, and she said she will take a part-time consultant gig with Pacifica Health Group in July. In 2007, Pacifica analyzed the state’s nonprofit mental health programs offered through community-based “designated” agencies. Besio will lend the national consulting group her Medicaid expertise.

Gov. Peter Shumlin has not yet named Besio’s successor.

*Thomas M. Salmon CPA*

## Thomas M. Salmon CPA

Vermont State Auditor  
132 State Street  
Montpelier, VT 05633-5101  
(802) 828-2281 office  
(802) 828-1629 direct  
(802) 828-2198 fax  
tom.salmon@state.vt.us  
[www.auditor.vermont.gov](http://www.auditor.vermont.gov)

**"If I had an hour to solve a problem I'd spend 55 minutes thinking about the problem and 5 minutes thinking about solutions."**

**— Albert Einstein**

**From:** Rouelle, Angela  
**Sent:** Friday, July 08, 2011 8:20 AM  
**To:** Rouelle, Angela  
**Subject:** Vermont Medicaid Enterprise Solution (MES)  
**Importance:** High

Dear Bidders,

The Agency of Human Services has determined that it is in the best interest of the State to withdraw the MES (Medicaid Enterprise Solution) RFP and re-evaluate the agency's information technology strategy with a view to reposting an MES RFP at some future date. The State hopes to elicit proposals that are more consistent with MITA (Medicaid Information Technology Architecture) and that align with Vermont's health care vision. The State encourages current bidders to submit new proposals under the new RFP. The Center for Medicare and Medicaid Services has been notified and is supportive of the decision. Vermont believes:

1) It is in the best interest of the State to review the passage of Vermont's Act 48, CMS's newly released guidance on "Seven Standards and Conditions" for funding of Medicaid IT systems in May, and the soon to be released CMS guidance on a MITA 3.0 framework and the Affordable Care Act.

2) Stewardship of taxpayer dollars is too important not to take number #1 above under consideration.

Angela S. Rouelle  
**Chief Information Officer**  
Agency of Human Services  
103 South Main Street  
Waterbury, VT 05671  
[angela.rouelle@ahs.state.vt.us](mailto:angela.rouelle@ahs.state.vt.us)  
Work: (802) 241-2341  
Cell: (802) 272-6076



STATE OF VERMONT  
OFFICE OF THE STATE AUDITOR

MEMORANDUM

To: Mr. Jeb Spaulding, Secretary  
Agency of Administration

From : Thomas M. Salmon, CPA  
Vermont State Auditor *TMS*

Date: July 28, 2011

Re: MMIS Contract – Letter of Preliminary Review

---

As promised, here is a more formal request for information regarding the MMIS contract and cancelled RFP.

1. Section 5 – Evaluation Criteria and Contractor Selection lists a number of evaluation criteria, including eight (8) which are listed under “Evaluation of Proposals” which seem to be designed to select the “vendor finalists”. There is no description of the scoring process and how each or these criteria will be weighted. – What was the scoring methodology?
2. What were the scores of all responders?
3. Who were the finalists?
4. What were the amounts of the bids? Did they exceed the state’s budgeted amount?
5. Who were the members of the review team?
6. Did the review team score the responders independently, or was the scoring done as a team?
7. How was the following criteria scored for the finalists?

Evaluation of Solutions Demonstrations  
Review of Reference Checks  
Performance of Site Visits

Jeb Spaulding

Page 2

8. Did the review team make a recommendation, and what was it?
9. Please provide a copy of the score sheets and recommendations.
10. How much in total (state, federal, existing and new contractors, experts, etc) resources was expended to prepare, create and manage this RFP process from origin to cancellation?

Please provide the information by 5:00 p.m. on August 5, 2011.

Thank you for your continued cooperation.

**Agency of Human Services' (AHS) Response to State Auditor's questions regarding Medicaid Enterprise Solution (MES) (Medicaid Management Information System (MMIS)) Request for Proposals (RFP) Cancellation**

1. What was the evaluation and scoring criteria for the Vermont Medicaid Enterprise Solution (MES) procurement?

The Department of Vermont Health Access (DVHA) after a competitive bid process engaged with Qualis Health (aka Outlook Associates) in early 2010 as the Technical Assistance Consultant to assist the Agency with creating a RFP for our MMIS procurement efforts. This firm has a good deal experience in such efforts and provided deliverables, recommendations, and guidance in the procurement along Centers for Medicare and Medicaid Services (CMS) requirements.

The MES evaluation was completed by a core evaluation team made up of business leaders and program managers. This team was aligned to assess the proposals in three categorical areas:

- I. **Technical** – focusing on the technical aspects of the proposed solution to evaluate its viability within the context of the Vermont Healthcare Enterprise and the mandates set forth by Centers for Medicare and Medicaid Services (CMS) and Vermont's Division of Innovation and Integration (DII) on how Information Technology (IT) solutions are to be built and implemented.
- II. **Business** – focusing on whether the solution will meet the business needs of the State answering such questions as: Does it have the functionality necessary? Will it meet our workflow needs in terms of efficiencies and productivities? Does their staffing model appear realistic and reasonable? Etc.
- III. **Leadership** - focusing on the company and staff from the perspective of historical success in this market and does the company and staff have the knowledge, leadership and vision to meet our needs.

Each of the areas had a core team members assigned to it and on that team there was a designated point person for coordinating that team's efforts with evaluating the proposals. The Agency also called upon Subject Matter Experts (SME) to aid the scoring teams in the evaluation process. This detail level evaluation was broken into seven sub-category areas organized around CMS's Medicaid Information Technology Architecture (MITA) as depicted in the Expertise Focus in the table below.

Area	Core Team	Expertise Focus	SME (Suggested)
Technical	Steve Bentley Michael Hall Joe Liscinsky Mike Morey (DII) Brian Pardy Darin Prail	Hardware, Network Agency Enterprise Architecture Components, Technical Architecture State Enterprise Architecture Technical Architecture, SOA, Network Technical Architecture, Security, Privacy	
Business	Michael McAdoo Deb Austin  Allan Merritt  Mary Andes	Care Management  Operations Management – COB/TPL/Claims Operations Mgmt – Finance/Payment/Reporting & Program Management – Financial Reporting Operations Management – Claims/Decision Support Operations and Program Management --	Daljit Clark, Eileen Girling  Jeff Ross, Brenda Metivier, Robin Farnsworth Sarah Walcott, Carrie Hathaway, Monica Light, Connie Harrison  Heidi Hall (DMH)  Nancy Hogue, Jennifer Egelhof

	Beth Tanzman Ron Clark Shawn Skaflestad Stephanie Beck  Bill Clark Frank Reed (DMH) Nathaniel Waite (VDH)	Blueprint Program Integrity Program Integrity, Program Management Program Management  Provider Management & Member Management Member Management Provider Management & Program Management	Leanne Miles    Kim LaFrance, Nancy Marinelli, Cindy Walcott (DCF)
Leadership	Hunt Blair Lori Collins Jim Giffin Vicki Loner  Angela Rouelle Suzanne Santarcangelo	Healthcare Reform, HIT, HIE, HIBE Operations Management, Overall Vision Agency Finance Clinical Care / Chronic Care Initiative / Pharmacy Technical Vision, Eligibility, Enrollment Healthcare Policy	Terry Bequette

The team evaluated the proposals in the following manner:

<b>Scoring Criteria</b>	<b>Definition</b> (Evaluation on the technical, business and informational aspects of the proposal/solution.)	<b>Value</b>
Exceeds Expectations	The System described exceeded the expectation to rate a “10”. The system explained one that could perform in an efficient and exceptional fashion while streamlining complex tasks and simplifying procedures.	10 Points
Meets Expectations	System described would address/meet basic needs.	5 Points
Does Not Meet Expectations	System described did not address/meet State’s expectations.	1 Point
Not Addressed	Need was not addressed.	0 Points

2. What were the scores of all responders?  
The scoring is undergoing QA work to assure that it is as accurate as possible for the final report (see question 10 response) however preliminary results of the scoring of the proposals were:  
ACS Xerox obtained the highest score – 3375 points out of a possible 5000 points  
HPES obtained the next high score - 3183  
Molina was lowest - 2937
3. Who were the finalists?  
The finalists were ACS and HPES.
4. What were the amounts of the bids? Did they exceed the State’s budgeted amount?  
The amount of the bids varied due to the proposals containing differing years of implementation and maintenance. The bids were:  
ACS - \$222,828,872.00  
HPES - \$207,835,404.00

Molina - \$259,500,000.00

MedMetrics – Was not a qualified solution as they only offered pharmaceutical services.

A cost analysis was done to normalize the amounts in terms of system components, and proposed staffing; this information will be in the final report as well however the ranking remained ACS, HPES, Molina (highest).

5. Who were the members of the review team?

The review team consisted of 29 staff from across the State, most of which are employed by the Agency of Human Services (AHS) as indicated in the table above. The team consisted of Deputy Directors, Business Managers, Financial Managers, Project Managers, Information Technology Managers, System Architects, the AHS Chief Information Office (CIO) and legal counsel.

Members of the team were: Allan Merritt, Bill Clark, Debbie Austin, Frank Reed, Mary Andes, Michael McAdoo, Ron Clark, Shawn Skaflestad, Stephanie Beck, Nancy Hogue, Jill Gould, Beth Tanzman, Nathaniel Waite, Kimberly LaFrance, Leanne Miles, Brian Parady, Darin Prail, Joseph Liscinsky, Michael Hall, Steve Bentley, Michael Morey, Seth Steinzor, Carrie Hathaway, Angela Rouelle, Hunt Blair, Lori Collins, Jim Giffin, Suzanne Santarcangelo and Vickie Loner.

6. Did the review team score the respondents independently or was the scoring done as a team?

The review teams scored their results independently. They discussed their observations and findings in group meetings.

7. How was the following criteria scored for the finalists?

a. Evaluation of Solutions Demonstrations

15 Days prior to the demonstrations the vendors were each given the same scripted scenarios to perform. The evaluation team utilized standardized scoring sheets organized around these scenarios to score the demonstrations. The same team members evaluated each of the vendors.

The demonstrations were scored using the following scale:

<b>Scoring Criteria</b>	<b>Definition</b> (Evaluation on the technical, business and informational aspects of the proposal/solution.)	<b>Value</b>
Exceeds Expectations	The System must perform above your expectation to rate a “10”. The system performed in an efficient and exceptional fashion while streamlining complex tasks and simplifying procedures.	10 Points
Meets Expectations	System addressed/met basic needs.	5 Points
Does Not Meet Expectations	System did not address/meet expectations.	1 Point
Not Addressed	Need was not addressed.	0 Points

b. Review of reference checks

Some reference checks were completed but the scores were not compiled as the RFP was being withdrawn.

c. Performance of site visits

Site visits were not performed as they were scheduled to occur at a later date.

8. Did the review team make a recommendation and what was it?

The Review team did not make any recommendations.

9. Please provide a copy of the score sheet and recommendations.

Attached is a copy of the scoring summary sheets. There were at least 10 groups of scoring sheets for each vendor. These were lengthy and complex dependent on the subject area. An example is being brought together and these are being summarized for the final report as well.

There was not any verbal/written recommendation other than to 'pull back' the RFP.

10. How much in total (state, federal, existing and new contractors, experts, etc) resources was expended to prepare, create, and manage this RFP process from origin to cancellation?

The Agency as a whole has claimed \$2,502,969 in gross expenditures on this effort from 1/1/09-6/30/11. Federal earned \$2,252,670 State match is \$250,299 as CMS provides federal funding at 90% leaving the State a 10% share. Outstand expenses (AP) at this time are \$314,324.50 for retainage and other costs from our Technical Assistance Consultant. This includes a report that should be delivered to Vermont Agency of Human Services by the end of August regarding "System and Procurement Evaluation and Recommendations" in which all of this subject matter will be fully detailed. This makes the total cost for the time period \$2,817,293.50.

The total expenditure includes "as-is" analysis of our current systems infrastructure and requirements gathering for our future infrastructure. The resulting details that comprise the RFP are still valid for the follow on RFP once we have identified impacts of ACT 48 and the CMS guidance.

The AHS Vendor Staffing Scoresheet may be viewed by clicking [here](#).

The full Medicaid Enterprise Solution Procurement Selection Report of  
September 1, 2011, may be accessed by clicking [here](#).

**Contract #3:**  
**Vermont Driver & Registration Information**  
**& Verification Enterprise System**

On February 1, 2012, State Auditor Tom Salmon notified the commissioner of the Vermont Department of Motor Vehicles that he would be reviewing the expenditure of \$18 million for the troubled Vermont Driver & Registration Information & Verification Enterprise System. This review was sparked by a “Seven Days” article suggesting problems with the system.

THOMAS M. SALMON, CPA, CFE  
STATE AUDITOR



STATE OF VERMONT  
OFFICE OF THE STATE AUDITOR

February 1, 2012

Mr. Robert Ide, Commissioner  
Vermont Department of Motor Vehicles  
120 State St.  
Montpelier, VT 05603-0001

Dear Commissioner Ide,

This letter is to inform you we are conducting a situation report on the Department of Motor Vehicles expenditure of \$18 million for the Vermont Driver & Registration Information & Verification Enterprise System.

Thank you in advance for your cooperation. Deputy State Auditor Joe Juhasz and I will be gathering and reviewing the necessary information. We expect to produce a report by the end of March, 2012, and would appreciate a response to the question below by March 16, 2012.

1. How and why did the Department of Motor Vehicles enter into the contract for the Vermont Driver & Registration Information & Verification Enterprise System?
2. It has been reported that the system is three years late and over budget; is that correct?
3. Summarize the history of difficulties with the design and implementation of the system.
4. What are the unresolved issues with the system today?
5. What are the options Vermont and the DMV are considering to remedy the unresolved issues?

For information on our situation reports please go to our website and review some of the examples. The ultimate goal of a situation report is to clarify a situation and help the entity stakeholders address and improve the agreed-upon issues.

Sincerely,

*Thomas M. Salmon, CPA, CFE*

Thomas M. Salmon, CPA, CFE  
Vermont State Auditor

FOLLOW US: [Facebook] [Twitter] [LinkedIn] [Google+]

RESTAURANTS

LOCAL DATING

JOBS, HOUSING

EMAIL NEWSLETTERS: NOW, DAILY 7, BITE CLUB...

To sign up, enter your email here

GO

MUSIC | MOVIES | CALENDAR | ART | BLOGS | VIDEOS | CONTESTS + EVENTS | LOCAL GUIDES | TICKETS+DEALS | ARTICLES | SEARCH



Join us at the 15th Annual Kids VT Camp & School Fair SAT. FEB. 4 • HILTON BURLINGTON • FREE ADMISSION!

PRESENTED BY TIMBERLANE DENTAL GROUP [TD Bank]

CLICK TO REGISTER FOR PRIZES! kids

Subscribe to our email newsletter for cool weekend events & discounts! SEVEN DAYS now

POLITICS

License to Spend

Fair Game

BY ANDY BROMAGE [01.18.12]

TAGS: fair game, politics

The Department of Motor Vehicles is already synonymous with really long waits. But even by those standards, an unfolding fiasco inside the Vermont DMV is turning into a painfully drawn out — and expensive — affair.

Fair Game has learned that over the past six years, the Vermont Department of Motor Vehicles has shelled out \$18 million for a new computer system that today is barely usable. The launch of the new VT Driver & Registration Information & Verification Enterprise System — VT DRIVES — is three years overdue and millions over budget.

The latest contract extension expires on February 28, and according to DMV Commissioner Robert Ide, there's no way the system will be ready by that date. Ide says the state may have no choice but sue the company building it, Hewlett-Packard, to recoup the money.

"There's a catastrophic failure within the code as it's written today," Ide says. "Hewlett-Packard is saying that with modifications they can make it work, and we are unconvinced that that is in fact true."

How in heck did DMV spend \$18 million with little or nothing to show for it? It's a slightly convoluted story, but Ide insists that the DMV is not to blame.

As Ide recounts, construction on VT DRIVES started in 2006 and was supposed to take three years to complete. The goal was to replace the DMV's 40-year-old computer system with a modern one that updates driver data in real time.

"If a person were to pay a traffic fine online, it would not show up in our records right away. There would be a lag," Ide explains by way of example. "So if you paid your fine and assumed [your license was] reinstated and you went out and you were stopped by law enforcement, that officer would think you were suspended. On-time information is mandatory in today's world."

Hewlett-Packard didn't actually bid on the contract to build VT DRIVES. Rather, it inherited the job from Electronic Data Systems, the company founded by Texas billionaire Ross Perot, as part of a corporate acquisition. In fact, HP is the fourth company to hold the VT DRIVES contract; each assumed ownership of the job as part of a corporate takeover.

Ide says the new system isn't a total bust. Some parts are usable, such as a program for issuing enhanced driver's licenses. But Ide estimates VT DRIVES is operating at "10 percent or less" of what it was designed to do. That's after DMV paid multiple millions to Hewlett-Packard and its predecessors, plus \$1.3 million (almost twice the \$750,000 budgeted) to a "quality control" vendor in Colchester and \$4.2 million (more than twice the \$1.8 million

EMAIL THIS

PRINT VERSION

FEEDBACK

11

Like

13

Tweet

0

Sign up to receive box office bargains and other perks in your inbox!

Enter your email address here...

Go

Click here for deals!



MOST POPULAR

1. Dairy Don't: A Dogged Ag Activist Takes Aim at Vermont's "Sacred Cow"
2. A Thin-Cover Season
3. Totally Uncool
4. Starting Fresh
5. Local Community Takes on The Blues Brothers to Save a Barn
6. With Leahy Under Fire, an Online Piracy Bill Is Indefinitely Detained
7. Adios, for Now
8. A Sweet and Savory Trapp

1. A Photographer Is "Banned" for Taking Pictures on Church Street
2. On the Job
3. Naked Ambition
4. Last Bites
5. Fame-Seeking Vermonter Gets His Shot in a New Book
6. Seven Days Staffers on Twitter
7. Dangerous Liaisons
8. Live Nude Students

1. Dangerous Liaisons
2. Vermont's Got a Growing Bedbug Problem - and, Yes, They Bite

**ALSO BY ANDY BROMAGE**

State Secrets  
 Citizens Unite!  
 In With the News  
 7 to Watch in 2012  
 Whatever Happened to... ?

**ARTICLES IN POLITICS**

State Secrets  
 Public Money, Private Crime  
 Citizens Unite!  
 Totally Uncool  
 Dairy Don't: A Dogged Ag  
 Activist Takes Aim at  
 Vermont's "Sacred Cow"

**TAGS**

politics  
 fair game

budgeted) for DMV staff time working on the system. Total price tag for the barely operational system: \$18 million.

Ide is talking tough, but the state has not initiated legal action. "We're very confident there will be a settlement, and we will get a great deal of that money back — if not all, or more," Ide says. "The State of Vermont feels at this point in time that HP owes us either a system or a great deal of money."

HP doesn't exactly sound ready to settle. Company media relations manager **Erica Floyd** emailed a two-paragraph statement saying, "The delay is unfortunate; however, it is necessary to deliver a high-quality customized system and to implement additional changes as well as functionality that have been requested by the state."

The statement goes on, "HP is committed to working with the state to achieve the goal of modernizing

Vermont's DMV. In order to accomplish this, HP is fully focused on addressing the remaining technical issues, implementing the additional functionality requested and testing the application to bring the project to a timely completion."

A little late for a "timely completion," dontcha think?

**Communications Breakdown**

For a guy who hired two press secretaries upon taking office, Gov. **Peter Shumlin** sure has a strong allergy to "communications" people.

As first reported on the *Seven Days* staff blog, **Blurt**, this week, **Team Shumlin** nixed plans to hire two communications coordinators — for two different state agencies — and pressured a supposedly "independent" health care reform board to yank an advertisement requesting public relations services.

Shumlin came into office promising to rid state government of the press secretaries that populated agencies under his predecessor, Republican **Jim Douglas**, whose payroll of appointed communications directors topped \$400,000. Shumlin appointed two people to handle press for his own office — former WCAX reporter **Bianca Slota** and former Howard Dean aide and *Times Argus* editor **Susan Allen** — but state agencies did remain largely free of new flacks.

So imagine Fair Game's surprise when we opened the *Seven Days* classified section last week and saw one employment ad looking for a "communications coordinator" at the Agency of Natural Resources and another seeking a "director of communications" at the Department of Tourism and Marketing.

In addition, the Green Mountain Care Board, the panel devising the governor's universal health care plan, has set aside \$50,000 to hire a public relations professional to "build public confidence in our process and decisions," and "inform the public of actions of the GMCB."

Asked about the seeming double-standard, Secretary of Administration **Jeb Spaulding** responded swiftly. Very swiftly. In fact, it almost seemed a little knee-jerk.

Spaulding said the governor was "about as angry and frustrated as I've heard him" about the job postings and ordered "the immediate and full stop" to the two agency job postings pending a review. On top of that, Shumlin asked the Green Mountain Care Board to withdraw its bid for public relations help.

3. Hard Lessons
4. A Photographer Is "Banned" for Taking Pictures on Church Street
5. Shadows and Light
6. Naked Ambition
7. Back to the Land — Again
8. Classroom Divide

Are you ready to achieve career distinction?



> Get Started



**NORWICH**  
UNIVERSITY

**rebelsaintgurl**

If I won some big lottery, here's what I'd do with my winnings: Jump on a plane and explore Thailand,...

[Women Seeking Men](#)  
[Women seeking Women](#)  
[Men seeking Women](#)  
[Men seeking Men](#)  
[I Sex](#)



“He’s made it clear individually and through me to the cabinet on multiple occasions that he does not want PR spin-doctor communicator positions in state government,” said Spaulding.

Apparently, some members of Team Shumlin didn’t get the memo.

The ANR position paid \$38,000 a year and was a classified position, meaning it would have fallen under a union contract. The tourism and marketing job, by contrast, was an “exempt” position — a political appointment — and paid \$50,000 a year to someone who could “generate positive tourism-related coverage of Vermont in the national and international marketplace,” according to the ad. Erica Housekeeper recently vacated the job to take a position at Fletcher Allen Health Care.

Secretary of Commerce and Community Development Lawrence Miller said he approved the tourism communications job without thinking it would be controversial.

“It’s not the PR position that I think the governor’s thinking of,” Miller said. “I certainly think it’s a job that ought to be filled. It’s not to promote the agency, it’s to promote Vermont.”

Miller noted that the commerce agency did have an appointed communications director — Dave Mace — and the position was eliminated. Now, he said, agency staffers are directed to answer questions from the media.

As for the ANR job, Secretary Deb Markowitz insisted it was “an administrative assistant position that is designed to do a bunch of things.”

“I completely understand the governor’s concern with having government filled with PR positions, and I expect he’ll take a step back and take a look at what we’re trying to do and we may fine-tune some of the descriptive language,” Markowitz said.

Translation: The job will be filled. It just might be called something else.

Human resources commissioner Kate Duffy is now conducting a review of all jobs in state government that could be considered “communications” positions of the spin-doctor variety. Duffy said the state may even ask for outside assistance from someone with expertise in “good government,” such as the Snelling Center for Government.

Putting the kibosh on state job postings is one thing. Asking an “independent” health care panel to follow orders is quite another. After all, one reason the Green Mountain Care Board wanted PR help in the first place was to “develop and communicate a GMCB identity distinct from the State agencies and Legislature.” On Tuesday, the GMCB yielded to Shumlin and dropped plans for the PR contract.

Some declaration of independence.

### The Cost of Democracy

Last fall’s four-way race to become Burlington’s Democratic nominee for mayor wasn’t only the closest in recent memory; it was one of the most expensive.

Candidates Tim Ashe, Jason Lorber, Miro Weinberger and Bram Kranichfeld collectively dropped more than \$96,000 battling for the few hundred votes that would put them over the top.

In Burlington, candidates aren’t required to file campaign finance reports until 10 days before the March 8 election — well after any caucus campaigns are over and too late for most people to fully scrutinize who is bankrolling the candidates.

But in the interest of transparency, Lorber and Weinberger voluntarily made their filings public on their campaign websites. And at Fair Game’s request, Ashe and Kranichfeld supplied their fundraising figures: Kranichfeld shared his full report; Ashe gave just the totals.

**Seven Days on Facebook**

Like

**Seven Days**  
This week in Fair Game: shining a light on a secretive state investigation, a controversial poll gets Vermont press, and a local farmer takes on Monsanto.

**State Secrets | Seven Days**  
www.7dvt.com  
Vermont’s alt-weekly newspaper on the web, featuring Vermont music, news, politics, movies, food, apartments, jobs, dating and videos.

8,262 people like Seven Days.

Karin Kiley Shane Justin Eduardo  
Peter Lynda Judy Jen

Facebook social plugin

**Seven Days on** Add to circles

+6

ALL RIGHTS RESERVED © SEVEN DAYS 1995-2012 | PO BOX 1164, BURLINGTON, VT 05402-1164 | 802.864.5684



SECTION

# VERMONT

More online  
Up-to-the-minute local  
news at burlington.  
freepress.com



BurlingtonFreePress.com

••• Monday, February 6, 2012 • Metro Editor (800) 427-3124 • Page 4A

## \$18M computer system fails DMV

After 6 years,  
state might try  
to recoup money

By Terri Hallenbeck  
Free Press Staff Writer

MONTPELIER — Since 2006, Vermont has laid out more than \$18 million for a Department of Motor Vehicles computer system that barely works.

The system was once touted as a state-of-the-art solution. Instead, the state is largely relying on a 40-year system that lacks the ability to provide the immediacy needed in the world of driver records and auto registrations.

State officials said they are working to recoup the

costs from the vendor, Hewlett Packard, the fourth company to hold the contract.

"We'll try to get our money back starting with a settlement conversation, and if that's not fruitful, the lawyers will take over," said Rob Ide, state Department of Motor Vehicles commissioner. "We're looking for a big check."

"This is outrageous," said Gov. Peter Shumlin, whose administration inherited the contract when he took office in 2011, but he was a member of the Senate Transportation Committee that oversees motor vehicle matters before becoming governor. "It's unacceptable."

Ide and Shumlin attribute the problem to the frequent change in vendors as each one is bought out by another.

Hewlett Packard officials

contend the company expects to deliver a successful system

"HP is fully committed to the successful completion of the VT Drives project. The delay is unfortunate; however it is necessary to deliver a high-quality customized system and to implement additional changes as well as functionality that have been requested by the state," Hewlett Packard spokeswoman Ericka Floyd said. "HP is fully focused on addressing the remaining technical issues, implementing the additional functionality requested and testing the application to bring the project to completion."

Ide said the state considers the system that has been created to be fatally flawed,

See DMV, 5A

### Department seeks to increase vehicle fees

By Terri Hallenbeck  
Free Press Staff Writer

MONTPELIER — Every three years, the state reviews — and usually increases — Department of Motor Vehicle fees. State officials thought they would skip the increase this year, Commissioner Rob Ide said.

Tropical Storm Irene helped ensure otherwise, Ide said. The state Agency of Transportation needs the money for Irene-related repairs to roads and bridges and to maintain the state's paving program, he said.

The department has proposed increasing about 30 percent of the state's 100 motor vehicle fees, totaling a \$6.3 million increase. Ide

presented the proposal last week to the House Ways and Means Committee.

The proposed fee increases, which require legislative approval, would maintain Vermont's status as having higher fees in most cases than neighboring states.

The proposed increases:

■ A two-year driver's license would go from \$28 to \$30; four-year licenses would go from \$45 to \$48.

■ Car registrations would go from \$65 a year to \$69, or from \$122 for two years to \$128.

■ Vanity plates would increase from \$38 to \$41 a year.

■ Registration transfers would go from \$22 to \$23.

■ Motorcycle registration would go from \$41 to \$43. Ide said the increases largely match the rise in the Consumer Price Index.

The current \$65 fee for car registrations compares with \$31 in Maine and a range of \$31-\$55 in New Hampshire, according to information Ide provided.

While Vermonters are paying \$45 for a four-year driver's license, Maine residents are paying \$30 for six years. Massachusetts and New Hampshire are charging \$50 for five years and Rhode Island is charging \$31.50 for five years. The fees cover more than the cost of the actual transaction, generating revenue to pay for transportation maintenance, Ide said.

# DMV: Glitches plague \$18M computer

Continued from Page 4A  
 though a few of the new functions are working. "We do not believe the code as written will ever work as advertised," he said.

Whether the state will recover its money or end up with a working computer system remains to be seen. The issue raises questions about the state's antiquated computer network and its ability to keep pace with technology.

In the meantime, the Department of Motor Vehicles will maintain its old system, Ide said, with the worry that it could give out and leave the state without access to driver and auto registration records.

Though the system functions, Ide said, there are also consequences to its slowness. Recently, he said, a driver received new license plates on a Thursday, went to Montreal for the weekend and upon returning discovered at the border that the registration information hadn't been updated in the computer.

## Six years, four companies

The state signed a \$10 million contract for a new Department of Motor Vehicles computer system in 2006 with Covansys Corp., the low bidder for a system that was dubbed "VT DRIVES, or Vermont Driver and Registration Information and Verification Enterprise System." In the ensuing six years, the state has spent another \$8.5 million of staff time, consultants, hardware and software on the system, Ide said. The total comes to \$18,553,047, he said, with the state's last payment to Hewlett Packard in April 2011.

The state has also seen three more companies come through the door.

Covansys' was bought out in short order and the contract was transferred to Sabercorp in 2006, said Ellen Hemond of the Department of Motor Vehicles.

Saber was then sold to Electronic Data Systems, which took over the contract in 2007.

EDS was bought out by Hewlett Packard in 2008, and the contract remained with EDS as a division of Hewlett Packard, but then in 2010, Hewlett Packard itself took over the contract, Hemond said.

Bonnie Rutledge, who retired in 2009, was commissioner of motor vehicles when the contract was signed in 2006. She recalled that the state was conscious of not being the lone guinea pig for a new system, and so contracted with a company that was working with other states.

Those states have had some of the same troubles with the vendors.

A 2011 article in the publication GoLocalProv reported, "Rhode Islanders have been paying millions of dollars for a new Department of Motor Vehicles computer system since 2007, but it has yet to even go online."

Revenue Director Rosemary Booth Gallogly said,

the Department of Information and Innovation.

"Hewlett Packard has been largely a good vendor," Boes said.

## Lessons learned?

The predicament over the Department of Motor Vehicles system raises questions about the state's overall computer operations.

Does it make sense for an individual department to go off in search of its own system, or should the state have one big system?

Boes, who joined Vermont state government last year, said it does make sense for the department to have its own system.

The Department of Motor Vehicles' needs are unique, so it needs a system tailored to those needs. The key is to make sure it also integrates with other state agencies.

"You buy things in pieces," Boes said. "If you bite off too much, sometimes you bite off more than you can chew."

Not long after the state signed the contract for the motor vehicle system, it also contracted for a Tax Department computer system. That contract, for \$7.8 million with CGI Group Inc. and Oracle, was signed in 2007 and the system went live in 2010, Tax Commissioner Mary Peterson said.

Though the system works, it also has had flaws, Peterson said. There were glitches in recording some collections, but the department was able to work with the vendors and consultants. Notably, the vendors did not change during the process.

Boes said he has advised Ide that if the Department of Motor Vehicles ends up having to pursue a new computer system that it wait until another state has found a successful one.

He said, though, that he still hopes Hewlett Packard will come through on this one.

Shumlin said on a more long-term basis, he wants the state to move to "cloud

computing," where the state no longer houses the servers but contracts out for that to be hosted elsewhere.

"It's my belief state government should do what the Navy does," Shumlin said. "Get out of the technology business and contract out to the cloud."

## Legislative oversight

Rep. Patrick Brennan, R-Colchester, chairman of the House Transportation Committee, which approved the contract and has monitored it since, said he believes changes in personnel with the vendors created a problem the state could not have foreseen.

"There's no way we could have known those companies would be sold," Brennan said.

Brennan and Senate Transportation Committee Chairman Richard Mazza, D-Grand Isle/Chittenden, said they would pressure the state to recoup its money, viewing \$18 million as a sizable amount.

"We've got to continue to pursue this," Mazza said.

If Vermonters were counting on their elected leaders to watchdog government spending, when it comes to computer systems, legislators bring little to the table. No single House or Senate committee has jurisdiction over computer purchases, and therefore, no committee develops expertise or a sense of the big picture.

"There is no oversight," said Sen. Vincé Iluzzi, R-Essex/Orleans. "It's been done on an ad hoc basis." Sitting at a computer where he was struggling to learn to use Twitter, Iluzzi acknowledged many lawmakers are limited in their computer know-how, more so than with some of the more traditional functions of government.

"You can't critically judge what you're being sold," he said.

Contact Terri Hallenbeck at 657-4887 or thallenbeck@burlingtonfreepress.com.

On March 8, 2012, DMV Commissioner Robert Ide responded to the issues raised in Auditor Salmon's letter of February 1, 2012. That response follows:

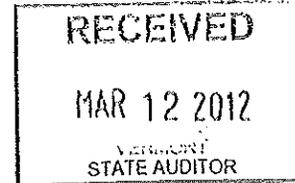
State of Vermont  
DEPARTMENT OF MOTOR VEHICLES  
120 State Street  
Montpelier, VT 05603-0001  
www.aot.state.vt.us

Agency of Transportation

[phone] 802-828-2000  
[fax] 802-828-2098  
[ttd] 800-253-0191

March 8, 2012

Thomas M. Salmon, Vermont State Auditor  
Office of the State Auditor  
133 State St.  
Montpelier, VT 05633-5101



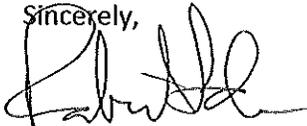
Dear State Auditor Salmon,

Attached please find the Department of Motor Vehicles answers to the questions raised in your letter of February 1, 2012 relative to the situation report you are conducting on our VTDrives project.

We've provided considerable detail in our responses in order to provide an understanding of how we got to where we are in the project, some of the challenges we are now facing and the potential avenues to rectify the situation going forward.

Should you require any clarification on the information provided or additional detail please let me know.

Sincerely,



Robert Ide  
Commissioner

## Situation Report Responses

### Re: Vermont Driver & Registration Information & Verification Enterprise System

#### How and why did the DMV enter into a contract for VTDrives

The current mainframe system was designed and implemented during the mid 1970's. Since that time the Department has experienced significant changes. The number and types of services provided by DMV have grown and increased in complexity. In many cases new functionality could not be added to the existing mainframe system. As a result numerous database systems (mostly Microsoft Access databases) were developed and put into use throughout the Department to perform specific functions. For the most part, these databases operate independently and do not communicate with each other or the mainframe system.

In June 1994, DMV implemented a document imaging system as its principal means of storing and retrieving license and registration documents. DMV staff scans an average of 23,000 documents daily. This system resulted in significant improvements in speed and efficiency of document storage and retrieval over the previous document storage system. In order to determine the requirements of an imaging system for DMV that would replace the existing imaging system and provide new image system functionality, DMV conducted an imaging/workflow requirements analysis study in 1999. The scope of the study was to define image system requirements to support the Registration, License and Suspension/Reinstatement processes. Requirements were to be defined to include not only requirements to replace existing image system functionality, but requirements for newer image-related technologies such as workflow, electronic document import, OCR/ICR, etc. However, in reviewing the current DMV processes, it was quickly determined that none of these new technologies could be used with the existing old batch mainframe processes. In order to utilize these new technologies, DMV would also need to change their existing mainframe batch programs to a real time Motor Vehicle system. Conversion of all existing batch mainframe systems to a real time system would be a major undertaking. Therefore, the study recommended a two-phase implementation approach. The Department is following this recommendation.

- Phase 1 was completed in 2003. All existing DMV batch Registration, License and Suspension/Reinstatement processes remained the same. All documents were input into the new imaging system at the end of each process as was done previously. The imaging system was implemented in 'store and retrieve' mode, similar to the previous system. Implementation of the Phase 1 replacement system removed significant system vulnerabilities facing the Department, alleviating the capacity constraints of the previous imaging system and replacing the failing microfiche system.
- In Phase 2, a new real time system was to be written to support new interactive Registration, License and Suspension/Reinstatement processes. At the same time, the new image technologies would be implemented as well.

In 2002 DMV put out an RFP for a new DMV System. At that time the bids received varied greatly from a low of \$1.1M to a high of \$20M. After much consideration it was determined that the requirements for a complete DMV system were not detailed enough to provide enough information to a vendor to prepare a realistic bid. As a result, the RFP was withdrawn and instead DMV issued an RFP on 6/3/2003 for a Business Process Analysis (BPA). Competitive Computing of Colchester

Vermont was awarded this contract and started work on the BPA in August 2003. This project included documentation of the current business processes and systems at DMV, documentation of the business organization and a requirements document for functionality needed in any newly developed system. The final report for this project was issued on March 22, 2003. This report and the detailed documentation provided were used as the backup for the M-RFI issued for the DMV Modernization project.

Working with DII it was determined that DMV would issue a modified RFI that would consist of a three round process.

- Round 1 – vendors would submit technical proposals that would be evaluated based on technical merits, prior experience and an understanding of our proposal. A maximum of 4 vendors would be selected to move to round 2
- Round 2 – vendors would submit financial statements and conduct presentations and/or demonstrations. A maximum of 4 vendors would be selected to move to round 3
- Round 3 – vendors would submit best and final technical and cost proposals. Final scores would be based on a total from all three rounds.

The Systems Modernization Goals included:

1. Improve service to customers through reduced mail processing time, increased availability of on line information and improved accuracy due to system automation and edits.
2. Reduction of processing steps.
3. Faster accounting of revenue collected.
4. More timely records for law enforcement and Vermont DMV staff.
5. Reduction of redundant data entry.
6. Reduction in training time due to automation and increased system edits.
7. Automated employee production statistics.
8. Easier to maintain and modify resulting in easier implementation of legislative changes, federal mandates and needed enhancements.
9. Enhance ability to retrieve statistical data and information from the system.

The RFI was issued on 7/17/2004. The 10/29/2004 Selection Committee minutes show that 5 proposals were received from Unisys, Covansys, IBM, Archon and CGI AMS. After a review of all 5 proposals, CGI AMS was dropped and the remaining 4 vendors were invited to participate in round 2. All 4 vendors conducted detailed demonstrations. The 12/16/04 Selection Committee minutes shows that there were substantial concerns with Archon, the lowest rated of the vendors, and they were dropped from final consideration. Unisys, Covansys and IBM were invited to participate in Round 3. All three vendors submitted best and final technical and cost proposals. The rankings after the technical review were #1 Unisys, #2 Covansys (36 points lower) and #3 IBM. At this point the cost proposals were opened and reviewed.

There was a significant cost difference between Unisys and Covansys. Unisys' bid was \$18.1M; Covansys on shore bid was \$10.5M. Covansys actually proposed more vendor staff hours but their hourly rates were much lower resulting in a lower bid. Based on this and the fact that the two vendor scores only varied by 36 points, it was determined that there was no justification for selecting a bid that was 80% higher. The Selection Committee recommended that Covansys be awarded the contract subject to successful negotiation of the contract. It took several months for this recommendation to be approved as DII and AOT engaged in detailed conversations on whether the system should be developed in .net or a hybrid of .net and J2EEE. After this was resolved and it was determined to go forward with .net, the independent review was conducted and negotiations commenced. The contract was finally signed on May 4, 2005 and the contractor started work two weeks later.

At the time the contract was signed Covansys was close to finalizing the sale of its motor vehicle division to Saber Solutions. As a result, Covansys never actually worked on the project. Many of the staff that were assigned to the System Modernization project had been Covansys employees, but the management changed to Saber. Subsequently in November 2007, Saber sold the business line to EDS. In September 2008, EDS was purchased by HP and the project was operated by EDS, an HP company. Finally in January 2010, the contract was transferred directly to HP, our current vendor.

**Is it correct that the system is three years late and over budget?**

It is best to divide this question into two sections and address them separately.

Is the project three years late? Yes, it is. The original contract called for a two phased implementation with the first functionality being implemented in March 2008 and the remaining functionality to be implemented in April 2009. In late 2007 it was decided that a two phased approach would not be feasible from a technical standpoint given the challenges associated with running two systems in parallel. At that time, a new implementation date for the full system was set at December 2008/January 2009. From either perspective it is 3 years later and the system has not been implemented.

Is the project over budget? This one is a little more complicated and needs to be addressed in some detail. The chart below provides a breakdown of costs by category:

<u>Items</u>	<u>Expenditure</u>
DMV Payroll Costs	\$4,688,362.94
External Training	\$60,259.99
Interface vendors	
ACS	\$220,520.00
L1	\$141,278.00
NADA	\$49,496.00
MBS	\$73,557.50
Qtest	\$13,443.82
EDL	\$160,000.00
Change management costs	\$197,666.29
C2 (includes Vigilant 24/7)	\$1,391,061.23
HP Basic Contract	\$7,795,414.86

CCRs	\$1,462,629.68
Hardware/Software	\$1,400,290.07
Total	\$17,653,980.38

- DMV Staff - When DMV projected the budget for the project we didn't include any costs for in house staff as we weren't hiring additional staff, just reassigning them. As a result we didn't seek any additional funding within our budget. From that perspective we are not over budget in this area. However, if you look at it from the perspective of expected time commitment versus actual time commitment, this changes. Based on the original contract schedule (3 years) we had a projected time commitment of approximately 55,000-60,000 hours. Actual hours expended was 132,971 over 5 1/2 years.

Since we did not appropriate monies for new positions to work on the project and as our level of service did not suffer during this period; we view "our loss" in the personnel area to be one of lost opportunity. Without staff working on VTDrives they would have been working on other projects such as expanding our service offerings on the web.

- Hardware/software – the original budget for hardware and software was \$1,132,241. The actual expenditures have been \$1,542,094, approximately \$409,853 over budget. There are two additional facts that should be noted however:
  - the estimates were made in 2004 based on a high level concept design without a completed architectural design
  - the independent review estimated a total cost of \$1,790,000 for hardware and software over a 5 year period.
- Contractor - this is somewhat difficult to explain. The maximum limiting amount on this contract was only increased once. This increase was to develop a National Motor Vehicle Title Information System (NMVTIS) interface and was funded by a 100% federal grant so we don't consider it an overrun. It was only added because we had the opportunity for a federal grant. If you only look at the maximum limiting amount it would appear that we are not over budget on the contract. However, there are several factors to consider in making the overall determination.
  - The \$1,132,241 for hardware/software was included in the contract amount but only \$141,804 was paid to the contractor. The rest of the hardware was purchased by DMV independently.
  - The contractor has not completed all of the deliverables so there is \$709,910 unpaid from the original estimates.
  - To date we have paid \$968,858 in change request costs to either add additional functionality due to legislative changes or federal mandates or to correct errors in the original designs. We also have another \$416,000 in change requests that had been approved but not completed. While there was no provision in the original contract for change requests it was noted by the Independent Reviewer that DMV could expect change requests in the range of 15% of the base contract amount.

The chart below depicts the original contract amounts and the impact of the items listed above. When put in this format it reveals that even though we have not over expended the contract, we are over budget based on the original estimates for contract costs including

hardware and software. Approximately 90% of that overage is attributable to the change requests. Although the change requests were not included in the original contract they were an anticipated cost in the 1 to 1.5 million dollar range based on the Independent Review.

Items	Contract	Expenditure	Over/Under
<b>HP Contract</b>			
Hardware/Software	\$1,132,241.00	\$141,804.00	\$990,437.00
Services	\$9,087,520.00	\$7,653,610.00	\$1,433,910.00
NMVTIS Amendment	\$447,115.00	\$447,551.00	(\$436.00)
Change Requests	\$0.00	\$968,858.00	(\$968,858.00)
<b>Balance on contract</b>	<b>\$10,666,876.00</b>	<b>\$9,211,823.00</b>	<b>\$1,455,053.00</b>
Incomplete/unpaid deliverables			(\$709,910.00)
Incomplete/unpaid change requests			(\$416,000.00)
<b>Balance if all contract costs paid</b>			<b>\$329,143.00</b>
State Hardware/Software Costs	\$0.00	\$1,400,980.00	(\$1,400,980.00)
<b>Over budget amount from original estimates</b>			<b>(\$1,071,837.00)</b>

- IV&V Vendor – DMV had not originally budgeted for an IV&V Vendor. The Independent Review recommended that we contract with someone to provide oversight and guidance because of areas in which we lacked expertise. At the time we contracted with them we believed that the IV&V vendor costs might reach \$750,000 but since we were unsure the original contract was issued for \$450,000. This was amended several times primarily due to a need for more assistance in the IT area than originally expected. Project delays have also contributed to added expenditures in this area. At this time we have paid Competitive Computing \$1,391,061, including \$115,700 for monitoring software for the VTDrives infrastructure, \$210,000 for code and architecture review and \$472,000 in infrastructure planning, all IT areas.
- Change Management Costs – In its original budget DMV did not have an estimate for change management costs. This fell into that area where we knew we would have some need but had no way to estimate them until the project was well underway. We have paid \$197,666 in change management costs: \$86,116 for office renovations and \$111,550 for temporary employees used to free up regular staff time for training and other project activities. A portion of the office renovations (in the Newport office) had value from a customer service perspective with or without VTDrives and those benefits are being realized today.
- IT Training – DMV estimated \$120,000 for IT training and actually expended \$60,260.
- Third Party Vendors – DMV has interfaces with several vendors that required modification in order to work with the new system. Again this was an area in which we knew we would have expenditures but could not estimate the costs until the system design was completed and the third party vendor could estimate the impact on their system. We expended \$498,295 for work with our major vendors: ACS, L1, MBS, NADA and Qtest. DMV felt that these costs were reasonable considering the work to be accomplished and I within our expectations of what costs might be entailed.

When all of the costs are considered it would be safe to say that the project is over budget but how much really depends upon how you look at each of the pieces.

### **Summarize the history of difficulties with the design and implementation of the system**

The first 2 years of the project appeared to go along very well. The Phase I business process re-engineering and architecture proposal were completed on time and the high level designs for Phase II Registration, Customer and Title also seemed to be moving along as expected. The one concern that DMV had during this period was that Saber frequently wanted to put more complex functionality issues on the backburner to be addressed at a later date. Their argument of wanting to build the basic processes and then add the more complicated pieces onto that foundation seemed to make sense. In hindsight, it should have been a warning flag. The first sign that there were serious issues was when User Acceptance Testing (UAT) began in June 2008. The contractor was delivering the code to be tested by module and was unable to successfully manage versions. As a result, every time they delivered a new build they would break something that had been working correctly. They didn't always deliver the correct version so we would be testing on outdated code. In addition, our failure rate was unacceptably high. As a result, we stopped UAT the first week in August 2008 and set up a series of meetings with Saber to discuss our issues.

At the same time an issue arose around Saber's unauthorized use of off-shore resources and associated improprieties. As a result we asked that the project manager be replaced. The original project manager left in late July and the new manager arrived in September. The new manager seemed to bring some much needed organization to the project. He worked with DMV to identify the issues that had been put on the back burner so we could get them into the designs and was working with the IT team to come up with a workable plan to resume UAT. Unfortunately he had serious health issues and was forced to leave the project in November of 2008. The third project manager started in December 2008 and was quickly replaced in February 2009 due to his inability to work with the project team. The fourth manager fit in with the team well and remained as project manager until January 2011 when HP brought in the Red Zone team due to the delays in the project. The disruption in project management slowed the process of the project and added to our difficulties in resolving issues where the new management had no knowledge of past actions by other managers.

As DMV and HP worked towards finalizing the development and resuming UAT it became obvious that it would take a considerable amount of time. It was during this period, 12/08 to 12/09, that DMV started reviewing the architecture and code in more detail. The following issues were identified:

1. Code reviews revealed a multitude of problems due to HP not following the agreed upon standards and the poor design of the system
2. HP did not appear to follow their own quality management plan
3. Coding standards were reviewed and approved but the code was not written to consistently follow the standards
4. Architecture was reviewed and approved but the system was not built in conformance with the agreed upon architecture

There were ongoing conversations throughout this period concerning the code review process used by HP, the process for exception handling and concerns with the architecture. A more thorough review was completed by C2 and DMV in October to December of 2010 prior to resumption of UAT. It was at this review that more problems were discovered that raised significant concerns. Meetings were held with HP to come up with a plan for addressing the issues. Concessions were made by DMV because it was believed that we would be implementing the system in the summer of 2011 and it wouldn't be possible to address all the issues in the available time period. A plan was agreed to by HP and DMV for issues to be fixed during UAT and those that could be addressed after implementation.

UAT resumed on January 23, 2011. While the system was much improved from the original attempt in 2008, DMV was still concerned by the pass/fail rate. As UAT continued we also became increasingly concerned with the maintainability of the system. The RFI, proposal and contract contain multiple references to the goal of increasing the ease of maintainability to the system. This was not achieved.

1. Simple fixes would break other parts of the code. This can be seen in the issue log where one issue was fixed multiple times (5 issues logged on essentially the same problem from 3/19/10 – 11/01/10 1037, 1492, 2603, 3010; Issue 1019 logged 3/18/10, fixed 3/2/10, broken new build 3/30/10, fixed 10/23/10, broken 1/5/11 fixed 5/13/11; issue 960 logged 3/12/10, fixed 5/11/10, broken 5/20/10, fixed 8/11/10, broken 8/20/10, fixed 9/30/10)
2. Relatively simple changes are requiring an excessive amount of time to implement. Example, CCR115 adds another value to one of the fields in the supporting documents on line function. The CCR is requiring 532 to complete; CCR276 is removing a restriction printed on an oversize permit. The CCR is requiring 244 hrs to complete; CCR292 is changing the selection criteria from less than 54,999 lbs to more than 54,999 lbs. It is requiring 189 to complete; and CCR207 which changes the tag name on a field in the system yet requires 170.50 hours to complete.
3. The original UAT plan called for 24 weeks of testing. UAT was stopped after 82 weeks during which we were unable to meet the criteria necessary to exit UAT. At week 22 we had 904 closed issues and 536 open ones. At week 82 we had 290 closed issues and 737 open issues. Thus we worked over three times longer than expected in UAT, closed a significant number of issues and yet continued to see our total open issues increase.

In January 2011 when we missed yet another implementation date HP brought in a new management team to try to find a new approach to getting the project on track. They modified their testing approach and increased the time between delivery of drops for testing. During this period conversations continued around on the code quality issues. DMV continued testing and found that the quality of the delivered product was improved but we were still far from closing out all of the system issues logged as a result of testing. In June all attention turned towards code remediation and how this could be approached to deliver a system which met DMV's requirements. As noted in #4 below, these negotiations basically failed in September 2011.

## What are the unresolved issues with the system?

The most significant issue from DMV's perspective is the code quality and resultant effect on maintainability of the system. DMV feels that the vendor has not shown good faith in discussing the issues or in negotiating a solution to the problems.

- a. HP employed delaying tactics from the first time DMV brought the code issues to their attention. DMV's first message to HP on code concerns was in August 2008.
- b. DMV conducted their first code review in November and December of 2009. In December 2009 DMV and HP agreed on actions to be taken before and during UAT to address our concerns. We compromised on some areas because "we are so close to implementation". Code received as "final" in November 2011 shows that HP had not met their agreement to fix the issues related to code quality.
- c. Exception handling has been an issue since December 2009. DMV and HP started detailed discussions in January 2010, the Intrusion Detection Audit outlined issues with exception handling as coded, and meetings were held throughout spring of 2011 and yet as of today a detailed design that addresses the process thoroughly had not been prepared.
- d. In December 2010 a more detailed code review was completed on the "final" code drop received in November. This code review took several months to complete and identified a variety of significant issues. Multiple discussions were held with HP culminating in a two day meeting June 1 & 2, 2011 to review the issues. At this meeting the issues were prioritized and classified and HP and DMV agreed that these were the issues that needed to be addressed. A detailed plan was provided by HP on 6/23/2011. DMV spent several weeks reviewing the plan and associated strategy documents and submitted multiple questions to HP. HP declined to provide any answers to our concerns on the strategy documents and revised the documents without incorporating any of our feedback. On 7/29/2011 DMV submitted a detailed response outlining areas we agreed with, areas we felt needed more clarification and areas we disagreed with. HP didn't provide any feedback on this document. On September 2, 2011 HP announced that the remediation plan they submitted on 6/23/11 was off the table and mentions a plan that addresses 20% less of the issues. No detail was provided as they stated they didn't expect we would accept it anyway.

The second unresolved issue is the number of system problems (bugs) that are still open. Our exit criteria required that there be no critical/high bugs and only 25 moderate bugs open. When we stopped UAT for the second time there were 737 open bugs, all but 30-40 ranked critical/high.

The third unresolved issue relates to finalization of the interfaces with our third parties specifically American Association of Motor Vehicle Administrators (AAMVA). DMV is required to exchange information with other states relating to commercial drivers and conviction/suspension information for all drivers. These interfaces had also been in testing for months and were still far from completion. Due to the number of problems encountered in testing AAMVA was requiring that we restart testing at the beginning and complete a second cycle to determine that all issues had been resolved.

The final issue is a significant number of outstanding change requests. Some of these are the result of legislative or federal mandates. Some were the result of missed details during the design process. A third group was required because delays in the project had made software obsolete. For example, the version of Sequel Server used in the system is very close to the end of its support cycle and needs to be

upgraded in order to receive Microsoft support. DMV and HP disagree on how the cost of these change requests should be allocated. In many cases DMV feels HP should assume the cost as the change is needed due to delays caused by HP. DMV also felt that the cost was higher than it should be because of the code quality issues.

### **What options are being considered to remedy the unresolved issues?**

Over the past several weeks two options were being considered:

1. HP is in the process of redesigning the system being developed in Rhode Island. They have proposed that VT adopt this base system and then make changes as needed to meet our requirements. DMV has several issues with that proposal:
  - a. This base system is being designed to RI specifications and requirements and may not match VT requirements for performance and maintainability.
  - b. The base system is not ready yet and there it is unclear exactly when it will be
  - c. There are known differences in functionality and VT is concerned with how the cost to make the changes will be determined. DMV doesn't feel that we should have to pay for any functionality we have already defined.
2. DMV and HP discussed the possibility of ending the project and HP paying a cash settlement for failure to meet the requirements of the contract.

These discussions are still on-going and have been expanded to include the Commissioner of the Department of Information and Innovation, the Secretary of Administration and the Governor. At this point in time the two sides have agreed to a 6 month contract extension from February 28, 2012 to August 31, 2012.

The purpose of the extension is threefold:

1. To allow time to determine if a go forward/settlement strategy can be agreed to. From the State's perspective our goal would be a combination of a settlement and continuing with HP with a reduced project scope (for costs already paid). The new contract would be performance based with a functional warranty. The six month extension gives the two sides time to see if the parameters of such an agreement can be worked out.
2. An extension provides time for the State to assess HP's progress in Rhode Island where they are engaged in a similar project. This assessment would include a review of their new DMV code framework to ensure that it has been constructed to industry standards and is a product that is flexible and maintainable for the long term. During this time we would also examine Rhode Island's functional requirements and business processes to see how closely they match with ours; as its HP's intent to use the code framework developed in Rhode Island as the basis for our system here.
3. One of the options going forward is to look at a scaled back project with a phased implementation. This approach, by design, would lead to a need for DMV to run two systems in parallel for an undetermined amount of time. During this six month period DMV and DII will assess the feasibility, risk and cost of running two systems in parallel should we pursue a phased approach.