IT Project Proposal Report - Detail
Agency: 019 - DEPARTMENT OF BANKING
Budget Cycle: 2009-2011 Biennium   Version: AF - AGENCY FINAL REQUEST

IT Project : FACTS Migration

General Section

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City :	Lincoln			**NITC Score :**	
State :	Nebraska	**Zip :**	68508		

Expenditures

IT Project Costs	Total	Prior Exp	FY08 Appr/Reappr	FY10 Request	FY11 Request	Future Add
Contractual Services						
Design	0	0	0	0	0	0
Programming	173,400	0	0	135,000	38,400	0
Project Management	0	0	0	0	0	0
Data Conversion	0	0	0	0	0	0
Other	0	0	0	0	0	0
Subtotal Contractual Services	173,400	0	0	135,000	38,400	0
Telecommunications						
Data	0	0	0	0	0	0
Video	0	0	0	0	0	0
Voice	0	0	0	0	0	0
Wireless	0	0	0	0	0	0
Subtotal Telecommunications	0	0	0	0	0	0
Training						
Technical Staff	6,600	0	0	5,000	1,600	0
End-user Staff	0	0	0	0	0	0
Subtotal Training	6,600	0	0	5,000	1,600	0

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Expenditures

IT Project Costs	Total	Prior Exp	FY08 Appr/Reappr	FY10 Request	FY11 Request	Future Add
Other Operating Costs						
Personnnel Cost	0	0	0	0	0	0
Supplies & Materials	0	0	0	0	0	0
Travel	0	0	0	0	0	0
Other	0	0	0	0	0	0
Subtotal Other Operating Costs	0	0	0	0	0	0
Capital Expenditures						
Hardware	0	0	0	0	0	0
Software	0	0	0	0	0	0
Network	0	0	0	0	0	0
Other	0	0	0	0	0	0
Subtotal Capital Expenditures	0	0	0	0	0	0
TOTAL PROJECT COST	180,000	0	0	140,000	40,000	0

Funding

Fund Type	Total	Prior Exp	FY08 Appr/Reappr	FY10 Request	FY11 Request	Future Add
General Fund	0	0	0	0	0	0
Cash Fund	180,000	0	0	140,000	40,000	0
Federal Fund	0	0	0	0	0	0
Revolving Fund	0	0	0	0	0	0
Other Fund	0	0	0	0	0	0
TOTAL FUNDING	**180,000**	**0**	**0**	**140,000**	**40,000**	**0**
VARIANCE	**0**	**0**	**0**	**0**	**0**	**0**

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IT Project: FACTS Migration

EXECUTIVE SUMMARY:

The Department's Financial Agency Centralized Tracking System (FACTS) is the application, licensing and data storage system. FACTS is written in Microsoft Visual Basic 6 (VB6). As of March 2008, Microsoft no longer supports VB6. Utilizing the CIO's office expertise when determining the timing of an upgrade, the Department was told the current application will work provided the Department does not modify existing code, does not change the operating system and does not add new code. This project is to migrate the unsupported existing system from Microsoft Visual Basic 6.

Currently tracking 47,431 financially related entities, institutions, licensees or offerings and exemptions; FACTS serves as the reporting, billing, enforcement tracking and resource allocation source of information. Since the original in-house design and implementation in 2002, enhancements of the program have improved searches, enlarged the databases to provide more relevant information, enabled electronic retrieval of examinations and audits and coordinated exportation of key data fields to better inform the public of financial activities. Web enabling the FACTS system would bring significant efficiencies to the department as national vendors work with licensees and then make their data available to the department.

The responsibilities of the Department have significantly increased since FACTS was written in 2002. For instance, during the past 5 years, the Department supervised bank assets have increased 50% to the current level of $20 billion; the securities division licensed more than 79,000 regulated entities, individuals and activities.

Currently the integration of the Nationwide Mortgage Licensing System (NMLS) datahas not been integrated completely due to the potential consequence of placing new code in the mission critical application.

The current financial regulatory environment requires enhanced information collection and reporting; however, the current system can no longer be reliably modified. With the assistance of the CIO office; a consultant was hired to determine the upgrade path and a Request for Information was issued to evaluate the cost of migrating the current VB6 system to Visual Basic.net (VB.net). The Department is also considering contracting with a third-party vendor who would create and maintain the system.

GOALS, OBJECTIVES, AND OUTCOMES (15 PTS):

Migrate FACTS to a language that will be supported and reliably modifiable; allow continuing upgrades and enhancements; Increase utilization of the web access to sensitive information and accelerate the delivery of public information. Increase security regarding the collection and utilization of personally identifiable information; Increase use of imaging to make information available to examiners and investigators.

Increase capability to gather information from national licensing systems; offering more centralization of information; Increase routine reporting of input and output workflow; Increase identification and service to Department stakeholders.

The migration of FACTS will continue to offer the application, licensing and data management functions of the original FACTS system. Updating the technology and code behind FACTS will translate into increased security, streamlined workflow and cost savings both in terms of decreased out of pocket day to day expenses and decreased risk of the loss of control of licensing information.

Expected Beneficiaries of the Project

Department employees would be the primary beneficiaries, as they are expected to render risk-based opinions, licensing and regulatory decisions with consideration to numerous sources of information.   Secondarily the health of the Nebraska economy would be influenced, as the stakeholders consist of every Nebraska bank, financial institution and security issuer or broker dealer. Realistically the stakeholders maybe expanded to consider every one that places money in a Nebraska bank, financial institution or invests with a security issuer or broker dealer.

Expected Outcomes:

Increased centralization of data will allow for case management, licensing and enforcement efficiencies. Utilization of imaging will decrease costs and reliance on the physical delivery of paper to stakeholders. Increased security will protect the data using current technology. The result will be an updated and unified systemic approach to data gathering, processing and security.

Describe the measurement and assessment methods that will verify that the project outcomes have been achieved.

The IT Staff will work directly with the vendor using project management processes and procedures. Weekly status meetings will be held to determine direction and measure progress.

A FACTS Steering committee which includes a representative from all areas of the department will be called upon to give input and make sure each area's needs are covered in the new system.

NDBF will manage and monitor all tasks in the project.

Describe the project's relationship to your agency comprehensive information technology plan.

The FACTS migration is the agency's top IT priority and was submitted in the September 15th Agency Information Technology Plan for FY 2009-2011 Biennial Budget.

PROJECT JUSTIFICATION / BUSINESS CASE (25 PTS):

Tangible benefits: Access to a reliable centralized system written in currently supported computer code that will be ongoing and can be enhanced; Streamline data received from national data collection sources. Currently the Department employs a temporary staff position during part of the year to reenter data; Web enhancement would decrease remote access reliance and the related cost, of VPN technology. Currently every examiner carries a RSA VPN token; Increase access, due to imaged files and secure web availability, by field examiners to routine reports, audits and bank related information; Improve security; the Department field examiners routinely work with thousands of Personally Identifiable Information records, security is a key consideration.

Intangible benefits: The public will continue to view the Department as a reliable source of information with regard to licensing and chartering decisions; The Information needed will all be available on one screen rather than relying on multiple screens from multiple systems; Email and activity trigger notices will be employed rather than reliance on the existing manual paper driven system; Continued public reliance on Nebraska Financial System

Doing nothing would result in the eventual decay in the quality of information available to the various NDBF licensing and case management desks.   It is not acceptable to continue with the current system and it is unpredictable when a problem may be caused by continued enhancements and operating system upgrades.* This puts the Department at great risk and the potential to lose access to the entire database

Based upon funding, NDBF wishes to update the current system to a supported language utilizing current best practices and technology.

*We have been told "as long as you don't touch the code, it will work on the operating system you now have. No promises on future operating system release or if you have to add new code in VB 6.0 that it will continue to work."

If the project is the result of a state or federal mandate, please specify the mandate being addressed.

The reason for the upgrade is to become current with supported programming languages, techniques and standards. State and Federal reporting is generated from this system.

TECHNICAL IMPACT (20 PTS):

Describe how the project enhances, changes or replaces present technology systems, or implements a new technology system. Describe the technical elements of the project, including hardware, software, and communications requirements. Describe the strengths and weaknesses of the proposed solution.

Being able to use current technology will allow the department to move forward with reliable and supported technology. Web enabling the system will improve communication between the program and the users allowing easy notification of system alerts. The computer language skills of the current IT staff will need to be upgraded from VB6 to VB.net. At this point, we feel our server hardware upgrade schedule will come out of the regular budget and new equipment is not expected to be needed for this project.

A Web enabled system would allow our remote field offices to access data that is a bit difficult to access at this time as they must connect to our Network with their secure RSA Token which slows the process. VB.net licenses would need to be purchased if the system is written in VB.net and supported by the Department IT Staff.

Address the following issues with respect to the proposed technology:

Describe the reliability, security and scalability (future needs for growth or adaptation) of the technology.

Address conformity with applicable NITC technical standards and guidelines (available at http://nitc.ne.gov/standards/) and generally accepted industry standards.

Address the compatibility with existing institutional and/or statewide infrastructure.

The new FACTS system will comply with the requirements addressed on the NITC website.

PRELIMINARY PLAN FOR IMPLEMENTATION (10 PTS):

Describe the preliminary plans for implementing the project. Identify project sponsor(s) and examine stakeholder acceptance. Describe the project team, including their roles, responsibilities, and experience.

After the IT Staff evaluates the two proposals, an RFP will be created to select a vendor to do the migration of FACTS.

The Project Team will include:

John Munn: Director of the Department - Project Sponsor\

Kelly Lammers: IT Review Examiner - Chairman of the FACTS Migration Steering Committee

Jeanette Lee, IT Manager – Project Sponsor and Project Manager

Deb Caha, Senior Information Systems Infrastructure Analyst– Programming, User's input and support.

Chris Voss, Infrastructure Support Analyst – Roles: End user Support and Training.

The IT Manager and the Senior Information Systems Infrastructure Analyst will be involved with the vendor in the day to day ongoing effort with weekly reports to the FACTS Migration Steering Committee. Periodic progress reports will be given the Project Sponsor as well as direction for strategic questions.

List the major milestones and/or deliverables and provide a timeline for completing each.

Prior to December 31, 2008: Evaluate resources available regarding the re-write of FACTS into a Department housed program or identify service providers capable of delivering FACTS as a service. Request for Proposal to the Street.

Prior to February 15, 2009: Establish migration plan moving legacy system while addressing work flow efficiencies. Begin input review; begin to identify migration needs, migration pilot and target beta rollout for first quarter 2010.

Major milestones and deliverables are to be determined.

Describe the training and staff development requirements

The Banking Department IT Staff will receive training from the vendor and will be responsible to train the Department State staff on the proposed system. The FACTS Steering committee will be called upon to assist the IT Staff in in-depth area training. All staff will receive tool specific training.

Describe the ongoing support requirements.

Knowledge transfer to the IT Staff will be ongoing while the system is being created. The RFP will state what on-going maintenance costs with be.

RISK ASSESSMENT (10 PTS):

Describe possible barriers and risks related to the project and the relative importance of each.

The project offers opportunity to address workflow efficiencies. Risks include division heads not taking ownership; workflow efficiencies may be negated by requirements to create paper trails to follow the system trail. Routine and exacting area meetings reflecting all screens, fields and potential utilization of the information will be addressed prior to implementation. Draft work flows will be proposed to prevent miscommunication regarding the format as well as the availability of information.

Identify strategies which have been developed to minimize risks.

Threats relative to any financial information is the loss of control of information, the unauthorized viewing of information or a denial of access to the information. The risks of the cited events are minimized when rights management, cryptography and standard programming methods are utilized.   Project completion will be contractually assigned to a vendor or developer with frequent Department review and acceptance.

Deployment of Each risk provides a situation in which the Department would experience the loss of trust and potentially be responsible for inaccurate data.

FINANCIAL ANALYSIS AND BUDGET (20 PTS):

Analysis of the information on our June 2008 RFI, we received the following estimates:

Bass & Associates, Omaha, References: BC/BS – Nebraska, BC/BS - Nebraska
Union Pacific, Dot.com, IA Water Works Language: VB6 to VB.Net Recommendation: 5 phase program $125,000; Experienced

AntinSoft, International References: None listed Recommendation: VB6 to VB.Net or C#; 4 phase program $159,425; Experienced

Client Resources Inc, Omaha, References: None listed. Recommendation: VB6 to VB.Net; $313,000

Ajilon, References: First American, McClatchy, NelNet, ClarkWestern. Recommendation: VB6 to VB.net; 5 phase program $259,400; 2nd year cost - 153,600; Experienced

GuruAlliance, References: Not Listed, Recommendation: Not Stated; 4 phase program $130,000; 2nd year 32,000

Additionally a demonstration by Pearson Vue at the Department of Insurance was attended. This was an example of a third-party vendor that would write and support the system. Other vendors will be available at the Conference of State Bank Supervisor's Technology Conference at the end of September. This allows research in what other State Banking Departments are using.

The budget request is based on contracted costs for programming and training. Ongoing department staff and expenses are not included.