UNEMPLOYMENT TECHNOLOGY MODERNIZATION PROJECT
LESSONS LEARNED / BEST PRACTICES BEING UTILIZED

Lessons learned can be positive (what worked well) or negative (what didn't work well). The lessons learned below from other projects are being applied to the Unemployment Insurance (UI) Modernization project. The italicized text explains how the state is applying the lessons learned.

Note that lessons learned go beyond the normal state of North Dakota standards for procurement, project management, and change management. Along with the lessons learned, Job Service North Dakota (JSND) is utilizing the North Dakota standards for Large Project Management and Oversight. This includes the utilization of an Executive Steering Committee and corresponding subcommittees made up of agency staff from JSND, NDIT, ND OMB, ND Attorney General's Office. All of these processes utilize processes designed to minimize risk, protect the state, and pave the way for project success.

LESSONS LEARNED:

1) **Request for Proposal (RFP)**

   a) Be informed of available vendor solutions and their status
      i) *JSND released a Request for Information (RFI) prior to RFP development to gather information regarding UI system solutions, as well as resources, timeframes, and costs for both the project and resulting on-going maintenance*
      ii) *Information Technology Support Center (ITSC – technical arm of NASWA and loosely affiliated with the USDOL) provided the status of current and past UI modernization projects and the status of the vendors in the marketplace*
      iii) *Consulted with contacts within other states to identify various state experiences and status. Collaborated with United States Department of Labor (USDOL) and the National Association of Workforce Agencies (NASWA) via nationwide conference calls and webinars to gather information, best practices, and vendor trends in the UI modernization market*
      iv) *Have visited other states in the past to view UI systems and gauge applicability for North Dakota utilization*

   b) All stakeholders must clearly understand and share in the vision
      i) *Prior to RFP release, JSND met with various stakeholders including the Governor's Office and NDIT management regarding the vision for the project*
      ii) *Assign the organizational change manager the responsibility of ensuring the various stakeholders are educated on the vision for the UI system*

   c) Ensure the requirements are well-defined and current
      i) *JSND hired ITSC, as they are well versed in many state RFP requirements, to conduct a review of both the technical and functional requirements prior to RFP release*
      ii) *The vendors who submit proposals will be judged on their in-depth knowledge of unemployment insurance and ability to complete the project*

d) <u>Recognize constraints in staffing, funding, and technology.</u>
   i) *JSND prefers a system that is pre-built using low-code/no-code technology. The system shall also be configurable. Doing so should limit time to production and project costs, as well as maintenance resources, time, and cost. (Note that the technology industry is investing heavily in low-code/no-code platforms to speed development and minimize costs)*
   ii) *JSND has involved NDIT architects in the RFP process*

e) <u>For a project of this magnitude, viewing a product demo is not enough to evaluate the system. Also, a good technical RFP writer does not equate to a good technical system</u>
   i) *In the RFP, JSND requested access to a "Sandbox" application for the top scoring proposals for a period of time during the evaluation process. (A Sandbox is basically a copy of the application that our staff could play with). This will help to ensure that the vendor's proposal is honest and matches the system they are providing. It will also help to mitigate any misconceptions about the proposed systems*

2) **Mitigate risks during procurement**

   a) <u>Begin data conversion work as soon as possible as data conversion is a high risk, staff intensive process</u>
      i) *JSND is working to ensure data dictionaries are up to date*
      ii) *JSND is working to ensuring purge programs are running in production*
      iii) *JSND is cleansing production data*
      iv) *JSND is discussing the possibilities of limiting the amount of data that is converted to the new system*

   b) <u>Ensure Interface documentation is up to date</u>
      i) *JSND is updating its interface documentation and inventories to a very detailed level*

   c) <u>Allow staff to concentrate on the project as much as possible</u>
      i) *JSND will use backfill as necessary and as funding allows for UI business staff. JSND has retained several temporary staff hired during the pandemic who are now well-versed in the UI program for purposes of backfill during the modernization*
      ii) *Unisys programmers are being trained to perform backfill for JSND mainframe programmers*
      iii) *JSND is losing support for its IBIQ application (current production application that connects UI systems nationwide) and is replacing it prior to the UI mod project build. The new application will be supported by an external vendor*

3) **Planning**

   a) <u>Have a realistic project budget</u>
      i) *JSND's budget request:*
         (1) *Allows for the addition of skills that are lacking in the State (JSND and NDIT)*
         (2) *Recognizes that JSND's expert business staff must be allocated to the project and allows for backfill of JSND business staff*
         (3) *Accounts for hardware, software, and hosting as well as vendor implementation costs*
         (4) *Allows for the first year of maintenance*
         (5) *Includes contingency for unexpected costs*

b) <u>Have a realistic project schedule.</u>
   i) *JSND has been involved in many large projects and has experience with modernization. It has also conducted research through ITSC on the schedules of other state's modernization efforts*
   ii) *JSND has been very open and honest about how long it feels the project will be*

c) <u>Ensure contractual items are not forgotten after contract signing</u>
   i) *The contract will be gone through in detail to ensure non-scope items – such as the delivery of insurance certificates, are added to the project schedule*

d) <u>Quality expectations must be clearly communicated</u>
   i) *JSND is evaluating the use of quality expectation documents in addition to the acceptance criteria outlined within the contract*

e) <u>Do not rely on the vendor's promise of progress</u>
   i) *Aim for an Agile methodology (Agile is an interative development method) with time boxed iterations to allow progress to be shown at short intervals*
   ii) *Continually evaluate the effectiveness of the project, the vendor, and the product. Add checkpoints to the schedule for this*
   iii) *Ensure continued alignment with stated business objectives and requirements throughout the project. Add checkpoints to the schedule for this*

f) *<u>Select the right vendor</u>*
   i) *Review resumes and background of vendor staff to assign to the project with UI experience and appropriate staff position level experience*
   ii) *Target vendor who has been successful in the past and/or provides a product that excels beyond other vendor products*
   iii) *Review vendor financials to ensure viability and continued operation*

g) *<u>Build appropriate protections into the negotiated contract with the vendor</u>*
   i) *Payment holdback*
   ii) *Pay for incremental delivery of successful code/system*
   iii) *Potential for liquidated damages for compensation based upon specific contractual breach*

h) <u>Great is the enemy of good</u>
   i) *JSND is planning to minimize custom changes as much as possible in order to get the initial system in production, realizing that we will likely not get everything we need in the initial implementation*

4) **Execution**

a) <u>Set the example</u>
   i) *Ensure the state of ND is holding up our contractual obligations. It is difficult to hold a vendor accountable if we are not holding up our end of the bargain. (This speaks to the need for adequate staffing and backfill)*

b) <u>Vendor Management has a fine line between being friendly and being friends</u>
   i) *Provide a short vendor management training to the state project team*