Office of the President

TO MEMBERS OF THE FINANCE AND CAPITAL STRATEGIES COMMITTEE:

INFORMATION ITEM

For Meeting of March 17, 2021

SIGNIFICANT INFORMATION TECHNOLOGY PROJECTS REPORT FOR THE PERIOD SEPTEMBER 1, 2020 THROUGH DECEMBER 31, 2020

EXECUTIVE SUMMARY

This report of significant information technology (IT) projects covers the period September 1, 2020 through December 31, 2020 and includes a list of 21 IT projects across the University costing $5 million or more, of which three projects have a budget of $25 million or more.

BACKGROUND

Regents Policy 5103, Policy on Reporting Standards for University of California Significant Information Technology Projects, was adopted on November 16, 2017, to establish reporting standards for all University locations for IT projects. The policy establishes that, three times a year (one of these at a Regents meeting), the Regents are to be provided a list of all IT projects with an estimated or actual cumulative cost of $5 million or more. For those IT projects costing $25 million or more, they are to be provided an overview of individual project health. The first such report was presented to the Finance and Capital Strategies Committee (Committee) at the March 2018 meeting.

REPORT

This report of significant IT projects covering the period September 1, 2020 through December 31, 2020 includes a list of all IT projects across the University costing $5 million or more. For those IT projects costing $25 million or more, it provides an overview of individual project performance.

For this reporting period, a total of 21 IT projects were reported, with three projects having a budget of $25 million or more. They are the UC Los Angeles Financial System Replacement Project, the Pension Administration Modernization Project, and the UC Merced Alpha Financial Oracle Cloud Implementation Project.

Dashboards for these three projects are provided at the end of the report and give an overview of project health, budget, and schedule, and include summary statements about project purpose; top issues, risks, and scope changes; mitigation plan/status; recent accomplishments; and planned accomplishments for the next reporting period to end April 30, 2021.

Project List

Project List (December 31, 2020)		Current Report Period Ending December 31, 2020 (changes to originally reported values notated in red)			Original (data shown only if a change has occurred)		
Location	Project Name	Current Budget ($MM)	Start Date	End Date	Budget ($MM)	Start Date	End Date
UCLA	Financial System Replacement	$99	Apr 2018	Jan 2024	$120		Jul 2020
Systemwide	Pension Administration Modernization	$65	Jan 2015	Sep 2021	$51		Apr 2020
UC Merced	Alpha Financial Oracle Cloud Implementation (formerly named Financial System Replacement)	$33	Oct 2018	Dec 2020	$11	Feb 2019	Jul 2020
Systemwide	Systemwide Integrated Library System	$23	Jan 2019	June 2024			
UC Davis Health	3M encoder and computer assisted coding	$23	Nov 2018	Dec 2021	$13		Dec 2020
UCLA	Financial Aid System Implementation	$23	Sep 2020	Dec 2023			
UC Davis Health	Lawson Expansion	$21	Mar 2020	Sep 2023	$24		
UCLA	Learning Management System Implementation	$21	Mar 2020	Apr 2023			
UC San Diego	Student Information System Renewal	$19	May 2019	June 2023		Jan 2019	Jun 2020
UC Davis Health	Clinical Trials Management System	$19	Feb 2020	June 2023			
Systemwide	Risk Services Data Management System	$16	Oct 2016	June 2021	$14		Jun 2022
UC San Diego	Financial Information System Renewal	$16	Sep 2018	July 2020	$10		Mar 2020
UC Office of the President	Financial System Replacement	$15	Dec 2018	Sep 2020			
Systemwide	UC Path Hosting Co-location	$13	June 2020	June 2022			
UC Santa Cruz	Telecommunications Infrastructure Upgrade	$12	Apr 2016	Dec 2022	$7		Sep 2020
UC Berkeley	Student Information System - Phase 2	$10	Oct 2018	June 2021			
Systemwide	Integrated Capital Asset Management Program (ICAMP)	$9	Aug 2014	Nov 2020			
UC Office of the President	Building Consolidation Technology	$8	May 2019	June 2021			
UC San Francisco Health	Benioff Children's Hospital of Oakland - Interior Renovation	$6	Apr 2019	Mar 2023			
UC Riverside	Project Genesis (UCR Data Center move to LAX3 Data Center)	$5	Aug 2018	June 2022			
Systemwide	Consolidated Financial Reporting Replacement	$5	Oct 2017	Dec 2020			

Project Dashboards

UCLA – Financial Systems Replacement Project (Ascend), Gregg Goldman

Description & Purpose	Risk Medium	Overall Health ⚪(yellow)
UCLA's Ascend project is a business transformation effort, during which the University and Foundation will migrate to Oracle Cloud SaaS solution for their finance, budget, and research activities. The Chart of Accounts (CoA) of the institution will be fundamentally modernized during the project; as such, any systems which feed data into the central finance, research, and budget systems or receive data from these systems will need to change the way in which they do business.	**Budget** ⚪(green) • Original Budget: $120M • Current Budget: $98.9M • Est. Completion Cost: $98.9M	**Schedule** ⚪(yellow) • Start Date: 04/2018 • Original Completion Date: 07/2020 • Current Completion Date: 01/2024

Top Issues, Risks & Scope Changes	Mitigation Plan/Status
• Project go-live dates have been re-planned for July 2023 and Jan 2024. While the project is undergoing a re-planning effort, significant change management efforts will be required to maintain and increase momentum when project resumes at full speed • By terminating consultant partner contract, UCLA will lead the project and primarily staff with in-house resources and supplemental expert resources. • During the re-planning phase, resources have returned to their home departments. Original team resources are not guaranteed to return when the project resumes at full speed in late 2021.	• Change management strategy is being addressed; communication plan to be revised. • Re-planning effort underway to revalidate scope, review resource needs with timeline in mind. Will increase training for UCLA project personnel and will contract Oracle ERP/EPM Cloud experts to supplement team as needed. • Program management will continue to work with project leads on refining detailed timeline, validate scope, and plan for resources to resume on the project. • Program management will work with project team members' home department units to allocate some time for specific project needs and deliverables.

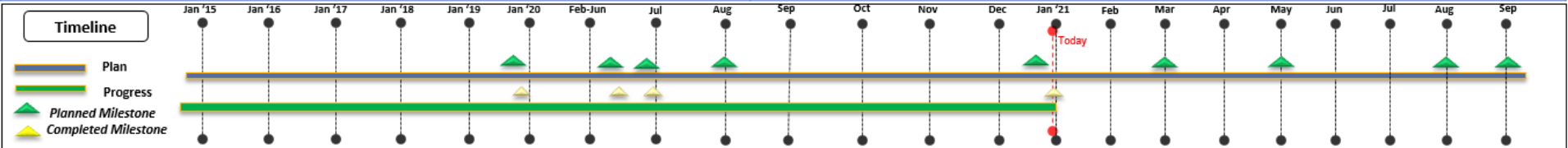| Recent Accomplishments	Planned Accomplishments for Next Reporting Period
• Project re-planning and scope re-validation efforts continue. • Academic Planning and Budgeting has decided to move forward with migration from Hyperion on-premises to Oracle EPM Cloud. Lift and shift project has begun. • Chart of Accounts task force has begun analysis to bring resolution to open issues. • New organizational change management strategy and framework created.	• Completion of the chart of accounts task force analysis with recommendations. • Steering committee re-finalization of the chart of accounts design. • Continue with project re-planning and scope re-validation efforts. • Begin business process mapping validation with Corporate Financial Services heads. • Restart chart of accounts mapping exercises with the campus.
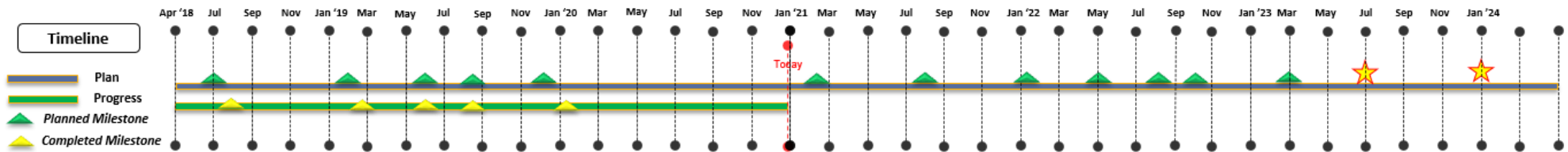
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Reporting Period Ending: **December 2020**

UCOP – Pension Administration Modernization Project (Redwood), Sponsor: VP Cheryl Lloyd
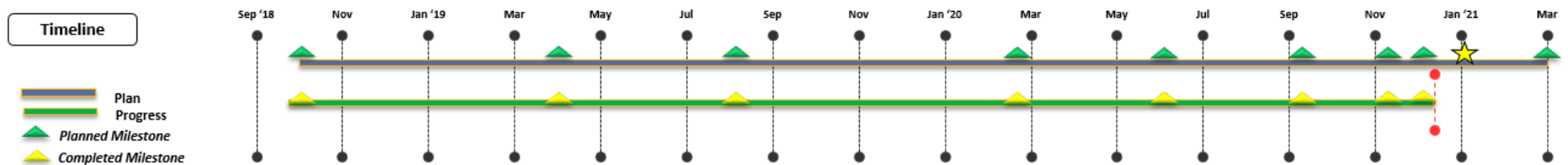
Description & Purpose	Risk High	Overall Health ●
The Redwood project seeks to modernize the University's pension administration technology, and with that, adapt to the changing landscape of retirement programs. As more and more self-service functionality is added to the member portal UCRAYS (UC Retirement At Your Service), the member experience will be enhanced and satisfaction will improve, with less calls necessary to the RASC (Retirement Administration Service Center). Project is funded by restricted monies (UCRP trust).	**Budget** ○ • Original Budget: $50.7MM • Current Budget: $64.7MM	**Schedule** ○ • Start Date: 01/2015 • Original Completion Date: 04/2020 • Current Completion Date: 09/2021

Top Issues, Risks & Scope Changes

- The Redwood system has continued to present issues with delays and errors impacting UCRS Members in some cases. The original functional requirements have not yet been fully realized, for a variety of reasons, with continued efforts to apply fixes and deploy remaining functionality.
- Calculation processes require manual work-arounds; Backlogs within RASC continue to exist for insurance, survivor, and secure messaging, leading to delayed payments to members and vendors. Risk of reputational impact remains a concern as member's become aware of issues.
- Required interfaced data from UC payroll systems is not providing requisite consistent Member data.
- The system has not yet provided a robust platform for the UCRS without additional defects materializing.
- Further, the request from the software vendor, Sagitec for additional funds to complete the original functional requirements has created both a risk to the anticipated budget and a risk to the RASC operations as the system is hosted and managed by Sagitec. This risk could also materialize in the advent of the insolvency of Sagitec.

Mitigation Plan/Status

- Technical and Security assessment contracts have been finalized, with the work kicking off in January
- Chazey Partners completed the new Operating Model and is on track to complete definition of the Business Continuity Plan.
- The new operating model includes the hiring of 3 new managers, which will be posted and hired in the the first Quarter of 2021.
- A prioritized set of critical system changes has been developed and is being scheduled for implementation through 2021.
- A release schedule and plan have been developed for the implementation of remaining deferred Redwood functionality. The initial release is on schedule for a March deployment, with additional functionality delivered through September 2021.
- UC is negotiating contractual terms with Sagitec regarding the parties' relationship going forward, including the remaining Release 2.0 functionality, warranty terms, and the tolling of any claims between the parties.
- Linea's involvement on the Redwood project ended in April 2020. UC has initiated discussions with Linea regarding Linea's work on the project, which are in the early stages.

Recent Accomplishments

- In final negotiations for new contract with Sagitec, including establishing a warranty period and schedule for deferred functionality to be deployed in 2021.
- New Operating Model for RASC has been finalized and is being deployed during first quarter of 2021.
- Deferred functionality is being implemented and remains on schedule, with the first release slated for March 2021.
- A set of current retirement calculation issues were addressed and implemented in production during December, with additional slated for January.

Planned Accomplishments for Next Reporting Period

- Complete technical and security assessments.
- Complete deployment of the new Operating Model and Business Continuity Plan.
- Complete hiring of new manager positions under the new Operating Model.
- Deliver initial deferred functionality releases.
- Finalize priority set of critical changes and associated schedule and budget.

Timeline — Plan, Progress, Planned Milestone, Completed Milestone (Jan '15 – Sep, Today: Jan '21)

Reporting Period Ending: **December 2020**

UC Merced–Alpha Financials Oracle Cloud Implementation, Sponsor: Provost Gregg Camfield

Description & Purpose	Risk Low	Overall Health 🟢
Beginning in 2017, UC Merced, in partnership with UCOP, evaluated options to replace the university's existing financial system. After due diligence, a decision was made in September 2018 to replace it with an Oracle Software as a Service-based integrated financial system. In April 2019, the Division of Finance and Administration kicked off the Alpha Financials project. The goal of Alpha Financials is to ensure UC Merced has the infrastructure in place to deliver high-value, reliable, and easy-to-access financial services that allow the campus to focus on our mission of teaching, research and public service. To do this, Alpha Financials will cut ties to the legacy financial system hosted at UCLA and replace it with Oracle Cloud applications, as well as transform how we track spending, perform financial reporting, and improve auditability across the university to align with the restructured Common Chart of Accounts, which will improve financial management at UC Merced and across the UC system.	**Budget** 🟢 • Original Budget: $11M • Current Budget: $33M • Est. Completion Cost: $33M	**Schedule** 🟢 • Start Date: 10/2018 • Original Completion Date: 07/2020 • Current Completion Date: 12/2020

Top Issues, Risks & Scope Changes	Mitigation Plan/Status

• Issue – Data extraction for Nov 2020 PPM, budgets, and COA data is delayed impacting readiness of production conversion scope
• Scope Changes – Queuing up enhancement requests for post Go-Live delivery, such as:
   • Refinements to Dunning Report and Refund Report
   • Service agreements for non-sponsored contracts
	• Decision made to convert Nov 2020 data as part of the incremental conversion scope planned for post go-live
	
	• Initiating bi-weekly release management process to perform regular, controlled deployment of changes to production post Go-Live

Recent Accomplishments	Planned Accomplishments for Next Reporting Period
• Completed user acceptance testing and project 'go' decision • Completed instructor-led training and distributed web-based trainings • Launched Go-live Toolkit and ServiceNow support process • Performed data conversion to production and prepared for Go-Live release	• Complete system cutover and Go-Live on January 4th, 2021 • Complete incremental data conversion of Nov-Dec 2020 data scheduled for mid-January 2021 • Complete knowledge transfer activities by end of March 2021 • Execute Hypercare to support post Go-Live stability

Timeline

— Plan
— Progress
▲ Planned Milestone
▲ Completed Milestone

Sep '18, Nov, Jan '19, Mar, May, Jul, Sep, Nov, Jan '20, Mar, May, Jul, Sep, Nov, Jan '21, Mar

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Reporting Period Ending: **December 2020**