



September 6, 2019

Representative Frank Hornstein
Chair, Transportation Finance and Policy Division
Minnesota House of Representatives
100 Rev. Dr. Martin Luther King Jr. Blvd.
Saint Paul, MN 55155

Senator Scott Newman
Chair, Transportation Committee
Minnesota Senate
95 University Ave W
Saint Paul, MN 55155

Chairs Hornstein and Newman,

Please find attached the first Driver and Vehicle System Project Report, as mandated by Minnesota Laws 2019, First Special Session, Chapter 3, Article 2, Sec. 34, Subd. 5.

This report contains information on the status of the Minnesota Licensing and Registration System (MNLARS) and associated maintenance and decommissioning activities, the status of the driver's license system, the status of the implementation of the new Vehicle Title and Registration System, as well as financial information on the funds expended for both the vehicle and driver systems.

We look forward to engaging collaboratively with the members of the Driver and Vehicle Systems Oversight Committee, the Governor's Blue Ribbon Council on Information Technology, and our partners at FAST Enterprises, as we work to retire and replace the Minnesota Licensing and Registration System (MNLARS).

Please let us know if you have questions related to this report or would like any additional information.

Sincerely,

A handwritten signature in black ink, appearing to read 'John M. Harrington'.

John M. Harrington
Commissioner
Minnesota Department of Public Safety

A handwritten signature in black ink, appearing to read 'Tarek Tomes'.

Tarek Tomes
Commissioner and State Chief Information Officer
Minnesota IT Services



Department of Public Safety
Driver and Vehicle Services



Driver and Vehicle Systems Project Report

September 2019

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Vehicle Title and Registration System (VTRS)

The state published a request for proposals (RFP) for a vehicle title and registration system on Tuesday, May 28, 2019. Members of the Minnesota Deputy Registrar Association (MDRA), Deputy Registrars Business Owners Association (DRBOA), and Minnesota Automobile Dealers Association (MADA) participated in the development of the RFP business requirements and scoring of the RFP responses.

Fast Enterprises (FAST) was the only vendor that responded to the RFP. FAST provided a system demonstration to the RFP review committee on July 1, 2019, and the State signed the contract with FAST on Aug. 8, 2019.

The project will be completed in two phases.

- Phase I will include functionality for title and registration, dealer management, fleet management, permits, and imaging. Phase I is scheduled to roll out Nov. 16, 2020.
- Phase II will include functionality for motor carriers with International Fuel Tax Agreement (IFTA) and International Registration Plan (IRP). Phase II is scheduled to roll out Oct. 1, 2021.

The contract between the State and FAST sets forth the following schedule and payment plan.

Payment Schedule

MN VS Payment Schedule				
Milestone	Estimated Invoice Date	Cost	Retainage	Payment
FastVS License Fee	Aug. 23, 2019	\$4,000,000	\$0	\$4,000,000
FastVS Software Annual Maintenance Fee	Aug. 23, 2019	\$250,000	\$0	\$250,000
Rollout 1 (R1)				
R1 Definition Complete	Jan. 8, 2020	\$4,250,000	\$425,000	\$3,825,000
R1 Base Configuration Complete	April 8, 2020	\$3,125,000	\$312,500	\$2,812,500
R1 Testing Preparation Complete	May 20, 2020	\$6,500,000	\$650,000	\$5,850,000
FastVS Software Annual Maintenance Fee	Aug. 23, 2020	\$500,000	\$0	\$500,000
R1 System Acceptance, Product Rollout (R1 Go-Live)	Nov. 16, 2020	\$7,625,000	\$762,500	\$6,862,500
Partial Retainage Release (per Section 4.2(b))	Upon acceptance			\$1,075,000
Rollout 2 (R2)				
R2 Definition Complete	March 26, 2021	\$1,500,000	\$150,000	\$1,350,000
R2 Base Configuration Complete	May 14, 2021	\$1,125,000	\$112,500	\$1,012,500
R2 Testing Preparation Complete	June 15, 2021	\$2,250,000	\$225,000	\$2,025,000
R2 System Acceptance, Product Rollout (R2 Go-Live)	Oct. 1, 2021	\$2,625,000	\$262,500	\$2,362,500
Maintenance 8/23/2021-10/01/2021	Aug. 23, 2021	\$104,000	\$0	\$104,000
Final Retainage Release	Upon final acceptance			\$1,825,000
Total Implementation Cost		\$33,854,000		\$33,854,000

VTRS Teams

Working together with FAST, the project will be comprised of the following teams:

- Title and Registration – representatives from DVS, MNIT and MDRA
- Dealer and Inventory – representatives from DVS, MDRA, and MADA
- Financials – representatives from DVS and DRBOA
- Conversion – representatives from DVS, MNIT, and DRBOA
- Interfaces – representative from DVS and MNIT
- Training – representatives from DVS, MDRA and DRBOA will join the project in May, August, and September 2020
- Testing – representatives from MNIT, DVS, MDRA and DRBOA will join the project in September 2019 and July 2020
- Tech & Support – representatives from MNIT

FAST is on track to deliver a project schedule due six weeks after the contract was signed and is due on Sept. 16, 2019. Onboarding for Fast Enterprises staff is underway. MNIT is providing them with network accounts and workstations. In addition, MNIT, MNLARS and legacy support resources have already met with FAST regarding:

- Interfaces
- File layouts
- Databases volumes
- Data sources
- Electronic vehicle title and registration (EVTR) documentation
- Overview of dealer architecture
- Remaining ESsupport (legacy web services) functions still in use

FastDS Update

Driver's license fee changes and data purchaser subscription fee changes enacted during the 2019 legislative session took effect Aug. 1, 2019. All development changes were completed on schedule.

Other highlights from the third quarter include:

- Enabled acceptance of online fee payments for some transactions, including reinstatement fees and variance application fees. Development involved the creation of an ACH interface with US Bank. As a result, data purchasers can now elect to receive electronic invoices instead of paper. DVS has collected more than \$176,000 in online payments since it became available in August.
- Completed the interface between the Exam AutoTest machines (Idemia) and FastDS. This enables FastDS to directly assign exams to machines and retrieve the results, eliminating the need for users to operate

both systems independently.

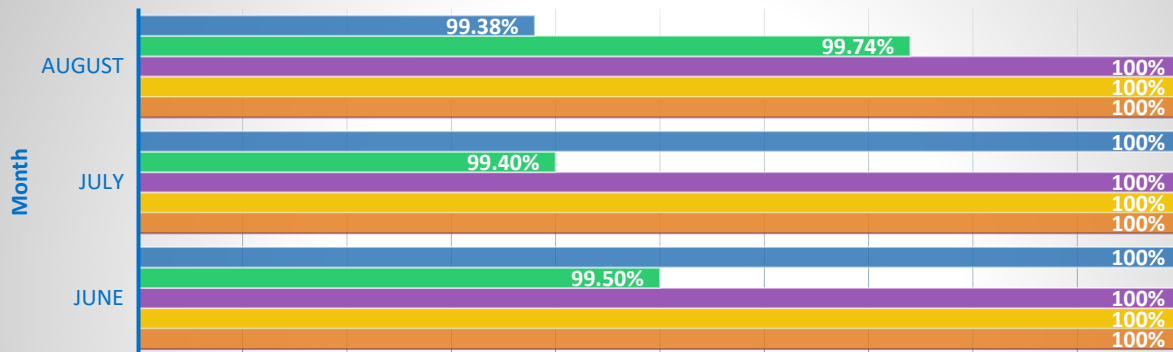
- Continued preparations for implementation of State-to-State (S2S) Verification Service. The initial development and the first pass of structured testing with AAMVA is complete. DVS remains on schedule for the Sept. 28, 2019, launch.
- Added the driver compliance/evaluation unit to the FastDS scheduling manager, enabling staff to schedule court appearances/subpoenas within FastDS.
- Added exam scheduling enhancements, that include:
 - More automated eligibility checks.
 - A “find first” functionality that allows a user to find the first available appointment the customer is eligible for at either a specific station, or by region, with one click.
 - A nightly system process that cancels any future scheduled appointment for a customer that passes their road test prior to that appointment. This will free up road test appointments for other customers.
- Added more driver’s license offices to the point-of-contact scanning program, bringing the total of participating offices to 22.

MNLARS Status

System Availability

During the third quarter, all systems maintained an uptime of ninety-nine percent or greater. The following information shows a summary of the system uptime, measured during customer service hours, for this report. The systems showed availability with all applications showing over ninety-nine percent uptime during the three-month period of June, July and August of 2019. This graph includes all MNIT-hosted and third-party software incidents or problems. The graph also shows the downtime of each of the live vehicle systems, including the legacy mainframe.

Uptime Statistics: MNLARS, Driver's System, DVS Permits, Mainframe and Esupport



	June	July	August
■ MNLARS	100%	100%	99.38%
■ Driver's System	99.50%	99.40%	99.74%
■ DVS Permits	100%	100%	100%
■ Mainframe	100%	100%	100%
■ Esupport	100%	100%	100%

■ MNLARS
■ Driver's System
■ DVS Permits
■ Mainframe
■ Esupport

Release 1.16

The final major MNLARS release was version 1.16. Highlights from Release 1.16, deployed on June 23, 2019:

- Ability to search and complete transactions in the unmatched document work queue. This reduced the number of unmatched scanned images and reduced the amount of paper-based research required by DVS.
- Enhanced title owner search provided to deputy registrars and law enforcement.
- Ability for deputy registrars to search for plates and stickers issued by a specific office. This allows deputy registrars to research transaction errors that may have occurred when a plate or sticker was issued.
- Ability for DVS to perform data practices compliance research through a user-activity search feature.
- Ability to handle quarterly registration for farm trailers.
- Ability to add lessee information to “title only” applications and title applications in progress.

Release 1.16 also included fixes to replace the following deputy registrar workarounds:

- Seven-year plate replacement for personalized plates. Renewal notices now match the renewal registration transaction when a plate replacement is due.
- Year of birth. There is a selection in MNLARS to identify owners under the age of 18 when they purchase a vehicle.
- Ownership by minor. There is a selection in MNLARS to identify purchasers who are under the age of 18 years old.
- Online service added to MNLARS public website allowing customers to disclose when they donate and sell vehicles. This makes it easier to report the sale or donation of a vehicle.

Two additional minor releases deployed to MNLARS and ESupport dealer licensing implemented new fees enacted during the 2019 legislative session.

- Release 1.16.1, deployed on July 28, 2019, delivered increased filing fees and the title and registration technology surcharges. Implemented Aug. 1, 2019.
- Release 1.16.2, deployed on Aug. 25, 2019, delivered increased license plate fees and duplicate registration sticker fees. Implemented Sep. 1, 2019.

MNLARS Maintenance

MNIT continues to perform data fixes and database updates that are created daily and applied twice a week in response to system user requests. MNLARS lacks transaction-editing capability and until the VTRS system goes live, there remain two main sources of data errors in MNLARS that require daily maintenance. These two types of data fixes include: user-based data entry errors and transactions hung up due to a processing error in the MNLARS system.

Highlights of data corrections performed include the ability to:

- Cancel a title transaction when a deputy registrar transfers the wrong vehicle.
- Cancel a registration transaction when a deputy registrar renews the wrong vehicle.
- Update cart information if the wrong transaction or payment amount was entered.
- Update registration information on prorated trucks so it matches Explore, the IRP/IFTA permits system. This is necessary, because law enforcement accesses the information in MNLARS, not Explore.
- Order replacement plates or stickers when the customer renewed online but did not receive the plate and/or sticker.
- The data team ensures that the customers who have requested privacy designations do not have their information sent to third party bulk data consumers.

MNLARS Work Performed to Decommission Legacy Systems

Decommissioning MNLARS and the remaining vehicle legacy systems is a parallel activity to the VTRS effort. During this quarter, one system has been decommissioned. This was the 1980's era SUPRA database that was officially decommissioned on June 30, 2019. Other decommissioning activities during this period included:

- Reviewed and refined MNLARS documentation for work transition.
- Decommissioned mainframe service calls, batch processes for Supra database software.
- SQL Server Reporting Services (SSRS) for reporting and evaluation of historical data.
- Feature documentation and schedule planning is in progress for decommissioning of remaining legacy vehicle applications:
 - Permits
 - Dealer licensing
 - Fleet management
 - Financial management - insufficient funds/bad check
 - Interagency title and transactions
 - IRP/IFTA/Prorate

Budget Summary

Table 1 – Budget Summary

The following Budget Summary (Table 1) includes a breakdown of revenues and costs rolled up to a summary level for FY19 and is similar to that previously provided in previous reports. The next report will have a budget summary for FY20.

- “Expenditures” are monies paid subject to an invoice or expense incurred.
- “Encumbrances” are monies set aside for payment after an obligation for payment has been established, but no invoice has yet been approved or paid.
- “Forecasted spend” includes planned expenditures and encumbrances that are anticipated but have yet to be either paid out or set aside.

Financial Reporting for Vehicle & Driver for Reporting Period FY2019(\$000)		FY19	
Revenues	YTD	Encumbered & forecast	Total
Special revenue	5,912	-	5,912
Carryforward	14,080	-	14,080
Receipts	2,099	-	2,099
Transfers in	8,000	-	8,000
MNLARS Deficiency	11,200		11,200
Total revenue	41,291	-	41,291
Expenditures - Driver	YTD spend	Encumbered & forecast	Total
FAST contract	15,000	-	15,000
FAST DVS staff	583	-	583
MNIT Drivers staff	628	-	628
FAST contractors	1,153	-	1,153
Technology costs	713	-	713
Other spent	91	-	91
Total Driver	18,168	-	18,168
Expenditures - Vehicle	YTD spend	Encumbered & forecast	Total
Contractors	11,015	116	11,131
Data Migration	192	-	192
DVS staff	664	-	664
MNIT staff	2,255	-	2,255
Technology costs	4,089	319	4,408
Other spent	125	-	125
Total vehicle	18,340	435	18,775
Total Driver and Vehicle	\$36,508	\$435	\$36,943

Table 2 – Special Rider Budget

The Special Rider Budget (Table 2) contains an accounting of the use of funds provided under Minnesota Session Laws 2018, h. 101, including \$7,051,000 for contracting to perform software development on the vehicle services component of MNLARS and \$2,599,000 for technology costs. The numbers contained in this table are contained in the data provided in Table 1 but are addressed separately here.

Special Rider Budget for Reporting Period FY2019 (\$000)							
Rider	Carry forward from FY18	Transfers	Total FY19 budget	FY19			
				YTD	Encumbered & forecast	Total forecast	Remaining amount
Contracting	3,626	93	3,719	3,719	-	3,719	-
User authentication & access control management	83	(23)	60	50	-	50	10
Testing environment, hardware, server & data storage	2	(2)	-	-	-	-	-
Partial relocation of data center	650	-	650	650	-	650	-
Disaster recovery & preparedness	667	-	667	667	-	667	-
Contracted software review & software development Support	884	(68)	816	383	319	702	114
Total	\$5,912	-	\$5,912	\$5,469	\$319	\$5,788	\$124

Spend for Employees and Contractors

Spend for MNIT and DPS employees is shown for the reporting period for FY2019. Tables 3 and 4 contain staff charges allocated to the MNLARS vehicle project for each position, as well as an indication for each position of the number of dedicated staff and non-dedicated staff (those that spend part of their time supporting MNLARS Vehicle but were not assigned to the project).

Table 3 – Amount Spent for MNIT Employees at DPS

Position	Dedicated staff	Non-dedicated staff	FY19 Spend (\$000)
Developer	10	1	944
Managers/supervisors	4	-	401
Operations	10	6	1,107
Project managers/Admin support	6	1	341
Technical Support	5	1	91
Total	35	9	\$2,884

Table 4 – Amount Spent for DPS Employees

Position	Dedicated Staff	Non-dedicated Staff	Vehicle (\$000)	Driver (\$000)	FY19 Spend (\$000)
Program Director	2	-	79	109	188
Information Officer	1	-	40	40	79
Project Consultant	1	-	19	-	19
Business Analyst	15	-	497	406	903
Financial Analyst	1	-	28	28	56
Total	20	-	\$663	\$583	\$1,246

Table 5 – Amount Spent (in thousands) for contractors

Spend for MNIT contractors is shown for the reporting period to close out FY2019. Table 5 contains the amount (in thousands) paid by the MNLARS vehicle project for each contractor. Each contractor may have one or more billed resources placed on the project or may be paid upon completion of deliverables without regard to the number of resources engaged.

Contractor	FY19 Spend (\$000)	Contract End Date
American Association of Motor Vehicle Administrators	22	
American Cybersystems Inc/Analysts International Corp	256	10/31/19
American Databank	2	
Basswood Consulting Group LLC	197	10/31/19
Charter Solutions Inc	655	10/31/19
Dahl Consulting	253	10/31/19
Elegant Enterprise Wide Solutions Inc	142	10/31/19
FAST Enterprise LLC	15,000	
Iceberg Tech Group	146	10/31/19
International Projects	504	10/31/19
Intertech Inc	65	10/20/18
Janus Software Inc	36	6/30/19
Knowledge It A Cooperative	867	10/31/19
Lighthouse Software Solutions	1,401	6/30/21
Logisolve LLC	19	7/31/18
Sdk Technical Services	77	10/31/19
Software Engineering Services	50	10/31/18
Sogeti/Capgemini America Inc	6,934	10/28/19
Systems Advantage Inc	432	10/31/19
Talent Software Services Inc	230	10/31/19
Zinncorp Inc It Doctors	148	2/19/19
Total	\$27,434	