



December 10, 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 implementation of the new Vehicle Title and Registration System (VTRS), the status of the driver's license system, Minnesota Licensing and Registration System (MNLARS) and associated maintenance and decommissioning activities, as well as financial information on the funds expended for both the vehicle and driver systems.

We have included information in this report on the risks identified associated with VTRS development and MNLARS decommissioning, demonstrations of VTRS functionality to deputy registrars, as well as additional details on MNLARS support and maintenance as requested by the committee.

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

December 2019

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Vehicle Title and Registration System (VTRS)

The Vehicle Title and Registration System (VTRS) project that will replace the Minnesota Licensing and Registration System (MNLARS) with a commercial off the shelf (COTS) system by Fast Enterprises (FAST) is continuing. Work on the project has been underway for four months.

The project will be completed in two phases.

- Phase I includes 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 amendment with FAST was completed on Nov. 27, 2019. The objective is to have a single contract for the maintenance and support of the driver services (DS) system, and the development of the vehicle services (VS) system. Once the VS system has been developed and enters maintenance and support, the DS-VS systems will be maintained and supported as one system.

Payment Schedule

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

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 has the following teams:

- Title and Registration – representatives from DVS, MNIT and Minnesota Deputy Registrar Association (MDRA)
- Dealer and Inventory – representatives from DVS, MDRA, and MADA
- Financials – representatives from DVS and Deputy Registrar Business Owners Association (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 has successfully delivered the following plans and reports on time:

- Project Plan
- Resource Plan
- Communications plan
- Hardware/Software Plan
- Initial Installation Report
- Risk Management Plan
- Application Security Plan
- Test Plan and Tester Training Plan

Risks

A total of seven risks have been documented in the project's Risk Log.

1. **Registration fee calculation.** The registration taskforce is evaluating the different solutions to change how base value is calculated for motor vehicle registrations. FAST has requested a decision on the calculation of registration fee calculation is completed by March 1, 2020 to ensure programming can be completed and the training of end users.
2. **Conversion of MNLARS records.** The conversion of MNLARS records into VTRS will be a large undertaking.
3. **Managing work-in-process at the time of VTRS rollout.** DVS needs to ensure they have a procedure in place to have minimal work-in-process at the time of VTRS rollout.

4. **Decommissioning of MNLARS and Legacy Systems.** Decommissioning MNLARS will require thorough planning and analysis to assure all data needed for operational or retention purposes is accurately assessed and converted or stored.
5. **Scanner deployment.** The VTRS executive steering committee voted to move forward with scanning motor vehicle documents at the deputy registrar office. The team now needs to develop a change management plan for implementation.
6. **Electronic Vehicle Title and Registration (EVTR).** This is a complex business process and was a pain point with MNLARS.
7. **Scope creep.** Overall project scope creep can occur with large projects similar to VTRS.

Demonstrations

The project team continues to work with the deputy registrars to provide demonstrations of the VTRS solution. The feedback from the deputy registrars on the work that has been completed for VTRS has been positive.

- Members of the project team have provided demonstrations to the deputy registrars at the MDRA and DRBOA board meetings.
- “Explore sessions” occurred in November and over 36 deputy registrars were onsite at DVS to work with VTRS.
- Members of the project team visited deputy registrar offices to provide “test drives” and an overview of VTRS to deputy registrar staff.

FastDS Update

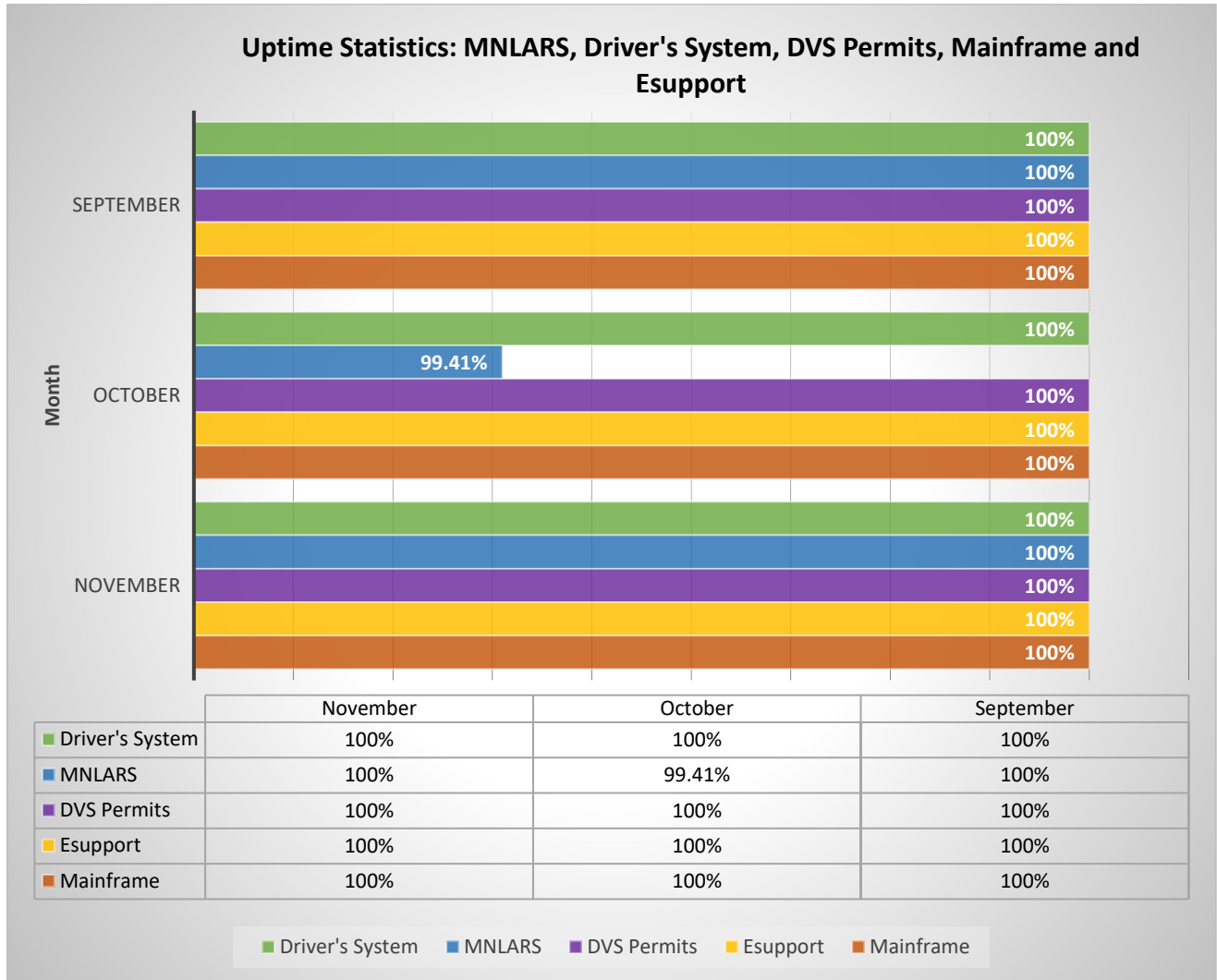
DVS launched the state-to-state (S2S) verification service in September, which allows states to check with all other participating states electronically to determine if the applicant currently holds a driver’s license or identification card in another state. The business plan included S2S as part of Phase 2 of REAL ID implementation. The business requirements satisfied by S2S include:

- Limiting a person to one driver’s license.
- Providing information on all state-issued driver’s licenses and identification cards.

DVS Systems Status

System Availability

During the fourth quarter, all systems maintained an uptime of 99 percent or greater. The following chart is a summary of the system uptime, measured during customer service hours.



MNLARS Support and Maintenance

MNLARS has now transitioned into support mode. MNIT completed system support documentation and continues to perform data fixes and database updates because MNLARS lacks transaction-editing capability. The fixes and database updates are created daily and applied twice a week in response to system user requests. The two main sources of data errors in MNLARS are user-based data entry errors and transactions hung up due to a processing error in the MNLARS system.

During the definition phase of the VTRS project, members of the project team identified that DVS incorrectly implemented the technology surcharge legislation. This means that when a customer completes a title transfer

transaction and a registration renewal, there is an over collection of \$2.25 for the technology surcharge. DVS is working with MNIT on making a configuration change in MNLARS that will allow the deputy registrars to waive the second surcharge fee. An education and communications plan is in development to ensure a clear understanding of when, how and why this second fee should be waived. In addition, DVS will refund to the approximately 120,000 Minnesotans who were incorrectly charged the \$2.25. The business rules for VTRS corrects this error.

MNLARS Work Performed to Decommission Legacy Systems

Decommissioning MNLARS and the remaining vehicle legacy systems is a parallel activity to the VTRS effort. MNIT focused decommissioning activities this quarter on systems analysis to identify the inventory of all server and application components to be decommissioned. Feature documentation and schedule planning is in progress for decommissioning of remaining legacy vehicle applications. The decommissioning project plan is scheduled to be completed by December 31, 2019. Additional details on the decommissioning project plan will be provided in subsequent quarterly reports.

Minnesota Drive

Once the VTRS system is completed, DVS will have a unifying brand for its motor vehicle and driver's license information system. DVS sought input from DVS employees, stakeholders, business partners, and legislators before branding the system Minnesota Drive, or MNDRIVE.

The MNDRIVE logo incorporates the State of Minnesota branding elements to make it easier for customers to locate DVS online services and to better align with other state government websites.

Main Logo



Desktop Logo



MNLARS Budget

Table 1 – Budget Summary

The following Budget Summary (Table 1) includes a breakdown of year-to-date revenues and costs rolled up to a summary level for FY20 and is similar to that provided in previous reports.

- “Expenditures” are funds paid subject to an invoice or expense incurred.
- “Encumbrances” are funds 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.

YTD Financial Reporting for Vehicle & Driver for Reporting Period FY2020 (\$000)		YTD FY20	
Revenues	YTD	Encumbered & forecast	Total
Carryforward	4,223	-	4,223
Receipts	6,687	9,880	16,567
DVS Veh Reg Syst	52,669	-	52,669
DVS DL Syst	3,000		3,000
Total Revenue	66,579	9,880	76,459
Expenditures – Driver	YTD spend	Encumbered & forecast	Total
FAST contract	1,500	4,579	6,079
FAST DVS staff	120	165	285
MNIT Drivers staff	135	302	437
FAST contractors	-	-	-
Technology costs	216	865	1,082
Other spent	-	8	8
Total Driver	1,972	5,920	7,892
Expenditures – Vehicle	YTD spend	Encumbered & forecast	Total
FAST Contract	4,565	13,875	18,440
Contractors	2,639	2,742	5,381
DVS staff	305	562	867
MNIT staff	1,055	2,180	3,235
Technology costs	933	3,082	4,014
Other spent	9	14	23
Total Vehicle	9,505	22,455	31,961
Total Driver and Vehicle	\$11,477	\$28,375	\$39,852

Table 1

Table 2 – MNLARS Deficiency Budget

The numbers in this table are contained in the data provided in Table 1 but are addressed separately here.

YTD MNLARS Deficiency Budget for Reporting Period FY2020 (\$000)			YTD FY20			
Deficiency	Carry Forward from FY19	Budget	YTD	Encumbered & forecast	Total forecast	Remaining amount
Development, Technology, Contractors	3,154	3,154	2,228	921	3,149	5
Total	\$3,154	\$3,154	\$2,228	\$921	\$3,149	\$5

Table 2

Table 3 – Amount Spent (in thousands) for Contractors

Spend for MNIT contractors is shown for the reporting period of September through November 2019. Table 3 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	Sept-Nov 2019 Spend (\$000)
Dahl Consulting	\$64,500.00
Elegant Enterprise Wide Solutions Inc	\$38,346.00
Talent Software Services Inc	\$63,440.00
Analysts International Corp	\$62,464.00
Charter Solutions Inc	\$91,260.00
Capgemini America Inc	\$1,479,383.40
Iceberg Tech Group	\$46,260.00
Basswood Consulting Group LLC	\$59,800.00
Fast Enterprises LLC	\$6,065,000.00
Sdk Technical Services	\$64,320.00
Knowledge It A Cooperative	\$207,300.00
Systems Advantage Inc	\$104,390.00
Lighthouse Software Solutions	\$201,310.00
International Projects	\$120,880.00
Total	\$8,668,653.40

Table 3

Table 4 – Quarterly Amount Spent for MNIT Employees at DPS

Spend for MNIT and DPS employees is shown for the reporting period of September through November 2019. Tables 4 and 5 contain staff charges allocated to the FAST/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 FAST/MNLARS Vehicle but were not assigned to the project).

Position	Dedicated staff	Non-dedicated staff	Sept-Nov 2019 Spend (\$000)
Developer	11	-	387
Managers/supervisors	2	1	88
Operations/ Technical Support	3	9	239
Project managers/Admin support	5	1	139
Total	21	11	\$853

Table 4

Table 5 – Quarterly Amount Spent for DPS Employees

Position	Dedicated Staff	Non-dedicated Staff	Vehicle (\$000)	Driver (\$000)	Sept-Nov 2019 Spend (\$000)
Program Director	2	-	25	30	55
Information Officer	1	-	10	-	10
Program Supervisor	1	-	4	-	4
Business Analyst	10	-	142	38	180
Financial Analyst	1	-	10	10	20
Total	15	-	\$191	\$78	\$269

Table 5