

**MINUTES OF THE MEETING OF THE  
INTERIM FINANCE COMMITTEE=S  
SUBCOMMITTEE ON PROJECT GENESIS  
LEGISLATIVE COUNSEL BUREAU  
Carson City, Nevada**

A meeting of the Interim Finance Committee=s Subcommittee on Project Genesis was called to order by Chairman Jack D. Close, Sr., on Sunday, December 13, 1998, at 4 p.m., in Room 4100 of the Legislative Building, in Carson City, Nevada.

**SUBCOMMITTEE MEMBERS PRESENT**

Assemblyman Jack D. Close, Sr., Chairman

Senator Lawrence Jacobsen

Senator William R. O=Donnell

Assemblywoman Vonne Chowning

**LEGISLATIVE COUNSEL BUREAU STAFF:**

Scott Wasserman, Chief Deputy Legislative Counsel

Debbra J. King, C.P.A., Program Analyst, Fiscal Analysis Division

Gary Ghiggeri, Principal Deputy Fiscal Analyst

Jim Rodriguez, Program Analyst

Yhvona Martin, Secretary

**I. Opening Remarks and Introductions - Assemblyman Jack D. Close, Chairman.**

Chairman Close announced that all members were in attendance.

**II. Approval of November 18, 1998, Meeting Minutes.**

**MRS. CHOWNING MOVED TO APPROVE THE MEETING MINUTES OF  
NOVEMBER 18, 1998. SECONDED BY SENATOR JACOBSEN AND MOTION  
CARRIED UNANIMOUSLY BY VOICE VOTE.**

**III. Project Genesis Infrastructure Design and Development - Work Program Review.**

Chairman Close recognized Mr. Bruce Glover, Deputy Director, Department of Motor Vehicles and Public Safety (DMV&PS), who said he wished to introduce several new staff members. Mr. Glover first introduced Ms. Susan McConnell, formerly the Northern Regional Manager for Drivers= License Division,

who was appointed last week as Chief, Drivers= License Division. According to Mr. Glover, Ms. McConnell had been an employee of DMV&PS for 8 years, transferring from the Welfare Division. In addition, in order to address concerns in several areas within DMV&PS, Mr. Glover indicated that a decision had been made to migrate DMV's Information Services (IS) data processing function with Project Genesis. Toward this end, Mr. Glen Larson, from Project Genesis, was appointed last week to oversee the staff through Elizabeth Enenbach in IS. Mr. Glover also introduced Mr. Dennis Colling, the new Chief of the Administrative Services Division. In concluding his remarks, Mr. Glover said he wished to take this opportunity to thank both the legislative and executive branch staff for their patience and support through a very difficult process. Mr. Glover also commended the efforts of DMV&PS staff and Best Consultants as well.

Continuing, Mr. Glover introduced Ms. Donna West, Project Manager, Project Genesis, who recalled that the subcommittee had approved the proposed hardware-related purchase necessary to move forward with the implementation of Project Genesis during the November 18, 1998, meeting. Following the subcommittee=s meeting, DMV&PS staff met with legislative and executive branch staff to resolve the outstanding issues about the number and location of personal computer (PC) workstations, laptops, printers, mag stripe and bar code readers. Staff reached a consensus on the equipment needed for all areas.

The agreed upon quantities are reflected on pages 33-46 of Volume I of the meeting packets under AD10 Summary Report,@ Ms. West continued. This list matches the gap analysis reconciled with the site assessments. Some of the equipment for positions previously removed has been added back, while others have been removed; therefore, the balance of PC workstations and laptops has changed. The highlights of these quantity changes can be found at the top of page 29. The PC quantity has been reduced from 505 to 502, while the laptop quantity increased from 47 to 52. The need for local printers has increased slightly from 279 to 287.

Also during this period, Ms. West noted that Project Genesis staff had completed its comparison between Dell and IBM equipment and a decision had been made to install IBM equipment. IBM provided the state not only with the best up-front price, but also the best total cost of ownership. In arriving at this selection, a number of criteria were considered including cost. First, Deloitte Consulting specified IBM in its Parts List deliverable for PC workstations for DMV staff. This recommendation was based, in part, on IBM=s total system solution as reported by the Gartner Group, who ranks IBM number one in network management functionality. IBM offers several programs that are not offered by Dell which will help DMV keep its equipment operational and reduce travel by IS staff to repair equipment. When a new PC is received, for example, DMV will be able to have it shipped to the office where it will be installed, plug it into an outlet, and link it up to the network. The PC will be perceived as a new PC without software and the IBM equipment will load the Windows NT operating system along with other programs. This will reduce delays in installation of any new equipment in the future. Errors on PCs will be signaled to headquarters so that IS staff will know if a motherboard is going bad in a PC. The system will then automatically back up the data to the server so that no data is lost. Staff will also be able to diagnose and deal with PC problems from the IS location and, in most cases, restore a PC to service in a shorter period of time, or be able to determine what parts are needed for repair before DMV staff travels to a distant office, like Elko. This should reduce productivity loss on behalf of IS staff. IBM also provides error messages in simple English that users can understand which should also reduce the loss of productivity by both customer services staff and IS staff. IBM also has a close working relationship with Microsoft, working in the same building. This means that if DMV has a software problem, IBM can fix it. It also means DMV will not be required to pay additional Microsoft support contracts.

The one area in which Dell rated higher was installation. Dell has had a successful roll out of equipment in Nevada for the State's UNITY Project. Although IBM has not yet had this experience with Nevada state government, it has had many large successful installations in the private sector in Nevada. To ensure a successful roll out with IBM, DMV has requested that IBM's installation manager meet with DMV's IS manager and staff to fully detail IBM's methodology and plan for roll out. During the installation, regular meetings will be held to track every step in the plan to provide oversight and ensure a smooth roll out.

The updated summary sheet on page 27 in Volume I of the meeting packets shows current information on the cost of procurement. Ms. West noted that the cost differences since the subcommittee's last meeting are highlighted on page 29 and the decreases are primarily in the cost of the Branch Office equipment from \$2,027,541 to \$1,963,637 and in the software costs from \$179,468 to \$107,057. Other decreases in cost include the Middle Tier Equipment from \$115,500 to \$101,281 and Regional File Servers from \$331,859 to \$318,294.

Page 30 shows an increase in the amount of appropriated dollars available for the purchase, rather than lease, of equipment. In working with staff to review the remaining funding in the Project Genesis budget, Ms. West indicated that staff had identified \$3,348,733 was available, which represents an increase from the previous estimate of \$3,111,173.

Based on advice from state Purchasing Division, Ms. West pointed out that DMV had removed the Branch Office software on the list of items to be leased, along with the file servers. DMV staff has recalculated the projected lease payments and finance charges. State Purchasing is refining these costs as the final recommendation is being made on the type and number of equipment that will be leased.

After directing attention to page 30-A in Volume I of the meeting packets, Chairman Close questioned whether the \$153,774 listed as the 4 percent Hardware Contingency was correct. Ms. West apologized for the error and indicated that the amount should have been \$143,414.

Chairman Close wanted to know whether the final D10s had been submitted to the state Purchasing Division. Ms. West noted that although DMV had reached a decision on IBM, only the cover sheets had been submitted to the state Purchasing Division to allow for the calculation of the lease versus purchase. The remaining D10s are awaiting a final decision on some backup issues, which she thought would be resolved momentarily.

Ms. West noted several other changes to the cost summary could be found on pages 29 and 30 in Volume I of the meeting packets. A software package, called "BMC ARC", was moved from Mainframe Costs to Branch Upgrades and Other Software due to a change in the ordering procedure. This piece of software will be installed on the Department of Information Technology's (DoIT) mainframe. The cost of \$55,000 was added to DoIT's existing contract, which provided Project Genesis with a reduced cost. Ms. West called attention to page 30, which shows a significant reduction from \$22,000 to \$4,000 in state Purchasing Fees for processing the D10s.

Page 30-A displays the contingency request of \$350,000 for assistance and services related to moving from the ES-9000 to the R-25 mainframe. This funding is needed to reduce the risks to Project Genesis of an unanticipated move. While the move to the hardware is a concern, Ms. West said it was not a major concern, particularly since it should occur early in DMV's application construction. According to Ms. West, the major concern is the change in operating systems once DMV is on the R-25. This change is scheduled for some time next spring, when Project Genesis will be testing, piloting, and preparing for production roll out of DMV's application. DMV is anticipating some problems with this new software and the need to retest programs. This change will also cause additional work in DMV's testing process because it will make it difficult to identify whether "bugs" are attributable to new programs or the new operating system. DMV will need to hire assistance for this period to minimize the risk to Project Genesis.

In continuing her testimony, Ms. West noted that DMV staff had been working with DoIT staff to identify the tasks for which DMV will be responsible on Project Genesis and the tasks that DoIT must perform. DMV's master service agreement (MSA) will work with DoIT to define and build a production environment on the R-25, develop and schedule the migration plan, and then migrate DMV's application. DMV's IS staff and staff testers will perform the user testing to determine if the migration was successful and the MSA will help DMV deal with problems as they are found. Again, DoIT has a whole set of tasks to be performed by its staff and the MSAs. By requesting MSA assistance for its own work, DMV's goal is to minimize the risk to Project Genesis' ability to meet time frames.

To respond to a question from Chairman Close, Mr. Guy Duensing, Deputy Director, DoIT, said although DoIT was currently considering a large request for disk space, he did not foresee having to purchase additional equipment for Project Genesis at this point in time.

As directed by the subcommittee, Ms. West indicated that several work programs had been prepared. The first work program, B90082, on page 21 of the meeting packets, transfers the Genesis reserve of \$2,840,197 to category 27, a new category in the budget to track hardware-related costs. The second work program, B90257, on page 22 of the meeting packets, which is for accounting purposes only, was designed to track hardware-related costs. The third work program, B90083, on page 23 of the meeting packets, is responding to the budgetary need to reprioritize FY 99 project tasks and requests a revision of the FY 99 budget. This work program requests a revision to accommodate the need for more in-state travel than was originally anticipated, as well as the purchase of hardware. The final work program, B90081, on page 24 of the meeting packets, transfers \$52,639 from the Emission Control budget reserve to category 29 to purchase the hardware needed for Emission Control staff to access and use Project Genesis applications.

To assist the subcommittee in better understanding the work programs, Ms. West noted that a summary was provided on page 25 of the meeting packets, which shows the changes in each category of the Project Genesis budget. Ms. West said she would discuss the dollars that had been moved into each category and the reason for the transfer. In category 01, personnel services, Ms. West noted that \$189,539 was identified in salary savings realized by the delay experienced in hiring IS staff for Project Genesis. Of these savings, \$126,779 is being moved into category 03 to supplement the in-state travel budget. According to Ms. West, adequate travel was needed to conduct Joint Application Development (JAD) sessions for training, to prepare and involve southern Nevada staff in the testing process, and to train DMV "wizards" before the end of this fiscal year. The remaining \$62,760 in savings from category 01 has been moved to the new category 27 for the purchase of the hardware. Since the Project Genesis staff has completed all scheduled out-of-state training, except for a conference in June, the remaining \$30,407 in category 02 will be moved to category 27 for the hardware.

In category 04, operating, Ms. West indicated that \$22,042 had been identified as unspent funds for the printing of the Request for Proposals (RFP). It is DMV's belief that all of the RFPs have been completed for the current fiscal year and this money will not be needed. She also noted that dues and registrations for conferences for the year have been paid, with the exception of the AAMVA Region IV conference in June. The remaining \$2,840 is also being transferred to category 27.

In category 26, Ms. West pointed out that the amount of money set aside in the current year for the telephone-processing center has been reduced from \$400,000 to \$50,000, providing DMV with \$350,000 to use for the hardware purchases. During the current fiscal year DMV will continue to use the existing automated call system in place in Carson City, Reno and Las Vegas. The \$50,000 will be used for additional hardware for the Carson City call attendants. Funding has been included in DMV's biennial budget request for developing and implementing Interactive Voice Response (IVR) services. For this reason, DMV has transferred \$175,000 for IVR to the hardware purchase category. As a result of the software selected for the new system and the new e-mail system coming on line, DMV determined that the management communication system budgeted at \$100,000 will not be needed at this time. Based on reduced pricing for the PCs and printers for the training rooms for northern and southern Nevada, DMV will be able to reduce the funding in this area from \$110,228 to \$101,267, realizing another savings of \$8,961 for system hardware. The total savings being transferred from this category to the new category 27 is \$633,961.

Due to time restraints for the remainder of this fiscal year, Ms. West indicated that a reassessment had been made of training needs and expenses for the Project Genesis core team. Funding has been reduced in category 30 by \$4,272 to be used toward the hardware. DMV will be unable to complete the anticipated management training due to time restraints caused by the delay in placing management staff and the time dedicated to working with the 1999 Legislature. Of this funding, \$52,754 will be reallocated and applied to

the integrated system training to ensure DMV has adequate funding for all employees to be trained and ready to use the new application for "Big Bang." The remaining \$10,296 in this line item will be transferred to category 27 for the hardware. DMV is also transferring \$140,000 allotted for employee training toward the hardware purchase. This employee training was to cover customer service and change management training that is now intended to be conducted next fiscal year after "Big Bang." Funding for this purpose is included in DMV's biennial budget request. Based on a reexamination of scheduled activities and supplies needed for stakeholder education, DMV will be able to transfer out \$6,311 and use it for the hardware.

In summarizing the work program changes, Ms. West apprised the subcommittee that \$126,779 was being transferred into category 03, in-state travel; \$502,891 into category 27, computer hardware; \$60,000 into category 28 to hire contract staff to data enter the information to link the Drivers License and Vehicle Registration records; and transfer \$350,000 into category 29 for risk mitigation related to moving to the R-25. Ms. West added that the work programs were on the agenda for the Interim Finance Committee meeting tomorrow.

Since the state is anticipating a shortfall in revenue, Senator Jacobsen suggested that it might be helpful to the money committees if DMV were to provide a break out of the various expenditures for hardware, software, and other equipment for Project Genesis. Ms. West indicated that if the work programs were approved by the Interim Finance Committee tomorrow, DMV would enter the new numbers into the internal tracking system, which would produce the kind of spreadsheet to which Senator Jacobsen previously referred. A summary will also be provided as to where the money has been reallocated and the pending expenses.

Senator Jacobsen also thought it was time to do a press release on the type of services DMV will be providing once Project Genesis has been completed. Mr. Glover agreed with Senator Jacobsen that it was time to do a press release and he noted that money was available for a public relations campaign. Mr. Glover also thought public awareness was a critical component to the success of Project Genesis.

Chairman Close suggested that the work programs represent the culmination of many staff hours. When the process was first started, it was Chairman Close's recollection that the subcommittee had wanted to ensure that Project Genesis did not follow the path of other State of Nevada computerization projects. Although he recognized that it had been a challenge for DMV staff to meet all of the concerns of the subcommittee, Chairman Close thought the overall mission of the subcommittee had been successful. On September 22, 1998, it was also Chairman Close's recollection that the projected cost of Project Genesis was \$6.1 million. Through the efforts of staff, that cost has been reduced to approximately \$4.4 million, with \$588,658 in reserves. In Chairman Close's opinion nothing had been sacrificed that was necessary to accomplish the task. Chairman Close said he wished to express his appreciation to DMV staff for their efforts in reducing expenditures so the savings could be used for the hardware. Chairman Close said the oversight of Project Genesis was being passed to Ms. Carol English, Budget Division, Department of Administration.

Chairman Close apologized for not reviewing the equipment lease/purchase issue earlier. Ms. West introduced Mr. William Moell, Administrator, Purchasing Division. Ms. West indicated that DMV staff had been relying on Mr. Moell and the expertise of the Purchasing Division staff in this particular area. Mr. Moell apprised the subcommittee that the Purchasing Division staff had met with DMV's Project Genesis staff, Budget Division staff, and legislative Fiscal Analysis Division staff last Tuesday and determined that \$2,523,728 was available for equipment for Project Genesis. Since he has received purchase requisitions totaling approximately \$3,418,000, Mr. Moell said he was proposing that DMV lease approximately \$1,318,000 and purchase \$2,100,000 in equipment. After providing a one-page handout, a copy of which is included in the meeting minutes as Exhibit A, Mr. Moell told the subcommittee that the figures in Exhibit A were very dynamic. Rather than proposing a 3-year leasing program that would extend well into the 2003 biennium, Mr. Moell said he was proposing a 2-year leasing program that would extend 19 months into the next biennium. The cost of the lease payment will be approximately \$70,000, or approximately 4.66 percent (105.01 percent of treasuries), depending upon when the lease is entered into.

Mr. Moell directed the subcommittee's attention to his recommendation at the bottom of Exhibit A. Mr. Moell said the Purchasing Division had received copies of D-10s to be purchased or lease/purchased in the amount of \$1,994,181. Since he thought it would be in the state's best interest to lease as little as possible, Mr. Moell said he recommends maximizing the amount of purchases. Mr. Moell estimated that the state would lease approximately \$1.3 million in laptops, pc's, printers, bar codes and mag stripe readers. Out of the total of \$1,994,181, Mr. Moell said he was recommending the purchase of \$634,875 in equipment in addition to the equipment that has already been purchased through the first round. As he indicated previously, Mr. Moell reiterated that the costs provided in Exhibit A would change when the final quotes were received from the vendors, but he thought the amounts shown in Exhibit A would be in the "ballpark."

Chairman Close said he was in agreement with the 2-year lease proposal and also that the state purchase as much as possible in order to save money.

Ms. West said she wished to commend Mr. Moell and Ms. Kathy Pruitt, Contract Services Purchasing Supervisor, the legislative Fiscal Analysis Division staff, and the Department of Administration staff for their assistance.

Since there were no questions from the subcommittee on the work programs to be considered by the Interim Finance Committee, Chairman Close said he would entertain a motion to recommend approval of the work programs to the Interim Finance Committee.

**MRS. CHOWNING MOVED TO RECOMMEND APPROVAL OF THE WORK PROGRAMS TO THE INTERIM FINANCE COMMITTEE. SECONDED BY SENATOR JACOBSEN AND MOTION CARRIED UNANIMOUSLY BY VOICE VOTE.**

#### **IV. Testing, Pilot and Implementation of Occupational and Business Licensing.**

In order to provide an overview of Phase B, Ms. West apprised the subcommittee that a chart of the significant deliverables and tasks related to the roll out of this phase could be found on page 47 of Volume I of the meeting packets. Phase B is the partial implementation of the new system and includes Business and Occupational Licensing. These licensees include: car dealers, emission control stations, driving, driving under the influence (DUI), and traffic schools. Phase B also includes general service screens that were seen by the members of the subcommittee during today's demonstration. DMV will be using the revenue system and screens designed for overall application, which will enable DMV to test, pilot, and use the backbone of the system with a smaller group of users before the entire system is rolled out statewide. Ms. West referred to Phase B as DMV's "Little Bang," which will be used to ensure the foundation is in place and that the foundation of the system works in test, pilot, and production environments before working with the entire application.

The first segment of the chart on page 47 shows the deliverables that lay the foundation for Phase B. The tasks for this phase are part of DMV's implementation plan, which also contains the steps for the procurement and roll out of the hardware and the tasks for the implementation of Phase C, leading up to "Big Bang." DMV has completed the Detailed System Design that was based on the User Requirements Validation. The part of the design relating to occupational, business licensing, general services, and revenue was received on September 17, 1998, and was approved on September 23, 1998. This deliverable contains all of the screens and printed outputs related to these functions. A list of the screens for Phase B can be found on page 65 of the meeting packets. This deliverable was followed by the Program Specifications, which has been delivered, reviewed and is being revised based on review comments. These specifications relate to the programming for these parts of the application.

Ms. West also noted that significant progress had been made on data conversion. The Data Conversion Plan provides the framework for the entire conversion process for the project. Following the approval of the Detailed Conversion Plan and in parallel with the development of the detailed design, the conversion team developed the Detailed Conversion System Design. This document defines the process for converting the

functional areas of Occupational and Business Licensing and Administrative Services functions to Project Genesis integrated data base. DMV completed the review and approval of this document late this week.

The first draft of the Detailed Test Plan is included in the meeting packet on pages 69-94. The Test Plan lays out the approach to testing, test phases, and documentation for testing. DMV completed the state review of this document and received a reworked copy of this deliverable on Friday, December 11, 1998. DMV is currently working with Deloitte Consulting to ensure that all responsibilities in the Test Plan are clearly identified and that DMV has a solid oversight for this important effort. Since this activity is new to members of the core team, Ms. West said that support would be essential throughout the remainder of the project.

Also in the area of deliverables, Ms. West noted that DMV was in the process of identifying the employees who will be trained and participate in user testing. DMV is also identifying members of IS staff who will participate in the volume and stress testing to determine the ability of the application to function under realistic volumes of data and transaction loads.

The second section of the chart on page 47 in Volume I of the meeting packets identifies the major tasks related to the Phase B Pilot, which begins on March 29, 1999. The pilot will be conducted in Carson City at the Deloitte project site. DMV has identified the employees who will participate in the pilot. The employees who need to be trained to use PCs will receive this training. PC training will be followed by application training that will be delivered immediately prior to the pilot. The training schedules for both pilot and production can be found on pages 103-108 in Volume I of the meeting packets. In preparation for the pilot, DMV will ensure that the hardware, including printers, bar code and mag strip readers, are set up and ready to use. DMV will also perform the data conversion needed for the pilot.

In reference to the pilot, Chairman Close suggested that several of the subcommittee members were concerned about having a pilot without the involvement of day-to-day activities. Ms. West said she shared the subcommittee's concerns and she pointed out that the pilot, by definition in DMV's contract with Deloitte Consulting, was a parallel pilot that uses actual data and real scenarios. During the day, the pilot employees will conduct business as usual in DMV's Carson City office, issuing occupational and business licenses. After the employees involved in the pilot have completed their work, they will bring this work to the Deloitte site and re-enter those same transactions into the Genesis system. All of the outputs and reports that are needed will be printed. DMV will then compare and reconcile the data between the Bull legacy system and the new Genesis application system to ensure that the work is complete and accurate. This comparison will also help address operational and procedural considerations of the system prior to actual production use. The pilot is set for March 29 to April 13. This will allow DMV from April 13 to May 31 to correct any problems found during the pilot.

To ensure that adequate testing has been done before the rollout with customers, Ms. West indicated that DMV staff were currently discussing with Deloitte staff the possibility of expanding the testing during the period from April 30 to May 31 to include one designated window in one office that will operate with the Genesis application during the day and having these transactions entered into the Bull legacy system and compared. She said, however, DMV would need to find customers who were willing to endure a longer-than-normal processing time because DMV is still working with a "green" application and in the process of fine tuning the system. According to Ms. West, the current outputs from the Genesis application are not acceptable.

Based on the results of the pilot, DMV plans to train production users in the six offices that use business and occupational licensing, which are: Carson City, Reno, Elko, West Flamingo, Sahara, and Henderson. DMV will need to ensure that the peripheral equipment is installed and tested. Data conversion will then be conducted in preparation to "go live" with "Little Bang" on May 31, 1999. Ms. West requested the subcommittee's permission to proceed with the steps and plans leading to the Phase B pilot.

Mrs. Chowning said she had received a telephone call from a constituent last week who indicated they had

been told they could not renew their registration because DMV's computer equipment was not Y2K compatible. In responding to Mrs. Chowning's comments, Mr. Glover apprised the subcommittee that approximately 12,000 January 1999, registration renewals, which would expire in 2000, were mailed to customers with a 1998 renewal date. Mr. Glover said this "glitch" had been repaired and he assured the subcommittee that Project Genesis was being built to be compliant with Y2K. It was Mr. Glover's understanding that a press release had been published to address this particular problem.

Chairman Close recognized Ms. Elizabeth "Liz" Enenbach, DP Manager, Information Management Bureau (IMB), who told the subcommittee that over one-half of the programmers had spent the last 1-1/2 years fixing the legacy programs to make them Y2K compliant. Speaking to the 12,000 incorrectly dated registration renewals, Ms. Enenbach acknowledged that IMB staff had failed to review the documents before they were mailed to the customers. She said, however, this particular program had been fixed. Although all of DMV's programs are, to the best of her knowledge, Y2K compliant, Ms. Enenbach said there could be other "slip ups" in the future because there were approximately 3,000 programs. Since IMB staff has some documentation remaining to complete, Ms. Enenbach estimated that the Y2K work was approximately 97 percent completed.

Since the test conditions were alluded to, but not described in detail, Chairman Close wondered how comfortable DMV staff were going to be in implementing Phase B without having knowledge of test scenarios. Ms. West indicated that the DMV staff had received significant commentary on the draft included in the meeting packet. This draft was reworked, re-delivered, and re-reviewed. Ms. West told the subcommittee that DMV does not intend to sign off on this deliverable until a comfort level has been reached. Since the test process is new to the members of the Project Genesis team, it was Ms. West's belief that the Deloitte staff had done everything possible to ensure that the staff are comfortable with the test process. Ms. West said she was confident that the final test plan, along with the scenarios, would be completed by next week.

While recognizing that a milestone had been reached in the Project Genesis application, Chairman Close thought the subcommittee would be uncomfortable giving permission to move forward when DMV staff were not comfortable with the test plan. Although she acknowledged she had not been able to sign off on any of the deliverables so far and that additional revisions may be required, Ms. West said she was confident she would be able to sign off on the test plan.

Chairman Close reminded Ms. West that the subcommittee had traveled this route before only to find a "cart before the horse" situation. Ms. West agreed with Chairman Close's assertion, but she noted that the Project Genesis work plan does not always coincide with the legislative schedule.

While he did not believe the subcommittee could recommend the Phase B pilot at this point in time, Chairman Close suggested that the DMV staff move forward and keep the Department of Administration staff informed relative to whether the areas previously discussed were satisfactorily complied with.

Mr. Glover said it was not clear to him the manner in which DMV staff should proceed with Project Genesis during the upcoming legislative session. Chairman Close reiterated that the oversight for Project Genesis would become the responsibility of the Department of Administration once the 1999 Legislative Session convenes.

Mrs. Chowning wondered whether it would be possible for the subcommittee to recommend continuing its oversight during the 1999 Legislative Session, similar to the subcommittee on the computerization of the Nevada Legislature, for example. Mrs. Chowning thought this would be an efficient management of the subcommittee's prior efforts. Chairman Close suggested that it was going to be a difficult session and it would be even more difficult if members of the subcommittee were to be burdened with the oversight of Project Genesis. Chairman Close said, however, it would be helpful if DMV staff were to provide a status report on Project Genesis to the members of the two money committees. Then the members of the two money committees would be able to lobby the chairperson of the Interim Finance Committee to continue



the subcommittee's oversight responsibilities once the session adjourns. Chairman Close suggested that DMV staff rely on the Department of Administration for assistance with Project Genesis during the 120-day legislative session.

With the loss of the subcommittee's chairman, Senator Jacobsen thought it would be difficult for DMV staff to proceed with Project Genesis. Senator Jacobsen urged DMV staff to provide the money committees with time lines on deliverables.

With the recent change in IMB manager, Chairman Close wondered whether DMV staff felt comfortable with meeting the strict time lines and requirements established for Project Genesis. Mr. Glover maintained that because DMV's future was dependent upon the success of Project Genesis, the only way Project Genesis would be successful was to place one person in charge of overseeing the entire project.

V. In the area of project management, Ms. West said she was happy to report that the amendment to the Deloitte Consulting contract that properly redefines deliverables and their review periods was completed on November 8, 1998. Corresponding changes to the Best Consulting contract were processed at the same time. No new concerns with contract language have arisen.

With the exception of the Database Administrator, Ms. West apprised the subcommittee that all of the remaining vacant IS positions, including all programmers, have been filled. DMV is currently awaiting an up-to-date list from the Department of Personnel so interviews can be completed and a candidate appointed to this position. When this has been achieved, Ms. West said all 13 IS staff for Project Genesis will be on board.

Work has continued on the Service Level Agreement (SLA) between DMV and DoIT. DMV has begun to draft an SLA with an eye toward meeting with DoIT in January to begin negotiations on a preliminary agreement. Ms. West noted that DMV was compiling SLA's from other DMV agencies throughout the country and that Deloitte Consulting would be providing about 30 or 40 examples so that a good document can be put together, placing reasonable expectations on both DMV and DoIT for areas such as network and other areas. Ms. West also directed the subcommittee's attention to page 1 of Volume II of the meeting packets for information on DMV's efforts in this regard. With items like the R-25 coming up in the future, Ms. West indicated that DMV realizes the importance of an SLA, which will help DMV work through issues more cleanly than in the past.

During the last 2 months, DMV has begun the process of Vendor Performance Evaluation. Monthly reports have been developed that identify tasks in the comprehensive project plan that should have started, but have not, tasks that are slipping, and days ahead or behind the milestone chart. Ms. West said that Deloitte continues to deliver on time or ahead of schedule and Best, for the most part, was on schedule. One deliverable, Year-End Report for FY 98, continues to be in the works. This deliverable was delivered on time, but its completion has been delayed by a review of DMV's budget. Industrial Training Solutions, the new training vendor, is slightly behind schedule due, for the most part, to a delay in the approval of the contract. The vendor performance reports will continue to be included as a part of the monthly project status report.

Since he had observed a number of deliverables that were late or had lengthy review times, Chairman Close said he consulted the Best report to identify the reasons for the delay. Chairman Close said it would be his hope that full delineation of the reason for delays would be continued, especially with the departure of the subcommittee, so that those who come into the process in the future would have an understanding of why the deliverable(s) were late. Ms. West said she would be glad to provide additional detail about the review periods and the number of versions on the deliverables so that anyone outside of Project Genesis would have a clear understanding of why a deliverable was not approved until a particular date. Chairman Close thought that would be helpful.

Speaking to the area of communication, Ms. West said that activities have continued as scheduled. During the months of October and November, another set of update meetings for DMV employees was conducted.

This time DMV focused on its plans for training and a demonstration of the screens being designed so that employees who could not be involved in the design JADs could see the progress being made and to understand the advantages in the new system. Favorable comments were received from the employees about the new screens.

In addition, the Project Genesis team met with Acting Director John Drew to provide him the background, status, and issues pertaining to Project Genesis. Information on the foundation and time line of Project Genesis has also been provided to the Governor's office. On the recommendation of Senator Jacobsen, the Project Genesis team is now in the process of planning for an orientation or open house for members of the 1999 Legislature. Also at the suggestion of Senator Jacobsen, staff is preparing a media and public information campaign to advise DMV's customers of the training programs and preparations that will impact service in 1999 before "Big Bang."

As previously noted in her testimony, Ms. West said that significant progress has been made in the training area. Cross-training between Drivers License and Vehicle Registration for Service Center B, which will handle basic services such as renewals, duplicates, and changes, was piloted in Reno in October. The training program was well-received and refinements were made based on comments from trainers and employees, along with observations by the Project Genesis team. This training consists of one week of classroom training followed by one week of on-the-job-training (OJT) with the assistance of the trainers. Once employees have completed this training, they are placed in a regular rotation schedule to ensure that the new skills are maintained. This training has now begun in southern Nevada and was completed last Friday in Elko.

According to Ms. West, PC knowledge assessment of 637 DMV employees to determine their ability to use PCs, a mouse, and navigate in a "Windows" environment has been completed. Training schedules have been set for these employees based on the level of skill they possess and the type of training they need. The training plan for implementing this training has also been completed. A member of Project Genesis core team, along with a consultant from Best, will train the trainers to conduct these training courses.

As previously reported, Ms. West indicated that the contract for Industrial Training Solutions (ITS) was approved. This company was chosen to develop training courses for more complex tasks such as license reinstatements, fleet and motor carrier transactions, and revenue collection. ITS has submitted its first group of deliverables, including Train-the-Trainer plan for these courses and their task analysis.

Software was installed during October for the A-train tracking system, which was discussed at a prior meeting. The Project Genesis core team is currently using this software to enter and track the employees who are scheduled and have completed the Service Center B cross-training. This tracking system will be used for the PC training as well as the application training.

Chairman Close inquired about the training for the "wizards." Ms. West indicated that staff was currently in the process of identifying the "wizards" who will be trained to respond to questions from the employees. According to Ms. West, approximately 90 "wizards" will be segregated into groups; i.e., those who will be participating as testers, training, JAD trainers, and writing new procedures for the new application. Through each of those processes, the "wizards" will be able to see the application in specific terms and compare it with today's processes. Chairman Close thought this was a unique idea which should be helpful to those who are concerned as to what will happen on "Big Bang" day. Ms. West added that DMV plans to have one "wizard" for every four windows on the first day and, depending on the comfort level of the employees after the system has been rolled out, the "wizard" may stay a month or more.

In the area of continuous improvement, Ms. West pointed out that the first employee recognition awards were presented in Reno at the end of October. Six employees were awarded certificates for perfect attendance. She said, however, there was no participation in the recognition program from southern Nevada during the first quarter due to limited training of supervisors about the program. Follow-up training has been scheduled to ensure statewide participation in the recognition program.

In addition to all of the other deliverables and activities discussed earlier, Ms. West said she would like to highlight a few more. The Detailed System Design Part III, which includes the screen layouts and business rules for vehicle registration, all system interfaces, and management reports, has been reviewed and approved. This represents the final piece of the Detailed System Design, which serves as the foundation for the program specifications that are currently under review. These specifications are the detailed instructions to the programmers on what code must be written for each module. Also, the Final Logical Data Model and the Final Physical Data Models have been delivered and reviewed. Refinement continues to ensure that these deliverables contain all current information about the database design and that all reviewers' comments have been included. The Project Genesis team has also taken a look at the deliverable schedule to ensure that there are an adequate number of iterations of the data models because they will continue to evolve. A final copy of the data base design deliverables will be provided at the end of the project before Deloitte leaves so documentation of everything is up to date through the project.

To respond to a question from Chairman Close, Ms. West said she met with Guy Duensing, DoIT, last week regarding a Master Services Agreement (MSA) for the hardware move. As she testified earlier, Ms. West said the real concern with the move to the R-25 is the change in the operating system. At that time, it will be necessary to ascertain how well the Project Genesis software works with the new operating system. Ms. West said she anticipates hiring an MSA for approximately 4 to 5 months. DoIt has provided a list describing the activities for which DMV and DoIt will be individually responsible and the activities for which DMV and DoIt will do in tandem. Ms. West estimated that the MSA would be hired some time in February or March.

To respond to several questions from Chairman Close, Ms. West indicted that DMV hopes to have a preliminary SLA in January or February of 1999. Ms. West said she did not believe this delay would have an adverse effect on Project Genesis. Since this is a new process to DMV and DoIT to draft, to negotiate, and to live with this document, Ms. West said DMV and DoIT want to take a careful look at what this document needs to contain and to make sure it is measurable.

Chairman Close expressed concern about what the impact might be on Project Genesis of DoIT's R-25 conversion. Mr. Duensing said he did not believe the hardware move would be a significant activity. Mr. Duensing also noted that some of the experts from IBM would be coming in next week and he hopes to have Sysplex established by Wednesday afternoon. At that point, DoIT anticipates moving some of the compile effort for Project Genesis over to the new machine. Mr. Duensing said his biggest concern was when DoIT starts doing the operating system and upgrading release levels of the software. Mr. Duensing said he did not want to have DMV's MSA come in too early and then not have the MSA available when the real work starts.

Since he thought this particular activity was going to be a continuing area of concern, Chairman Close urged DMV and DoIT staff to provide input to the Department of Administration to make sure staff was aware of the potential cost factor.

Chairman Close noted that the Budget Status Report on pages 103 and 104 of Volume II of the meeting packets appeared to be a new format. Prior to the departure of former DMV Director Denison, Ms. West said he recommended implementing a department-wide tracking system. Ms. West said, however, due to time constraints, staff was only able to provide the subcommittee with a cover sheet. Ms. West said specific backup information would be provided to the subcommittee.

While the subcommittee is anxious to see Project Genesis a success, Chairman Close said the subcommittee was concerned about the high-level of stress being placed on DMV&PS staff. Chairman Close urged DMV&PS staff to keep the legislature informed in this regard.

Mrs. Chowning thanked the DMV&PS staff for the demonstration prior to today's meeting. Since she thought the majority of her constituents were interested in improving services for drivers licensing and registration, Mrs. Chowning wondered why occupational and business licensing had been chosen first. Mrs.

Chowning also expressed concern about the delays at the service windows. Ms. West invited the subcommittee to visit Project Genesis whenever possible because she thought getting a first-hand look would help to provide a better understanding of the activities. Ms. West pointed out that response time was discussed during contract negotiations; thus, Deloitte clearly understands what DMV&PS expects. DMV&PS anticipates tracking the response times and issues through testing of the various deliverables. In addition, Project Genesis will receive Volume and Stress testing to determine how well the system handles volume. She also noted that Deloitte would be using a software application that simulates 200 people simultaneously key stroking on the system.

In responding to Mrs. Chowning's first question as to why business and occupational licensing was selected first, Ms. West said that business and occupational licensing represents the general functions of DMV, which needs a backbone of creating a record, collecting revenue, and having a security system in place. While she would agree with Mrs. Chowning about the importance of meeting the needs of drivers licensing and registration customers, Ms. West said DMV wants to make sure that the system works satisfactorily before it is rolled out. By isolating a group of customers that will not be impacted by the rest of the application, DMV hopes to be able to determine whether "all of the pieces of the puzzle fit together" before thousands of registered vehicles and drivers licenses hit the system.

In order to make the system more user-friendly, Senator Jacobsen thought it would be appropriate to have two presentations; i.e., one for legislators and one for lobbyists. Since many of the lobbyists represent DMV's stakeholder groups; i.e., auto dealerships, emission control stations, and other business customers, that would be impacted by the system, Ms. West thought Senator Jacobsen's suggestion was an excellent idea. Senator Jacobsen also suggested that the subcommittee contact the Legislative Commission regarding the legality of DMV providing a Project Genesis presentation for the lobbyists.

Speaking on a personal note, Mr. Glover told the subcommittee that this had been a tough year for DMV staff. He commended the DMV staff, especially Ms. West, who he thought had done a remarkable job. Mr. Glover also gave a special thanks to Chairman Close.

Chairman Close said he wished to take this opportunity to commend the members of the subcommittee, as well as the legislative Legal Division staff and, in particular, Ms. Debbra King, from the Fiscal Analysis Division, who had been very helpful and productive in trying to work toward a common goal, and Yhvona Martin, who always produces excellent minutes for the subcommittee. Chairman Close thought it had been a great team that had accomplished a goal. Although he realized it was only one step in a long-step forward, Chairman Close said he appreciated the opportunity of working with each person and that he not only had a great love for Project Genesis, but the people who have been involved in Project Genesis as well. Even though he would no longer be a member of the legislature, Chairman Close said he would welcome being involved as a private citizen, if his services were needed, and he looked forward to being invited to witness the "Big Bang." Chairman Close said he appreciated all of the effort and time expended on Project Genesis and he wished DMV staff well in the continued process. Chairman Close said it would be his hope that within 5 to 10 years, the people in this state would say that Project Genesis was a good thing.

## **VII. Public Testimony.**

There was no public testimony.

There being no further business to come before the subcommittee, Chairman Close adjourned the meeting at 5:45 p.m.

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Assemblyman Jack D. Close, Sr.

Chairman, Subcommittee on Project Genesis