

Statement of Work: LFUCG Occupational Tax System Implementation Project- Phase I



Prepared July 2014 for:

Client Name | Lexington Fayette Urban
County Government

Client Address | 200 East Main Street
Lexington, KY 40507

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[Introduction & Objectives

SDGblue, LLC (SDGblue) is a professional information technology services company, specializing in information security, network infrastructure and technology/consulting services based in Lexington, KY. SDGblue is a prime contractor holder for the Commonwealth of Kentucky's Program and Project Management contract, under which this SOW is presented to the Lexington Fayette Urban County Government (LFUCG). SDGblue partnered with Solaritech, LLC (Solarity) to respond to the Commonwealth of Kentucky's RFP for Program and Project Management services and is pleased to provide Solarity's resources to LFUCG under the state contract.

Solarity is a professional change, project, program, and portfolio management and business consulting services firm based in Midway, KY. Solarity provides certified, experienced change, project, and program managers and business consultants to assist state agencies and businesses with specific efforts to enable them to focus their resources on *what they do best*. Solarity also provides business consulting in strategic planning and business analysis. Solarity is a Registered Education Provider (R.E.P.) for the Project Management Institute and a Microsoft Partner specializing in Enterprise Project Management (EPM) using Microsoft Project and Microsoft Project Server.

The Lexington Fayette Urban County Government (LFUCG) works in partnership with the community to provide a safe and secure environment, excellent customer service, a vibrant organization, and economic opportunity empowering all to thrive.

LFUCG is in need of project and change management business consulting to manage the development and implementation of a new Occupational Tax System provided by Vendor, a software vendor, for the Department of Revenue. The objectives of this SOW are to provide the right mix of project, change, and business consulting to enable LFUCG to most effectively meet its project goals throughout the lifecycle of this project.

[Approach & Timeline

Approach

SDGblue will provide services to LFUCG by using a proven software implementation project lifecycle using integrated best practices of project management and change management. SDGblue will provide business consulting that includes working with an Executive Steering Committee, the LFUCG project team, and the vendor through the following project phases:

- Project Definition
- Planning and Requirements
- Design
- Development
- Testing
- Implementation
- Close-out and Transition to Operations
- SDGblue will work with LFUCG and the vendor to establish clear roles and responsibilities, requirements and acceptance criteria, and a mutually agreed-upon work plan.
- A phased approach will be taken as follows:
 - Phase I
 - Project Management & Business Process Reengineering

- Phase II
 - To be defined in detail as a result of Phase I efforts

Timeline

Phase I of the Occupational Tax System project began in July of 2014 and close out soon after. This phase covers the initial work being done to develop a project plan, requirements, and perform the first portion of the project management activities for the engagement. Within Phase 1 a more detailed project plan will be developed in conjunction with the LFUCG project team and the Vendor at which time a second SOW may be created or a change request may be submitted.

Deliverables -----

Deliverables

The following deliverables will be provided as part of this project:

- Project Management, Change Management and Business Consulting Services
- Project and System Requirements with Acceptance Criteria
- Integrated Project and Change Management Assessment and Work Plan, including costs and schedules for recommended next steps
- Other supporting Project documentation

Preliminary Roles & Responsibilities -----

The following table identifies the roles and associated responsibilities required for this project.

Organization	Role	Names (if known)	Responsibilities
LFUCG	Executive Steering Committee	Aldona Valicenti Bill O'Mara Rusty Cook SDGblue/Solarity Rep Accounting Rep Others TBD	<ul style="list-style-type: none"> • To provide general guidance and direction for the project • Others To be Determined (TBD) in project planning
LFUCG	Project Sponsor	Bill O'Mara	<ul style="list-style-type: none"> • Provide the necessary management authority and resources for the project, which includes chartering a project team and authorizing a Project Business Consultant • Provide active and visible sponsorship • Develop support for the project with key stakeholders • Formal acceptance of key project deliverables • Final decision maker for the project • Others TBD in project planning
SDGblue Team	Project Business Consultant	Terry Barnes (primary) Sue Knies (backup)	<ul style="list-style-type: none"> • Plan and coordinate project activities • Track and report project progress • Adjust plan and coordinate changes as needed • Others TBD in project planning

Organization	Role	Names (if known)	Responsibilities
SDGblue Team	Project Business Consultant Sponsors	Nancy Ward Bud Ratliff	<ul style="list-style-type: none"> Advise and consult as needed Others TBD in project planning
LFUCG	Project Team	TBD	<ul style="list-style-type: none"> Provide Subject Matter Expertise Execute the work as defined in the work plan Provide status and progress on activities Participate in team meetings Report issues and risks Suggest improvements Others TBD in project planning
Vendor	Vendor Project Manager	TBD	<ul style="list-style-type: none"> Provide vendor-related work plan Collaborate with LFUCG to integrate vendor-related activities into the work plan Manage Vendor resources Participates on Project Team Provide regular progress and status Address risks and issues Others TBD in project planning
	Others TBD	TBD	<ul style="list-style-type: none"> Others TBD in project planning

Assumptions & Risks

Assumptions

Project schedule and pricing are based upon the following assumptions. Should these assumptions not hold true through the execution of the project, change orders may be required to document changes to scope, schedule and cost.

1. An Executive Steering Committee will be chartered.
2. A project team will be established with necessary resources from LFUCG, Vendor, and other entities (e.g., Kentucky Interactive) as required.
3. The LFUCG Project Business Consultant will be granted the necessary authority to
 - a. Meet with and report to sponsors on a regular basis
 - b. Work directly with the vendor as needed
 - c. Work directly with Key Resource Managers and Project Team Members as needed.
4. If travel outside of Lexington, KY is required for this project, travel costs will be reimbursed.
5. Go Live of July 2015 is a preferred and not a mandatory deadline.
6. Key users will not be available during April 2015, and there will be significant resource constraints between Thanksgiving and Christmas.
7. Project Business Consultant and Backup will be issued a VPN account, Network ID, email account, and desk space for use. A LFUCG computer may be provided or an acceptable alternative will be determined.
8. Working hours/days for the Project Business Consultant will be established.
9. There will be approximately 25 users of the system; 15-20 are core users.
10. The LFUCG Public Affairs department will be available to collaborate in creating an external communications plan.
11. The LFUCG Accounting department is an internal project stakeholder.
12. The Vendor will be responsible for managing the interface with the Managed Services vendor.
13. Managed services is defined as the infrastructure and hardware required to host the Vendor application for LFUCG.

14. LFUCG will establish performance requirements for Managed Services.
15. The Vendor will be responsible for developing an acceptable alternative hosting plan should the managed services solution not meet LFUCG's performance requirements.
16. The LFUCG Project Team and the Vendor will jointly develop the project change control process to manage proposed changes to project scope, schedule, budget, and other project management components.
17. LFUCG and Kentucky Interactive will need to reach a contractual agreement before a Kentucky.gov payment system can be implemented.

Risks

The following are known risks to the project schedule and cost and may require a change order if realized:

1. Once the planning effort is complete, additional time may be required to the service deliverable.
2. Vendor may experience resource constraints as the result of:
 - a. Its current growth
 - b. Its resources being pulled for other work
 - c. This project being its largest to date
 - d. It developing new modules.
3. LFUCG may experience resource constraints as the result of many complex, concurrent systems (and/or other) projects.
4. Requirements may not be complete.
5. The Occupational Tax Form (OTF) may change to the standard OTF being created in conjunction with the Commonwealth Secretary of State.
6. The new Occupational Tax System will present a large learning curve for LFUCG users, who may also be saturated with other changes, such as upgrading the Microsoft Office environment.

Project Budget -----

Any out-of-scope work will be documented and approved via a standardized change control process. Work is to be performed during normal business hours. After hours services are subject to applicable surcharges. Only hours worked will be billed to the customer.

Time & Material Project	Resource	Estimated Hours	State Price Contract Rate	Estimated Cost
	General Consulting & Support Services (Project Management)**	650	\$175/hour (One-time discounted from \$190/hr)	\$113,750
	General Consulting & Support Services (Business Process Reengineering)	100	\$175/hour (One-time discounted from \$190/hr)	\$17,500
Total Project Cost				\$131,250

Terms & Conditions -----

Terms and conditions are defined under master agreement #758 1300000512 for Program and Project Management Services between the Commonwealth Office of Technology and SDGblue.

PROJECT AUTHORIZATION

An authorized signature on the page below by LFUCG indicates your acceptance of this proposal. SDGblue agrees to provide the services described provided that you accept the proposal, without modification, within 30 days of the date of this document.

Lexington Fayette Urban County Government (LFUCG) **SDGblue, LLC (SDGblue)**

Signature

Signature

Printed Name

Printed Name

Title

Title

Date

Date