

Initial Electronic Lien and Title (ELT) Project Status

To meet the Session Law 2013-341, Senate Bill 407 requirements, the Division of Motor Vehicles must implement a statewide electronic lien system by July 1, 2014. As part of the law, DMV is required no later than October 1, 2013, to report to the Chairs of the Joint Legislative Transportation Committee on the status of the implementation of the electronic lien system pursuant to G.S. 20-58.4A. This report will include at a minimum whether the Division is proceeding with a vendor-implemented system or a Division-implemented system and whether implementation is on schedule and on budget.

An advisory team has been assembled to determine the scope and approach DMV and DOT IT will take for this project. The advisory team is made up of senior managers and subject matter experts from the DMV Titling and Registration unit, STARS Application support, Project Management Office, Enterprise Architecture and Security. Input from the DMV Commissioner and CIO was included.

The accomplishments for the first quarter of Fiscal Year 2013-2014 include:

- Establishment of a project and registration with the State EPMO office
- Market research with multiple vendors with feedback with one solution provider to date
- Information on 'Model Electronic Lien and Title State Process' from the National Title Solutions Forum and American Financial Services Association
- Preliminary decision to pursue the option presented in the bill Section 1.b for a vendor implemented solution
- Review of the Electronic Lien and Title (ELT) specifications standard from AAMVA
- Submission for short term staffing resource to fill the role of Project Manager
- Development of high level requirements from DMV and DOT IT STARS Application team

While we are not as far along as we would like to make the July 1, 2014 implementation date, there are several challenges that DMV and DOT IT are facing at this time. These challenges include competing projects and tasks which include the implementation of HB1779 Tax & Tag during the first quarter of the current fiscal year and initiation of several other legislative mandates for fiscal year 2013-2014. This project as well as maintaining the day to day operations of DMV and the applications that support the DMV operations far exceeds our resource capabilities. This requires the use of short term staffing resources. For this project, we have submitted the request for a Project Manager. Once approved and filled, this resource will lead the effort for the ELT project under the management of the IT PMO.

DMV and DOT IT are pursuing the vendor implemented solution. We are, as a contingency if no satisfactory selection can be accomplished, continuing to gather requirements, estimates and timeline to provide an in-house solution if so required. With our level of analysis to date, it is not feasible for an in-house solution to be developed within the limit set forth by the legislature. Our decision to implement a vendor implemented solution is based on several factors. The limited time to meet the legislative mandate to implement by July 1, 2014 as well as mandatory participation of all individuals and lienholders by July 1, 2015 as well as the cost constraints. In addition, DMV and DOT IT have been tasked by legislature to modernize the DMV applications and specifically STARS. By implementing a

vendor based solution, this will minimize the impact to STARS and accommodate the plan to modernize the DMV applications making them easier and more cost effective to maintain as well as reduce the impact and costs for enhancements and changes in the future. This effort, maintaining current operating environments and current work with DMV on the development and implementation of several projects is contributing to the lack of resources. As mentioned above, the implementation of HB1779, Tag & Tax is finishing up the second quarter of FY 2013-2014. This effort has required a significant amount of support in the final stage and has been very successful. These efforts impact DMV and DOT IT resource availability resulting in the need for supplemental staffing.

Our goals for the next quarter include the following milestones:

- On board contracted Project Manager
- Develop project management plan to include procurement plan
- Develop and submit RFP for ELT vendor for DOT and State review and approval
- Establish Steering Committee
- Establish Project Team members and stakeholders
- Develop requirements for STARS interface
- Determine any changes to STARS required by the implementation of ELT
- Follow up with States with ELT implemented to gain best practices and lessons learned as well as confirm the availability of vendor solutions availability

Project Risks

- Lack of availability as a result of competing projects and initiatives of staff and subject matter experts within DMV and DOT IT could cause a delay which is a high risk. Mitigation to include the implementation of communication plan and coordination of schedule with all project members and stakeholders.
- Priority must be provided to ELT in approvals of procurements and deliverables to meet mandated go-live date. Mitigation will include the commitment from executive sponsorship, detailed procurement plan and communication plan.
- Ability for changes to be made in the given timeline in STARS is currently considered a high risk. STARS support team is fully tasked with maintenance of STARS as well as changes and enhancements as a result of legislative and business changes. Our mitigation strategy will include the use of short term staffing assistance in the completion of enhancements for STARS as a result of ELT implementation.
- Ability to secure a qualified vendor to implement the solution under the conditions of the bill. This will be mitigated through research with current States utilizing ELT process as well as documented in the RFP. We believe this is a low risk at this time.

A detailed schedule, risk assessment, total cost estimates and schedule and budget tracking will be provided in the next quarterly status report on January 4, 2014.