



North Carolina Department of Revenue

Pat McCrory
Governor

Lyons Gray
Secretary

December 11, 2013

Transmitted via electronic mail to:

Representative Nelson Dollar
Representative Justin Burr
Representative Bryan Holloway
Representative Linda Johnson
Representative Pat McElraft
Representative Jason Saine

Senator Harry Brown
Senator Pete Brunstetter
Senator Neal Hunt
Senator Andrew Brock
Mr. Mark Trogdon

Re: Quarterly TIMS Status Update

Dear Sir or Madam,

Pursuant to Section 7.17 (h) of S.L. 2013-360, the Department of Revenue is directed to submit quarterly reports on the status of the TIMS project to the Chairs of the House of Representatives Appropriations Committee, to the Chairs of the Senate Committee on Appropriations/Base Budget, to the Joint Legislative Oversight Committee on Information Technology, and to the Fiscal Research Division of the General Assembly.

Please find the attached document for the quarter ending September 30, 2013:

1. Public-Private Partnership (P3) Quarterly Status Report

The TIMS project is a long-term information technology initiative which has spanned multiple administrations. The Department of Revenue (DOR) has worked closely with the contractor, CGI, to establish timelines that are both fair and attainable. While DOR and CGI collectively achieved significant financial success through the early stages of the TIMS project, as efforts have continued, DOR has become increasingly concerned about the ability of the contractor to provide a quality product in a timely manner. As such, the Department has taken actions outlined in the attached document to hold the vendor accountable.

I am happy to speak with you regarding these matters at your convenience.

Sincerely,

A handwritten signature in blue ink that reads "Lyons Gray".

Lyons Gray
Secretary, North Carolina Department of Revenue