

North Carolina Windows of Information on Student Education (NCWISE)

Summary of Project Costs as of September 12, 2008

Name & brief description of the project

The NCWISE project is designed to do the following:

- Replace the obsolete, vendor-unsupported Student Information Management System (SIMS) before the application ceases to function. (It was implemented in 1985)
- Improve upon the capability of SIMS in order to meet increased and more varied demands for student data (e.g., for the State's accountability program and to inform instructional design and policy-making decisions at various levels). Most of this increased functionality has been included in the project at the request of the local education agencies (LEAs).
- Operate in all 117 LEAs and 100 charter schools; provide all teachers, administrators, and instructional support staff with direct access to student data in order to facilitate more individualized instruction.

Initial/original, estimated total project cost

The original PriceWaterhouseCoopers (PwC) contract was \$54.4 million, but did not reflect a total cost of ownership estimate for the project. Using estimates developed since that time, however, it is possible to retroactively establish an "original" estimate of the total cost of ownership for the project of **\$172.5 million**. This estimate is made simply to facilitate comparison with current cost estimates so that a true "growth in project cost" can be estimated. The original total cost breaks down as follows:

NCWISE Original (1999) Total Cost of Ownership Estimate

Project Component	Cost (in \$ millions)
Initial PWC contract (software development & licenses, pilot in 22 schools, and partial rollout process):	54.4
DPI cost – labor (12.4 FTE over 11 years; indirect costs not charged directly to the project), materials (\$1.2 million):	12.5
LEA and Charter School costs (upgrades to meet minimum requirements for connectivity and equipment):	63.8
Support Contracts (management, quality assurance, help desk, and technical support):	8.0
Oracle Licenses (for data transfer/communications):	9.6
Equipment (servers and computers for storing/manipulating data):	<u>24.2</u>
Total Cost:	172.5 *

* Note that this total cost does not include the cost of full, statewide rollout. According to DPI staff, it is practically impossible to retroactively determine how much rollout would have been

accomplished by the initial PWC contract (the initial contract included \$14.8 million for rollout-activities, but this was always understood to be insufficient for statewide implementation). It is therefore also practically impossible to estimate the amount not included in the initial contract. As a result, the best guess "original" cost estimate is understated by some significant but indeterminate amount.

Current, estimated total project cost (project still on-going)

As of September 12, 2008, the current estimated total cost of ownership, including local school system upgrades (at least partially at local cost), is approximately **\$247.7 million**. These costs break out as follows:

NCWISE Current (9/12/2008) Total Cost of Ownership Estimate

Project Component	Cost (in \$ millions)
Actual Cost to date - application development, pilot phase, Wave 1, and Wave 2, Wave 3 –Year 1 rollout, and local costs (Jan. 1998- Jun. 2008):	195.3 ¹
Implementation Cost – Remaining Wave 3 – Year 2 , including local costs (July 2008 - June 2009):	<u>52.4</u> ²
Total Cost:	247.7
Original Estimated Total Cost:	172.5
Difference:	75.2 ³

¹The total number of schools using NC WISE is 1,397.

²This is for implementation of 791 schools.

³The additional \$75.2 million is broken out below:

- \$0.8 million is a project contingency budget that has been added at the recommendation of the ITS
- \$38.9 million revision to the PWC (now IBM) contract to account for project scope changes (conversion to web-based system, added functionality; estimated additional \$9.4 million), an extended pilot (additional 188 schools: estimated \$13.1 million) and total statewide rollout (estimated \$16.4 million).
- \$20.7 million support of system (64 additional DPI personnel which were not originally included in the cost estimates)
- \$14.8 million for hosting and support software licenses.

Estimated or actual completion date

NCWISE is anticipated to be fully operational in all LEAs and charter schools by the end of the 2008-09 fiscal year.