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**Audit of WMATA's Metroconnect  
Human Capital Management (HCM) Project**

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**Final Report**



**Information Technology Audit No. 14-001  
April 28, 2014**

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**Washington Metropolitan Area Transit Authority  
Office of Inspector General**

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# M E M O R A N D U M



## FINAL AUDIT REPORT WITH RECOMMENDATIONS Information Technology No. 14-001

SUBJECT: Audit of WMATA's Metroconnect Human Capital Management (HCM) Project      DATE: April 28, 2014

FROM: OIG – Helen Lew    /S/

TO: Acting CFO – J. Blair Fishburn

This **Final Audit Report**, entitled *Audit of WMATA's Metroconnect Human Capital Management Project*, presents the results of our audit. The audit objective was to determine whether WMATA was effectively and efficiently managing the Metroconnect Project Implementation.

### Background

**The Metroconnect Project** - This Project, formerly known as the Human Capital Management 9.1 Project, is an enterprise wide upgrade, re-implementation and new implementation of modules associated with human capital management. According to the *Program Management Plan*, Version 2.0, dated October 19, 2012, (the Plan) section 2.6.2, an upgrade is defined as installing the latest release or version; re-implementation is similar to up-grading and involves a complete configuration to support the future state; and a new implementation is defined as implementing or installing software for the first time. Appendix 1 provides the details of the relevant business applications and modules, and installation types.

The Metroconnect Project is a single, state-of-the-art workforce management system to improve the way WMATA performs day-to-day personnel operations and personal information management. This new system will provide ease and efficiency to many everyday tasks. Bus, Rail, Metro Access, Metro Transit Police Department, Department of System Safety and Environmental Management and administrative staff will benefit from the improved and simplified employee and manager self-service processes.

The Human Resources (HR) and the Information Technology (IT) Departments are jointly responsible for implementing the Metroconnect Project. The HR Department is the Metroconnect Project sponsor, and the IT Department's Program Management Operations (PMO) is providing project management services for the project. The HR Department intends to upgrade and extend PeopleSoft functionality, as well as, re-engineer business processes.

**Information Technology Services Contract** - On January 12, 2011, WMATA issued Request for Proposal (RFP) No. FQ-11-260. The RFP provides that WMATA was seeking a contractor to "... upgrade, implement, modify and integrate WMATA's existing human resource systems and functional business processes to accomplish Metro's strategic objective of establishing a single, meaningful enterprise-wide information standard." Specifically, the IT service provider would provide all the services required to upgrade PeopleSoft from version 8.8 to 9.1, and the associated business processes and technology. On August 8, 2012, WMATA awarded contract No. FQ-11-260 (APG Contract) to an IT services contractor, Advance Programs Group, LLC (APG). The APG Contract was a firm fixed price contract valued at approximately \$12,199,612. According to the APG Contract, the period of performance was 21 months from the "start of the project."

**Information Technology Services Contract Modification 1** - On July 31, 2013, WMATA issued a no cost modification to the APG Contract (Modification 1). Modification 1 removed the requirements for APG to implement the Enterprise Portal, the Commitment Accounting Module, and the Oracle 11G upgrade. Additionally, Modification 1 changed the Metroconnect Master Deliverable Schedule (MDS).

**Information Technology Services Contract Modification 2** - On November 20, 2013, WMATA issued a second no cost modification to the APG Contract that changed the scope of work. The changes to the scope of work are detailed in Appendix 2.

**Project Management Services Contract** - On August 4, 2011, WMATA issued Request for Quotation No. IDIQ-CQ-10015-TOG1-RFQ24 for Project Manager Level 3 services (PM RFQ) to oversee the Metroconnect Project. The PM RFQ states that the "Duration of Project" was a base period of 2,000 hours with an option period for an additional 2,000 hours. On January 12, 2012, WMATA issued a purchase order to execute the agreement with Sue Fitzgerald & Associates, Inc. (SFA) for Project Manager Services (SFA Contract). SFA's base year proposal indicated the work would be on a time and materials basis. The purchase order used to execute the agreement states that the base year value was approximately \$215,896.

On October 26, 2012, Office of Procurement and Materials (PRMT) exercised the option period for an additional 2,000 hours. The purchase order indicated that the value for the services was \$300,000. On October 11, 2013, PRMT awarded SFA a second option/extension for 2,000 hours. The purchase order to exercise the option indicated that the value for the services was \$300,000.

**Project Perspective** - As of January 2014, APG had completed approximately 17 of the 29 months<sup>1</sup> (approximately 59 percent) toward the total contract period of performance. On November 21, 2013, the "Go-Live" date was changed from January 27, 2014, to March 2014.<sup>2</sup> Subsequent to implementation, Post Production Support is scheduled for nine months. As of December 12, 2013, WMATA paid APG \$7,218,627 (approximately 59 percent) of the total contract value of \$12,199,612. At the conclusion of our fieldwork, the Metroconnect Project was beginning the Testing Phase.

**Prior Reports Issued on Systems Development Projects** - The WMATA Office of Inspector General (OIG) conducted two audits that are relative to the Metroconnect Project Implementation audit objective. The two reports are the *Review of the PeopleSoft Remediation* (IT No. 10-001), dated October 21, 2009, and the *Review of the Integrated Finance Organization Project* (IT No. 13-002), dated November 19, 2012.

Audit Report (IT No. 10-001) noted that WMATA did not follow a sound system remediation methodology on the Human Resource and Payroll (HRPR) system. Audit Report (IT No. 13-002) noted the following relevant issues: 1) the contractor did not adequately meet some key terms and conditions in the contract, 2) WMATA did not adequately develop the statement of work, and 3) WMATA did not follow a sound project management or a well-defined Systems Development Life Cycle (SDLC) methodology.

### **Audit Results**

OIG found WMATA generally managed the Metroconnect Implementation effectively and efficiently during the period of OIG's review. Specifically, WMATA aligned the contract deliverables to correspond with the elements in a structured implementation methodology plan. For example, WMATA had a Formal Project Initiation (Kick-Off), Quality Management Plans, Communications Plans, Development Plans, Change Control Plans, Security Plans, Change Management Plans, Requirements Plans, Configuration Management Plans, Training Plans, Conversion Plans, Test Plans, and Post Implementation Plans.

OIG also observed that the WMATA Project Management, the Project Manager (PM) and Contracting Officer Technical Representative, held coordinating activities with the Executive Steering Committee (ESC) and various stakeholders, documented monthly and weekly status briefings with stakeholders, and developed quality and milestone status reports.

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<sup>1</sup> OIG determined the stated period of performance (21 months) was an error, see Other Matters of Concern.

<sup>2</sup> Modification 2 does not specify the day in March that the Metroconnect Project will "Go-Live". The "Go-Live" date is scheduled for March 24, 2014.

However, OIG identified one area where WMATA can improve its performance. Specifically, WMATA did not update or amend the Plan to correspond with the changes in the implementation methodology. WMATA deviated from the original SDLC Methodology without updating their new streamlined approach. In addition, we have concerns that WMATA did not adequately follow procurement policies and procedures when establishing the period of performance for the APG Contract and when awarding the SFA Contract. These concerns are discussed in the Other Matters of Concern section of this report.

To address the findings detailed in this report, we made three recommendations to the Deputy General Manager Administration/Chief Financial Officer (DGMA/CFO) to improve controls in the current Metroconnect project and/or future IT implementation projects.

In the Acting Chief Financial Officer's (CFO) April 24, 2014, response to a draft of this report, he concurred with the findings and recommendations and also provided information on actions taken or planned on some of the recommendations in the report. The complete text of the CFO's response is contained in Attachment 1 of this report.

**Finding 1 – WMATA Generally Managed the Metroconnect Implementation Effectively and Efficiently**

OIG determined WMATA generally managed the Metroconnect Implementation effectively and efficiently. For example, WMATA had a Formal Project Initiation (Kick-Off), Quality Management Plans, Communications Plans, Development Plans, Change Control Plans, Security Plans, Change Management Plans, Requirements Plans, Configuration Management Plans, Training Plans, Conversion Plans, Test Plans, and Post Implementation Plans. Although the Testing Phase started at the conclusion of our fieldwork, OIG reviewed the Test Plan, Version 1.1, dated August 14, 2013, (the Test Plan) that APG developed. The Test Plan methodology appeared to be adequate and contained provisions for the components and deliverables within the Test Phase, such as:

- Functional Test Script Development (Deliverable 44)
- Test Environment Creation Plan (Deliverable 45)
- System Integration Test Report (Deliverable 53)
- Unit Acceptance Test (UAT) Scripts Development (Deliverable 55)
- UAT Kick-off Meeting Deck (Deliverable 56)
- UAT Test Report (Deliverable 59)
- Parallel Test Report (Deliverable 60) and
- Performance Test Reports (Deliverable 61)

The Test Plan provided acceptance criteria for each component of the Test Phase and the roles and responsibilities of stakeholders involved in the Test Phase. The Test Plan also outlined the process and guidance for the development team to identify and remedy defects prior to "Go-Live." If WMATA appropriately follows its Test Plan and mitigate issues that surface, the deliverables should operate as designed.

**Finding 2 - A Change in Implementation Methodology Utilized by WMATA to Implement the Metroconnect Project Was Not Updated in the Program Management Plan**

OIG identified an area where WMATA could have improved its performance on the Metroconnect Project. Specifically, WMATA did not update or amend the Plan to reflect the change in methodology that was used to implement the Metroconnect Project.

According to CoBIT<sup>3</sup> 4.1, section PO10.7, Integrated Project Plan:

The methodology used in completing an implementation should have a formal, approved integrated project plan (covering business and information systems resources) to guide project execution and control throughout the life of the project. The activities and interdependencies of multiple projects within a program should be understood and documented. The project plan should be maintained throughout the life of the project. The project plan, and changes to it, should be approved in line with the program and project governance framework.

Specifically, the SDLC processes that APG and WMATA were to use to implement the Metroconnect Project corresponded with a traditional "waterfall" SDLC methodology<sup>4</sup> and was formalized in the Plan. However, during the project's planning phase, WMATA and APG agreed to deviate from the Plan and employ a more compressed methodology similar to a Rapid Application Development (RAD) Methodology. One key difference between the two methodologies is the SDLC model utilizes various phases in a sequential, step-by-step process from requirements analysis to maintenance. RAD uses prototypes. After a requirements gathering phase, a prototype application is built and presented to users for feedback. The advantage of the RAD is that some of the step-by-step processes in a traditional SDLC model are skipped in favor of faster development. Although RAD is an acceptable and frequently used methodology, WMATA did not amend or update the Plan to include the new implementation methodology and interdependencies.

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<sup>3</sup> Control Objectives for Information and Related Technology (CoBIT) is an internationally accepted set of guidance materials for IT Governance.

<sup>4</sup> ISACA defines waterfall development as a procedure-focused development cycle with formal sign-off at the completion of each level. ISACA also defines SDLC as the phases deployed in the development or acquisition of a software system.

During the audit, OIG requested the PM to provide the new implementation methodology in order to determine whether a detailed Plan was developed that was sufficient to guide the execution of the Metroconnect Project, and controlled all the activities within the changed methodology. WMATA Project Management stated APG was not required to develop an updated program management plan because of project time constraints.

In lieu of an updated program management plan, the PM provided OIG with a presentation that included slides of the tasks that constitute the design/build phase. OIG reviewed the slides covering the Executive Steering Committee Monthly Meeting, Project Officer Monthly Meeting, and Weekly Status Meetings. The slides indicate changes to the processes were discussed amongst some of the stakeholders. However, the slide presentations did not contain sufficient information to substitute for the formal guidance provided in a detailed and structured program management plan.

The PM and the former APG Project Manager stated the new Methodology was being employed to allow the project to stay on schedule. OIG observed WMATA Project Management was highly involved in coordinating and managing the project activities and informing stakeholders.

Because the Plan had not been updated or amended to include the change in implementation methodology and its impact on other implementation process interdependencies, OIG could not assess the adequacy of the methodology in its entirety, or WMATA's and APG's compliance with all the processes associated with the change in methodology.

The lack of a formal updated/amended program management plan for the new approach increases the likelihood that project interdependencies and controls are not in place and understood by all, especially if there are personnel turnovers in key positions.

For example, Clarity, the system the IT Department and the PM utilize to track project risks, indicated that the change in methodology presented several risks that could affect the quality, implementation schedule, and contract cost. Specifically, according to records in Clarity, the change in Methodology posed inherent risks such as: inability to complete overlapping tasks within compressed time constraints, deliverables that do not meet quality standards, inadequate time for deliverables and task approvals, and resource strain. The current plan increases the likelihood that project execution and control will not be consistently maintained throughout the life of the project.

**Recommendations:**

We recommend the Deputy General Manager Administration/Chief Financial Officer (DGMA/CFO) direct the Assistant General Manager/Chief Information Officer (AGM/CIO) to ensure:

- 2.1 Changes in a system implementation approach are formalized/ documented to guide system development activities throughout the life of the project in order to assess system development activities on all future projects.

**Other Matters of Concern**

**WMATA Did Not Adequately Follow Procurement Policies and Procedures When Establishing the Period of Performance for the APG Contract And When Awarding the SFA Contract for Project Manager Level 3 Services**

During our audit, we identified several procurement matters of concern relating to the APG Contract and the SFA Contract. Specifically, (1) the period of performance for the APG Contract was not clearly defined; (2) prior to awarding the SFA Contract, PRMT did not obtain and evaluate the vendor's cost for the entire contract period; and (3) PRMT awarded an option period to the SFA Contract that was not contained in the terms of the RFQ. These matters are discussed in detail below.

**The Period of Performance for the Contract Is Not Clearly Defined -** OIG's review of the stated period of performance for the APG Contract raised some concerns. Specifically, the period of performance exceeds the 21 months outlined in the APG Contract. The period of performance, excluding modification 2, ranged from approximately 25 to 27 months, see Table 1.

**Table 1 - Contract Period of Performance Analysis**

Potential Contract "Program Start Dates"	Potential/ Actual Start Dates	Post Production Support End	Elapsed Months	Elapsed Days	Excess Months and Days from the original 21 Months	With Modification 2, Total Term of Contract
Limited Notice to Proceed	8/1/2012	10/31/2014	27	0	6 months 0 days	29 months
Full Notice to Proceed	8/8/2012	10/31/2014	26	24	5 months 24 days	28 months 24 days
Metroconnect Project Kick-off Meeting	9/19/2012	10/31/2014	25	13	4 months 13 days	27 months 13 days
Former Contracting Officer's Assertion	9/12/2012	10/31/2014	25	20	4 months 20 days	27 months 20 days



The APG Contract provides "[t]he period of performance for this project is 21 months from the start date of the project." APG was given a Limited Notice to Proceed on August 1, 2012, and a full Notice to Proceed on August 8, 2012. The Metroconnect Project kick-off was held on September 19, 2012. According to the Master Delivery Schedule, APG is to provide Post Production Support until October 31, 2014. OIG determined none of the period of performance outlined in Table 1 above totaled 21 months.

Modification 2 extended the period of performance by 60 days. The modification, however, did not address the inaccuracy in the period of performance.

The Contracting Officer (CO), who awarded the APG Contract, was unable to provide OIG with the start date of the Contract. In an email, the original CO stated "[t]he kick-off meeting between Program and APG was held Sept 12, 2012. The exact "start" date of performance should be verified by Program." The PM could not provide us with the specific "start date of the project." The CO followed up with a statement that "[t]he "start" date needs to be confirmed by Program. September 12, 2012, was the kick-off meeting, and not necessarily the "start" date." Based on the CO's statement, the period of performance would have started September 12, 2012. As such, the expiration term of services would be June 12, 2014 and not October 31, 2014, as outlined in the Master Delivery Schedule.

According to the WMATA Procurement Procedures Manual (PPM), section 3-9(a), Establishment of Contract Term/Period of Performance, the CO in consultation with the Program Office and other Authority Departments as appropriate, shall establish the contract term, including any options, and incorporate the term into the solicitation document.

The period of performance provides the context and basis for the execution of services. As a result of this inaccuracy, it is not clear what WMATA intended/considered to be the period of performance for APG. APG may be performing work 4 to 6 months beyond the 21 months stated in the APG Contract and increasing WMATA's legal liability.

On April 11, 2014, after a draft of this report was issued to management, PRMT provided OIG with a copy of a memorandum regarding a request for best and final offer to APG. An updated Master Delivery List indicated the total contract period, including post production support, is now 30 months. OIG did not audit this additional information provided by PRMT.

**Prior to Making the Award, PRMT Did Not Obtain and Evaluate the Vendor's Cost for the Entire Contract Period** - PRMT did not determine the cost of SFA services for the entire contract period as required in the PPM. SFA's initial proposal in response to the PM RFQ did not contain the cost of services for the first option period.

The PPM, section 4-21(f) states "[t]he cost of each option shall be readily discernible from the contract provisions that set forth the option." Additionally, 4-22(d) provides: "[w]hen awarding the base contract, the Contracting Officer shall evaluate bids/proposals for any options contained in a solicitation."

SFA's rate for the base period was \$120.95 per hour. This was increased to \$150.00 per hour for the first option period and an additional extension period. According to a PRMT representative, SFA's hourly rate was significantly reduced or discounted for the base year of the contract and significantly increased in the option year and extended period. PRMT representatives stated SFA discounted its rate based on the market value; SFA could have charged WMATA up to approximately \$180 per hour. Predicated on the fact that SFA could have charged WMATA \$180 per hour, PRMT allowed SFA to significantly raise its hourly rate in the first option period and the additional extended period.

According to the PPM, the option year cost should have been the rate provided in the offeror's proposal and not a rate determined or allowed after-the-fact. Consequently, WMATA may have paid more for Program Manager Services than it would have obtained from other contractors. Requiring contractors and vendors to submit costs for option periods would have provided PRMT the ability to evaluate all potential contractors' and vendors' price proposals and plan contract actions for the entire contract period.

**PMRT Awarded SFA an Option Period that Was Not in the PM RFQ or the Contract** - On October 11, 2013, PRMT awarded SFA a second option or an extension for 2,000 hours even though the PM RFQ contained only one option period.

The August 4, 2011, RFQ for Project Manager, Level 3 Services states the duration of the project was "2,000 hours, optional 2,000 hours." On January 12, 2012, WMATA executed a \$215,896 purchase order to award the contract to SFA. On October 26, 2012, PRMT executed a \$300,000 purchase order to exercise the option period. On October 11, 2013, PRMT awarded SFA a second option or an extension for an additional 2,000 hours that was not outlined in the original RFQ and without competition.

The PPM, section 4-23(c) states that "[t]he contract modification or other authorized written document, which notifies the contractor of the exercise of the option, must cite the option provision as authority for the action and should be issued within the time period specified in the contract." According to the contract administrator, PRMT utilizes a purchase order to award contracts made under task orders. As such, in accordance with the PPM, PRMT should have cited the authority for the award of the second option period on the purchase order.

The base and first option period were correctly awarded pursuant to the terms of the PM RFQ. However, the award of the second option was not based on the terms and conditions of the PM RFQ. The purchase order that executed the second option stated the basis for the award of option 2 was the original task order agreement with SFA. However, the PM RFQ only provided for a base period of 2,000 hours and one option period for an additional 2,000. The task order agreement and purchase order did not contain any provisions that would allow for the award of a second option period. The second option period exceeded the Duration of Project Provision, and gives the appearance of a sole source procurement.

The PPM, section 4-13(a), Indefinite-Quantity Contracts, states that a solicitation and contract for indefinite quantity must specify the period of the contract including the number of options and the period for which the Authority may extend the contract under each option. WMATA however, added an option that was not in the PM RFQ.

The PPM, section 3-6(a) states that "[n]o restrictions on Full and Open Competition: The Authority Compact Section 73 and the Procurement Policy adopted by the Board require all procurement transactions to be conducted in a manner providing full and open competition. Some of the situations considered to be restrictive of competition include, but are not limited to: . . . [a]ny arbitrary action in the procurement process."

The PPM section 3-7 provides that "[t]he following types of procurement actions require a written Determination and Findings ("D&F") approved one level above the CO, and, if the value of the procurement is over \$100,000, review by the Office of the General Counsel as to form and sufficiency: . . . Continued development or production of a major system or continued provision of highly specialized services."

Additionally, the PPM section 11-4(a) also requires that request for procurements restricted to one vendor by the Program Office ". . . shall be accompanied by a written justification as to why no other source will be suitable or acceptable to meet the Authority's need. The determination as to whether the procurement shall be made as a sole source shall be made by the Contracting Officer, reviewed by the Office of General Counsel for legal sufficiency, and approved by the Chief Procurement Officer, prior to soliciting proposals."

The AGM/CIO's and PRMT's justification to OIG for the award of the second option or extension provides that the loss of SFA on the Metroconnect Project would be detrimental and that retaining SFA would be beneficial to WMATA. However, OIG did not find the approved D&Fs or a legal sufficiency review to award a second option period beyond the provisions cited in the PM RFQ or contract, as required by the PPM.

As a result, it appears PRMT may have circumvented controls intended to solicit and promote competition. Also, the cost may have been higher than if the procurement had been made competitively.

**Recommendations:**

We recommend the DGMA/CFO:

- 3.1 Direct the Chief Procurement Officer to take immediate contractual action to correct inaccuracies in the period of performance in Contract No. FQ-11-260 and to ensure the contract period of performance is clearly defined in future contracts.
- 3.2 Direct the Chief Procurement Officer to ensure procurement policies and procedures relating to the indefinite-quantity contracts, solicitation, and contract evaluation and award requirements are followed as outlined in the PPM.

**Objectives, Scope and Methodology**

The objective of our audit was to determine whether WMATA is effectively and efficiently managing the Metroconnect (HCM) system to PeopleSoft version 9.1. To accomplish our audit objectives, we performed the following: we reviewed and evaluated the SDLC processes utilized by WMATA and APG to implement the Metroconnect Project to determine whether WMATA and APG were utilizing a structured SDLC methodology; we reviewed relevant contract documentation, contract deliverables, and policies and procedures to gain an understanding of the Metroconnect Project Implementation Management and Operations; reviewed and determined whether there were contract milestone slippages that could cause delays of delivery. We interviewed the management, staff and representatives of the Human Resources Department, Information Technology Department, APG, the Office of Procurement and Materials to gain an understanding of the operations and systems surrounding the Metroconnect Project implementation. We obtained and reviewed the Test Plan, version 1.1, dated August 14, 2013, (the Test Plan) that APG developed. We also reviewed the Test Plan methodology to determine if it appeared adequate and contained provisions for the following components and deliverables within the Test Phase:

- Functional Test Script Development (Deliverable 44),
- Test Environment Creation Plan (Deliverable 45),
- System Integration Test Report (Deliverable 53),
- Unit Acceptance Test (UAT) Scripts Development (Deliverable 55),
- UAT Kick-off Meeting Deck (Deliverable 56),
- UAT Test Report (Deliverable 59),
- Parallel Test Report (Deliverable 60), and
- Performance Test Reports (Deliverable 61).

We also reviewed Monthly and Weekly Status Reports, and presentations that showed the Project Management Team progressively and regularly held status briefing with the ESC and various stakeholders on the various aspects of the Testing Phase.

The audit scope includes the processes, operations, personnel, and contracts involved or pertaining to the implementation of the Metroconnect Project. Our review period extended from the inception of the Metroconnect Project to the beginning of the Testing Phase of the Metroconnect Project.

We conducted this performance audit in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives. We held an exit conference on March 7, 2014, to discuss the findings from the audit with management personnel.

#### **Administrative Matters**

Corrective actions proposed (resolution phase) and implemented (closure phase) by the affected Departments/Offices will monitored and tracked through the Office of Inspector General's Audit Accountability and Resolution Tracking System. Department policy requires that you develop a final corrective action plan (CAP) for our review in the automated system within 30 days of the issuance of this report. The CAP should set forth specific action items and targeted completion dates necessary to implement final corrective actions on the findings and recommendations contained in this report.

We appreciate the cooperation and assistance extended by your staff during the audit. Should you or your staff have any questions, please contact Andrew Clemmons, Assistant Inspector General for Audit, on (202) 962-1014, or me on (202) 962-2515.

#### **Attachment**

cc: GM/CEO – R. Sarles  
HR – T. Moore-McGee  
IT – K. Borek  
PRMT – H. Obora  
COUN – K. Pett  
CHOS – B. Richardson

<b>Appendix 1 - HCM Modules</b>		
<b>Applications</b>	<b>Modules</b>	<b>Upgrade/Re-Implement/New<sup>5</sup></b>
Enterprise HCM	Core HR	Upgrade
	Base Benefits	Upgrade
	Time and Labor	Re-Implement
	Payroll for North America	Upgrade
	ePay	Re-Implement
	eProfile	Re-Implement
	eProfileManager	New Implementation
	eComp	Re-Implement
	eCompensationManager	New Implementation
	eDevelopment	New Implementation
	Resume Processing	Re-Implement (TAM/CG)
	eRecruit	Re-Implement (TAM/CG)
	Absence Management	New Implementation
	Commitment Accounting	New Implementation
Learning	Enterprise Learning Management	New Implementation
Portal Solutions	Enterprise Portal	New Implementation

<sup>5</sup> According to the Program Management Plan, section 2.6.2: (1) upgrade is defined as installing the latest release or version, (2) re-implementation is similar to up-grading and involves a complete configuration to support future state, and (3) and new implementation is defined as implementing or installing software for the first time.

## Appendix 2 - Changes in HCM Contract Scope of Work

Modification 2 revised the contract as follows:

1. Changed the implementation date from January 27, 2014 to March 2014;
2. Added the following additional activities to the project scope and activities: (a) System Testing, (b) System Integration Testing, (c) Training Dry Runs, (d) Training Course Delivery, and, (e) Dry Run Conversion;
3. Rescheduled Parallel Tests;
4. Extended Contract Period of Performance to December 31, 2014;
5. Added the requirement for APG to provide requisite technical and functional expertise to perform post-implementation support/sustainment activities across all upgraded and new modules for nine months after Go-Live date;
6. Added specific post production support requirements;
7. Added requirements for APG to maintain adequate mix of functional and technical expertise throughout post implementation to support all modules; and
8. Established Post Production Support Month One to begin April 2014 and conclude December 2014.
9. Additionally, Modification 2 changed the level of effort for specific tasks.

**M E M O R A N D U M**



SUBJECT: IT No. 14-001: Audit of WMATA's  
Metroconnect Human Capital  
Management (HCM) Project

DATE: April 24, 2014

FROM: Acting CFO – J. Blair Fishburn

TO: OIG – Helen Lew

The subject draft report, IT No. 14-001: Audit of WMATA's Metroconnect Human Capital Management (HCM) Project, was issued on April 17, 2014. Management provides the following response as outlined below.

**Finding 1 - WMATA Generally Managed the Metroconnect Implementation Effectively and Efficiently**

Management Concurs With Finding 1

**Finding 2: A Change in Implementation Methodology Utilized by WMATA to implement the Metroconnect Project Was Not Updated in the Program Management Plan**

Management concurs with Finding 2.

**Recommendation from OIG:**

- 2.1 The Deputy General Manager Administration/Chief Financial Officer (DGMA/CFO) direct the Assistant General Manager/Chief Information Officer(AGM/CIO) to ensure: changes in a system implementation approach are formalized/documented to guide system development activities throughout the life of the project in order to assess system development activities on all future projects.

**Management Response:**

Management Concurs with the recommendations.



**Other Matters Of Concern**

**WMATA Did Not Adequately Follow Procurement Policies and Procedures When Establishing the Period of Performance for the APG Contract And When Awarding the SFA Contract for Project Manager Level 3 Services**

Management Concurs With The Other Matters Of Concern Finding.

**Recommendations from OIG:**

- 3.1 DGMA/CFO to direct the Chief Procurement Officer to take immediate contractual action to correct inaccuracies in the period of performance in Contract No. FQ-11-260 and to ensure the contract period of performance is clearly defined in future contracts.

**Management Response:**

Management agrees with the recommendations. The contracting officer will prepare an administrative modification to the contract identifying the specific start date of the contract, which is September 19, 2012. The Chief Procurement Officer will train staff on ensuring that the contract period of performance is clearly defined in future contracts as required by the PPM. This training occurred on April 3 and April 8, 2014, with all contracting staff in Procurement.

- 3.2 DGMA/CFO to direct the Chief Procurement Officer to ensure procurement policies and procedures relating to the indefinite-quantity contracts, solicitation, and contract evaluation and award requirements are followed as outlined in the PPM.

**Management Response:**

Management agrees with the recommendations. The Chief Procurement Officer will train staff on IDIQ contracts, solicitation requirements, contract evaluation and award requirements as outlined in the PPM. This training occurred on April 3, 2014, during the weekly contracting staff training meeting, and a repeat of this training will take place on April 8, 2014 for staff who could not participate in the earlier session.