

**Mississippi Management and Reporting System**  
**Steering Committee Minutes**  
**February 26, 1996**

---

A called meeting of the Mississippi Management and Reporting System (MMRS) Steering Committee was held at 10:00 a.m. in the Conference Room of the Department of Finance and Administration (DFA), 901 Walter Sillers Building, Jackson, Mississippi, on Monday, February 26, 1996.

The following members were present:

Edward L. Ranck, Chairman  
Executive Director of the Department of Finance and Administration  
J. K. Stringer, Vice-Chairman  
Executive Director of the State Personnel Board  
David L. Litchlitter  
Executive Director of the Department of Information Technology Services

State representatives present were:

Cille Litchfield, MMRS Administrator  
Cliff Davidson, MMRS Technical Director  
Lynda Dutton, MMRS Functional Director  
Tracie Dickerson, ITS/ISS, SPAHRS Project Manager  
Martha Pemberton, ITS/ISS Director  
Donna Rogers, Special Assistant Attorney General for ITS  
Gary Runnels, Director, Management Information Systems, SPB

Deloitte & Touche representatives present were:

Jerry Linden, Partner, Deloitte & Touche, SPAHRS Project Manager  
Bob Campbell, Partner, Deloitte & Touche, Public Sector Service Line Leader for South  
Jim Bedenko, Partner, Deloitte & Touche, National Public Sector Head  
Jessica Blume, Partner, SPAHRS Quality Assurance Partner

A quorum being present, the meeting of the Mississippi Management and Reporting System (MMRS) Steering Committee was called to order by Dr. Ranck. Dr. Ranck deferred the approval of the minutes from the January 12, 1996, meeting of the Committee until the next meeting. There were no objections.

Dr. Ranck called on Mrs. Litchfield to make introductions. Mrs. Litchfield introduced the members of the MMRS Steering Committee and other State representatives for the Statewide Payroll and Human Resources System (SPAHRS) project as noted in the list of attendees. Mrs. Litchfield called upon Mr. Linden to introduce the Deloitte & Touche, LLP (D&T) management who were present.



---

Dr. Ranck asked if anyone else had something to add. Mr. Stringer stated he had nothing to add and that he had lost confidence.

Mr. Bedenko stated that the State had D&T at a great disadvantage in terms of absence of legal counsel. Dr. Ranck responded that the State did not have a lawyer here either. Mr. Litchlitter and Mrs. Litchfield responded that the State was represented by Donna Rogers, the Special Assistant Attorney General assigned to ITS. Dr. Ranck concurred that the State was represented but not by the DFA attorney.

Mr. Bedenko stated that D&T certainly has always tried to serve the State of Mississippi the best they can and have done plenty of other projects with great success. Mr. Bedenko further stated that this project has been difficult for many reasons, but it is D&T's intent to live up to the contract and provide the State with the best service possible. Mr. Bedenko stated that D&T will have to read the State's letter, discuss the letter with their lawyers, and get back to us.

Dr. Ranck responded that D&T must agree to do those things stated in the letter, that the letter is consistent with D&T's contract, and that failure to accomplish all 12 objectives will result in termination.

Dr. Ranck asked Mrs. Litchfield if she had anything else to discuss. Mrs. Litchfield responded she did not.

Mr. Campbell asked if D&T could have time to read and understand the letter and, while we are still together, talk about it. Dr. Ranck responded that the State would be glad to do whatever D&T would like to do. Mr. Stringer stated he had nothing more important on his calendar today. Dr. Ranck stated the State will be here as long as D&T wants to talk.

The MMRS Steering Committee adjourned for a half hour to allow D&T to use the Conference Room for their review and discussion of the letter.

Dr. Ranck reconvened the meeting at 10:47 a.m.

Dr. Ranck stated that if D&T would like to respond, the State would be glad to hear their response but called their attention to the last paragraph in the letter. Dr. Ranck further stated that conversation today would be useful but the last paragraph of the letter states exactly what the State means. Dr. Ranck summarized that the State is at a point it must take action unless we are extremely confident that D&T is going to take an entirely different direction with this contract. Dr. Ranck stated that we do not accept D&T's representation that somehow there has been confusion or lack of communication, that the State dismisses those, and that the State has communicated as we should, and, that unless compelling evidence is given that this contract will come to a successful conclusion, the State is in the first stage of the termination process.

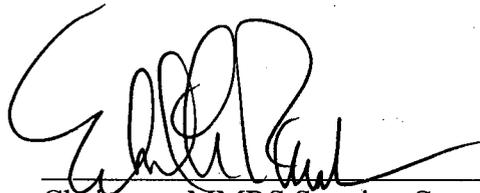
Mr. Bedenko stated he did not want to get into a rock throwing contest here, and after reading the document, there are certain areas on a going forward basis that D&T understands what the State is

asking for. Mr. Bedenko stated that D&T was confused, that the firm has put a lot of effort into SPAHRS, that after Dr. Ranck's phone call from several months ago D&T changed project partners and project senior managers, has 30 people working here today, and have made a major commitment. Mr. Bedenko further stated he recognized the points in the State's letter that on a going forward basis the State wants to see D&T achieve, that he guessed he was at a loss to understand the current condition that the State thinks actually places D&T in breach, asked if the State could shed some light on that cause in order to help D&T discuss this problem with their attorneys, and that he did not see the actual breach identified in our letter.

Dr. Ranck responded that he thought this letter is self explanatory, and that with all due respect, he thought Mr. Bedenko's response indicated he did not understand. Dr. Ranck further stated Mr. Bedenko's response indicated a lack of awareness of a litany of complaints that have been formally delivered to the D&T staff over the past seven months, that Mr. Bedenko's response fails to indicate recognition of what has not been done to date, and that he was extremely disappointed with Mr. Bedenko's response, that the response was not constructive, and that it was not a response that will get the State and D&T where we need to be. Dr. Ranck stated that he saw no point or purpose in continuing this meeting, that D&T has the State's letter, and that the only mistake D&T could make was to underestimate the State's resolve as stated in the letter.

Mr. Bedenko asked for a copy of the tape of these proceedings. Dr. Ranck responded that D&T could have a copy of the tape. Dr. Ranck adjourned the meeting.

**Note:** A copy of the tape of the proceedings and a copy of the list of meeting attendees was given to Jerry Linden by Tracie Dickerson on 2/26/96.



Chairman, MMRS Steering Committee  
Department of Finance and Administration



Vice-Chairman  
State Personnel Board



Member  
Department of Information Technology Services

February 26, 1996

Jerome P. Linden, Partner  
Deloitte and Touche, LLP  
Two Hilton Court  
Parsippany, New Jersey 07054-0319

Dear Mr. Linden:

Due to changes in our State laws, effective July 1, 1995, the Central Data Processing Authority (CDPA) became the Mississippi Department of Information Technology Services (ITS). CDPA served as the contracting agent for state agencies for the procurement of hardware, software, and computer technology related services. Included in these agreements was that between CDPA and Deloitte & Touche, LLP (D&T), on behalf of the Mississippi Management and Reporting System (MMRS), an office of the Mississippi Department of Finance and Administration, for the implementation of the Statewide Payroll and Human Resource System (SPAHRs). ITS is the legal successor to CDPA and is the rightful assignee as contracting agent for the State of Mississippi (State) in all contracts that were entered into with CDPA.

With this understood, the State is notifying D&T, in accordance with Section 19.A (page 23) of the Agreement between the State and D&T dated October 14, 1994, and amended July 17, 1995, of breach of contract for failure to perform the services prescribed in the Agreement between the State and D&T for the development and implementation of the Statewide Payroll and Human Resource System (SPAHRs). This notice is effective this date. The period during which D&T may resolve this breach will end at the close of business, Monday, April 1, 1996.

The following must be accomplished during the stated period in order for this breach to be set aside:

1. The Selection Segment must be delivered to the State in accordance with the Deliverable Standards (Attachment 1). The State will determine through the Approval Testing Process (Attachment 2) within 15 business days of segment delivery whether or not the segment meets, without material defect, the validated functional requirements for the segment. If material defects documented cannot be resolved within that same 15 business days or a time frame agreed to in writing by the State, D&T will continue to be considered in breach of this Agreement.
2. The Report Time Segment must be delivered to the State in accordance with the Deliverable Standards (Attachment 1). The State will determine through the Approval Testing Process (Attachment 2) within 15 business days of segment delivery whether or not the segment meets, without material defect, the validated functional requirements for the segment. If material defects documented cannot be resolved within that same 15 business days or a time frame agreed to in writing by the State, D&T will continue to be considered in breach of this Agreement.

AAD&T.30

3. The Calculate Pay Segment must be delivered to the State in accordance with the Deliverable Standards (Attachment 1). The State will determine through the Approval Testing Process (Attachment 2) within 15 business days of segment delivery whether or not the segment meets, without material defect, the validated functional requirements for the segment. If material defects documented cannot be resolved within that same 15 business days or a time frame agreed to in writing by the State, D&T will continue to be considered in breach of this Agreement.
4. D&T must recommend and the State approve a proven Rapid Application Development (RAD) methodology to be followed for the remainder of the SPAHRS project. D&T must deliver a detailed and comprehensive work plan, based on the approved methodology, for each of the remaining deliverables as identified in Appendix C of the Agreement as revised and agreed to on May 26, 1995.

D&T must assign a RAD specialist who has verifiable success in the application of the approved methodology.

Section 13.N of the Agreement (pages 16-17) discusses the project work plan in detail. As noted in Section 13.N(h), the work plan must be reasonable and all assumptions must be documented. In addition, inter-relationships between segments including, but not limited to, the requirements deferred from Calculate Pay to Adjust Pay and from Manage People and Maintain Agency, Position, Occupation to Wage, Salary, and Fringe Benefits, must be specifically addressed.

This work plan will be used by the State to determine realistic dates for implementation of State Agencies in the System. If, within 15 business days of delivery or a time frame agreed to in writing by the State, the State does not approve the modified work plan, D&T will continue to be considered in breach of this Agreement. Further modifications to this work plan must be agreed to in writing by D&T and the State. (Section 13.N of the Agreement, pages 16-17).

5. Once the work plan presented in item 4 has been approved by the State, D&T will be expected to achieve the target dates for each deliverable. For each occurrence where the dates stated in the then current work plan are not met, the State will invoke Remedies through Liquidated Damages as identified in Section 16.B (page 20) of the Agreement.
6. D&T must assign a full time technical quality assurance (QA) reviewer. This individual must be a Software AG (SAG) product expert. This individual will work closely with the State's SPAHRS Database Administrator to ensure that a maintainable system is being constructed, that system development standards are consistently met, and that the system performance objectives are attained. Wayne Scheuffele, now identified as the SAG product expert, is, in the State's opinion, over committed in his current role of Technical Team Leader, not a CONSTRUCT expert, and not performing technical QA work.
7. D&T must assign an experienced Implementation Coordinator to the SPAHRS project. Cara Fanelli, now identified as Implementation Coordinator, in the State's opinion, does not have the experience necessary to function as the lead analyst for a system implementation of the magnitude of SPAHRS.
8. D&T must assign an experienced Conversion Coordinator to the SPAHRS project. Jim Stephens,

now identified as the Conversion Coordinator, is, in the State's opinion, already over committed in his current roles of System Integrator and SPAHRS Functional/Technical Coordinator .

9. D&T must resolve the problems where key technical developers continue to leave the SPAHRS project. D&T must make every effort to resolve on-going work relationship issues between D&T and the individuals sub-contracting in technical development roles.
10. D&T must resolve issues where status reporting is incomplete and out of sync between the text of the report, the attached work plan, and the status verbally communicated in the bi-weekly status meetings. Note Section 13.A of the Agreement (page 15).
11. The State expects the D&T Project Manager or his State-approved designee to be on site as stipulated in Section 13.I of the Agreement (page 16). The State is requesting D&T to provide to the State in writing the availability of the Contractor staff on each Friday for the subsequent week. Contractor staff availability should cover the period of Monday - Sunday and applies to employees of D&T, Software AG, and all sub-contractors.

The State expects you as the D&T Project Manager to focus on project management rather than on attempting to fill the experience gaps in the implementation and system design areas of the SPAHRS project.

12. The State expects the D&T Project Manager to document to the State SPAHRS Project Manager those occurrences where the State does not meet its responsibilities as defined in Section 11 (pages 11-14) of the Agreement or where the State, in D&T's opinion, makes decisions that are a hindrance to the project's progress.

Please notify us in writing by Monday, March 4, 1996, as to whether you accept this proposal. If you fail to respond by the appointed time or if your response is a rejection of our proposal to cure the breach, we will have no other alternative but to begin termination proceedings as outlined in the contract and pursue a claim against your performance bond. I sincerely hope that rather than pursuing termination proceedings, we can resolve the contractual problems through the process I have outlined. If you have questions, please contact Cille Litchfield, MMRS Administrator at (601) 359-1433.

Sincerely,



David L. Litchlitter  
Executive Director

Attachments (2)

pc: Edward L. Ranck, Executive Director, Department of Finance and Administration  
J. K. Stringer, Executive Director, State Personnel Board  
Cille Litchfield, Administrator, Mississippi Management & Reporting System  
Tracie Dickerson, SPAHRS Project Director  
Jessica Blume, Partner, Deloitte and Touche, LLP



*DRAFT*

Segment End Products	Reviewer	Tool	Rq	Pd	Pr	El	Im	Document
Business Process Flow, Narrative	Teamster	ABC		D		D	F	Procedures Manual
Data Flow Diagram, Narrative	Teamster	ABC		D		F		System Design Documentation
Entity Relationship Diagram, Description	Jerry W	NEW?		D		F		System Design Documentation
Data Element Definitions	Jerry W	Predict		D		F		
Screen Designs	Teamster	Natural Map Editor			D	F		
Functional (Process) Specifications	Teamster	WP, Predict				F		
Report Designs	Teamster	Adabas				F		
Physical Data Base	Jerry W	Natural				F		
Program Documentation	Jerry B	WP				F		System Design Documentation
Programs	Jerry B	Natural				F		
User Guide	?	WP				D	F	System Users Guide
Help Narrative	?	Natural				D	F	
System-Wide End Products								
Technology & Environmental Rqmts	Jerry B	WP						
Implementation Plan	Lynnda D	WP						
Training Plan	?	WP					F	
Training Material (Prep for Impl)	?	WP, et al					F	
Conversion Plan	?	WP					F	
Conversion Programs	?	Natural					F	
Conversion Procedures	?	WP					F	
Operator Manual	?	?					F	Operator Manual
Implementation Report (Initial System impl)	?							
Post Implementation Review	?	WP						
Working Papers								
Segment Test Plans								
System Test Plans (Integrated System)								
Requirements Matrix	Teamster	FoxPro			1			
1 = Which Segment, 2 = How Satisfied								2



## Mississippi Management and Reporting System SPAHRS Memorandum

---

**To:** Jerry Linden  
Deloitte & Touche

**From:** Scott Gordy *Scott Gordy*  
Quality Assurance Team Leader

**Date:** February 21, 1996

**Subject:** SPAHRS Segment Approval Testing

---

### Objective of the Test

The objective of Approval Testing is to ensure the State of Mississippi is receiving a product which meets the system specifications and validated requirements before payment for that segment is issued. Additionally, the State will be building a "test bed" of acceptance test data so that when the system is delivered in its entirety, the State will be able to test the system using this "test bed".

Upon approval of a segment, the State does **not** accept responsibility for the segment.

### Scope of the Software Approval Test

The Approval Test Team (ATT) will use the Acceptance Testing Strategy developed by the State as a guideline for Approval Testing.

As outlined in the Acceptance Testing Strategy, the objective of Acceptance Testing is to:

- Test the SPAHRS system for its *coverage* of the business process which addresses the question: "Based on the validated requirements, did the SPAHRS project team give users what they asked for?".

Coverage tests are created by identifying the business functions in each segment and the validated requirements which support those functions.

- Determine whether the SPAHRS system is *reliable*, "Will the system work when the users need it to work?".

Reliability tests are created by identifying performance requirements from the validated (technical) requirements.

- Determine whether the SPAHRS system has adequately addressed the business *risk*: "Is there something missing from the system which should be there?".

Risk tests are created by pinpointing possible "holes" in the design and development for the system.

- Test the SPAHRS system for its level of *quality* which asks the question: "Was the system implemented in a manner the users will like?".

Quality tests are created by identifying quality requirements buried throughout the requirements.

During Approval Testing, the ATT will concentrate on testing coverage and reliability with some attention being paid to the risk and quality factors.

### Scope of the Non-Software Deliverable Review Approval Test

As outlined in the SPAHRS End Products matrix presented to the State by Deloitte & Touche, the ATT will be looking to review the following documents to be delivered with each of the segments:

- Business Process Flow Diagrams & Narratives (DRAFT)
- Data Flow Diagrams & Narratives (FINAL)
- Entity Relationship Diagrams & Descriptions (FINAL)
- Data Element Definitions (FINAL)
- System Screen Designs (FINAL)
- Functional (Process) Specifications (FINAL)
- Report Designs (FINAL)
- Physical Data Base (FINAL)
- Program Documentation (FINAL)
- Programs (FINAL)
- User Guide (DRAFT)
- Help Narrative (DRAFT)
- Requirements Matrix - How the requirements are satisfied

The ATT will review these documents for completeness, usefulness, and adherence to standards.

### Joint Testing Effort

The State ATT and the D&T test team will work independently to develop test cases. The two teams will work together to compare/validate/balance the separately developed test cases. Once the two teams have developed one comprehensive list of test cases, the two teams will work together to develop test scripts, data, and cycles.

### Defects

At the end of a cycle, the test results will be analyzed and compared to the expected results to determine acceptability. In general, the application must pass all tests. However, some discrepancies may be evaluated as minor.

In the event a defect/bug/discrepancy is discovered, the ATT leader and the D&T testing leader will verify that an Approval Test Incident Control (ATIC) form is logged and reviewed. The two leaders will then determine at what step the cycle will be rerun, assigns Deloitte & Touche (D&T) the task of rectifying the defect, and determines if additional test events should be added to future test cycles.

When a defect/bug/discrepancy is encountered, it may not be possible to determine the cause of the discrepancy, therefore, it may not be possible to determine the appropriate remedy. The ATT and D&T will be responsible for recommending a remedy to the ATT leader and D&T testing leader. The two testing leaders categorize each defect/bug/discrepancy into one of the following categories:

- Fail Test/Stop & Correct - Stop testing, correct now, and retest
- Fail Test/Go & Correct - Proceed with testing, correct now, test the event in a future cycle
- Pass Test/Soft Problem - Minor problem to be addressed prior to approval. No impact on testing
- Pass Test/Change Request - Future enhancement for maintenance or change order. No impact on testing
- Pass Test - Proceed

For any test failure, the testing leaders will notify D&T and allow them to make the software changes. For software problems or change requests, the ATT leader will prepare an issue control form in accordance with the SPAHRS standards.

Some test results may require immediate changes to the system in order to continue the rest of the test.

Approval Test Issues meetings will be conducted by the Approval Test Team leader and the D&T testing leader and attended by the appropriate SPAHRS and D&T staff in order to review and resolve any outstanding issues identified as a result of Approval testing. All of the new incidents logged since the last meeting will be discussed and all incidents will be reviewed to ensure that the appropriate priority has been assigned according to its impact on current and upcoming approval test cycles.

D&T is expected to be responsive in fixing all defects/bugs/discrepancies so that testing is impacted as little as possible.

### **Completion of Testing**

When the State is satisfied that all of the tests have been passed and are confident that all of the defects/bugs/discrepancies will be corrected the ATT will recommend "Approval" of the subsystem. The team will document all outstanding issues for project management.

## Disclaimer

After any segment has been approved for payment the State reserves the right to conduct the tests developed for Approval Testing anytime changes are made to the segment or anytime any additional segment is delivered for payment. Additionally, the State reserves the right to perform full acceptance testing when the completed system is delivered to the State.

Please respond to me by February 23, 1996, in writing whether you concur or not with this document.