MINISTRY OF BUSINESS,
INNOVATION & EMPLOYMENT
HĪKINA WHAKATUTUKI

IN-CONFIDENCE

Portfolio Board
Project Brief

<table>
<tr><td>Project Code/Name:</td><td colspan="2">4102 - Tenancy Bond Transformation</td><td>Date presented</td><td>08 Dec 2021</td></tr>
<tr><td>Project Description:
(short)</td><td colspan="4">This project will replace the legacy Bond2000 system with a modern system that allows customers to conduct all tenancy bond transactions online with minimal assistance required from the Tenancy Bond Services (TBS) and Service Centre teams.

The service design for the new system will be significantly different from the current paper forms which require data entry into Bond2000, therefore the project includes:
• customer testing of the new service design;
• aligning Tenancy Bond Services operating model and processes with the new (more automated) service model;
• change management to ensure that all teams involved in the management of bonds (eg TBS, Service Centre) remain engaged throughout the changes;
• change management to ensure customers are heard and supported through the change.

The project will include the Service Excellence Workstream to manage improvements for the current processes and systems to ensure that Bond processing can continue until a replacement system is fully in place; this includes any mitigations possible to reduce the technology and security risks of Bond2000 and its components.</td></tr>
<tr><td>Current State Challenge</td><td colspan="4">The current Bond processing system, Bond2000, is at its end-of-life and needs to be replaced. Currently 600,000 households in NZ rent and >$690m of bonds is managed in this system. Bond2000 is based on manual processes which means we are not providing services in a way that meets the needs of our customers, so a customer-centric system to manage these bonds is long overdue.

System replacement will not only avoid the risk of system failure or compromise, it will also deliver much needed service delivery improvements and improve the quality and availability of data. This will enable the system to support outcomes across the wider residential tenancy regulatory system.</td></tr>
<tr><td>Project Sponsor:</td><td>Suzanne Stew</td><td colspan="2">Business Owner:</td><td>Ingrid Bayliss</td></tr>
<tr><td>Business Unit:</td><td>Building and Tenancy</td><td colspan="2">Project Manager:</td><td>Privacy of natural persons</td></tr>
<tr><td>Project Finish Date:
(the date that the Project Closure report will be approved by the Portfolio Board)</td><td>June 2025</td><td colspan="2">Project Definition Document reviewed by steering group on:</td><td>16 Dec 2021</td></tr>
<tr><td>Next Governance Document:</td><td>Design Business Case</td><td colspan="2">Next Governance Document Date:</td><td>21 Sep 2022</td></tr>
<tr><td>KORU Number:</td><td>KORU0037
KORU0090</td><td colspan="2">Estimated WOLC:</td><td>> $26,947,813[1]</td></tr>
</table>

[1] Project cost is estimated to be $26,947,813, therefore the WOLC will be higher. The Business case will include more detail.

Capex Investment Bid:	$4m (FY21/22) $11m (FY22/23) $5m (FY23/24) Total $20m	**Opex Investment Bid:**	$2m (FY21/22) $2.5m (FY22/23) $2.5m (FY23/24) Total $7m
Capex Requested: *To get to next governance document NOT for the whole project*	Nil	**Opex Requested:** *To get to next governance document NOT for the whole project*	$1,399,630 (FY21/22) $1,123,183 (FY22/23) Total $2,522,813
Estimated Total Project Capex:	$4m (FY22/23) $11m (FY23/24) $5m (FY24/25) Total $20m	**Estimated Total Project Opex:**	$1,824,630 (FY21/22) $1,123,183 (FY22/23) $2,500,000 (FY23/24) $1,500,000 (FY24/25) Total $6,947,813
MBIE Complexity Assessment: *If you don't know how to complete a Complexity Assessment without a project number, see the PMO*	High	**Business Change Impact:**	High
		Resource Profile:	Large

SME Commentary:	Benefits	The benefits will be elaborated during the development of the Business Case.
	Procurement	Happy with the procurement approach.
	Finance	Funded within Residential Tenancy Services Appropriation via the Budget Bid received in Budget 2021. As CAPEX is unlikely to be required in FY21, an IPET may have to be requested in June 2021 or MBU (Out-year CAPEX can also be profiled). Service Centre FTE levels broadly fluctuate depending on call volumes, a cashable benefit across MBIE is possible in theory, although not quantifiable at this stage. $742k of Opex has been requested in FY22/23, with the intention of converting to Capex if the business case approved. This will be noted in the business case.
	Asset Mgt/Strategy	The objective of the project is to mitigate existing support challenges of BOND2K (within reason) with a view to total replacement utilising contemporary technology under a 'evergreen', public cloud-based solution. The end state replaces the very legacy Bond2000 and will allow for future changes within the legislation. The technology replacement is also intended to operationalise a number of the strategic objectives of the Tenancy Bond Strategic Direction. It's still too early to call as to 'on what' and 'where' this will end up.
	Risk	The risks identified thus far are in keeping with an initiative of this size and duration. Further risk workshops will be held during the preparation of the Business Case.

	Commercial	No commercial issues to report at this stage.
	Workstream Manager	Project brief articulates the project intent well. Noting the timeframes for the business case, the key outcome is the selection of the right vendor, appropriate technology and commercial model to ensure successful completion.
	ICT	Privacy of natural persons

Recommendations:	Decision
Approve: the Project Brief funding of: • Opex of $2,522,813 ($1,399,630 FY21/22, $1,123,183 FY22/23) funding from 9112 cost centre	Approved / Not Approved
Note: that a report back on progress will be presented to the Portfolio Board on 29 Jun 2022	Noted / Not Noted
Note: that the next governance document submitted to this forum will be a Design Business Case presented to the Portfolio Board on 21 Sep 2022	Noted / Not Noted
Note: Opex requirements have been reviewed and funding availability confirmed by Finance	Noted / Not Noted

1. Executive Summary

The problem / opportunity	The legacy Bond2000 system is end-of-life and some of its components are at high risk of technology failure that can only by addressed by their replacement. The service model is no longer consistent with customer expectations as it requires customers to fill in paper forms which are emailed to Tenancy Bond Services (TBS) and the information is manually entered into Bond2000. This means that customers lose visibility of bonds during a tenancy; form processing can take up to 12-15 working days which results in over 10,000 calls per month to the service centre where customers are enquiring about the progress of their bond forms. Each year up to $4M in bonds is left unclaimed or uncollected due to data inaccuracies and TBS resource prioritisation making it difficult to follow-up with customers to ensure that the bonds are returned. There are data quality issues, privacy risk due to manual processes, and historic financial/control risks.
Business need	A successful solution would provide a new service model and technology system that provides more control of bonds by tenants, landlords and property managers through multiple channels (online, business-to-business(B2B), service centre, paper forms)
Strategic Alignment	This project aligns with: • Tenancy Bond Services Strategic Direction 2019-2024; • Te Whakatairanga Service Delivery's purpose of Fair markets that thrive; and the strategic goals of Kaitiakitanga, Manaakitanga Whanaungatanga, Puāwaitanga and Whakamana • MBIE's purpose of Grow New Zealand for All.
Key Benefits	To reduce the significant technology and security risks of the legacy Bond2000 systems. To increase the number of bonds returned to the appropriate customers and thereby reduce the number of unclaimed and uncollected bonds that are returned to (vested in) the Crown. To significantly reduce the FTE within the TBS team as a result of most transactions being conducted by customers online. To reduce the number of calls to the service centre where the customer is looking for information about their bonds. To improve data quality through implementation of business rules to validate data entered by customers. To improve the customer experience by allowing all bond transactions to be conducted through multiple channels.

Potential risks	1. The legacy Bond2000 system suffers a significant failure before the new system is in place requiring implementation of a contingency plan to allow for continued bond processing 2. Development of a replacement system takes longer than planned, increasing the pressure on the legacy system, and continuing current problems with data quality and customer experience. 3. Availability of subject matter experts (SMEs) may affect the project timeframe, causing delays if SMEs are not available to participate as required 4. The cost of delivering the system is greater than anticipated or planned for. 5. Difficulties with the vendor create delays or cost overruns. 6. Customers and the business are not well-prepared for the changes and this causes distrust, dissatisfaction and complaints.
Constraints and dependencies	This project is dependent on project 4061 Customer Credentials and Verification to provide direction on the technology and patterns to use to authenticate and verify external users of the new system.

Indicative timeline to produce the business case

The following table provides a view of the phase milestones to deliver the Business Case. Subsequent delivery phase milestones will be refined during Business Case development:

Milestones (to the approval of the Business Case only)	Due Date
ML01. Project Brief approved	8 Dec 2021
ML02. Procurement plan approved	18 Feb 2022
ML03. Privacy Impact Assessment approved	18 Feb 2022
ML04. ARB Documentation approved (Part A)	22 Apr 2022
ML05. High level solution design approved	29 Apr 2022
ML06. High level requirements/user stories approved	1 May 2022
ML07. Report Back to Portfolio Board	29 Jun 2022
ML08. Procurement process completed	30 Jun 2022
ML09. Preferred supplier selected	22 Jul 2022
ML10. Contract negotiation complete	19 Aug 2022
ML11. Design Business Case approved by Portfolio Board	21 Sep 2022
ML12. Design Business Case approved by ICDC	19 Oct 2022
ML13. Design Business Case approved by Treasury	16 Nov 2022

Milestones (to the approval of the Business Case only)	Due Date
ML14. Design Business Case approval confirmed by ICDC	15 Dec 2022

Financial Summary

Funding Source

Financial Summary	Financial Years					
Indicative Project Costs	**FY21/22**	**FY22/23**	**FY23/24**	**FY24/25**	**FY25/26**	**Total**
CAPEX	$0	$4,000,000	$11,000,000	$5,000,000	$0	**$20,000,000**
OPEX	$1,824,630	$1,123,183	$2,500,000	$1,500,000	$0	**$6,947,813**
Total Project Costs	**$1,824,630**	**$5,123,183**	**$13,500,000**	**$6,500,000**	**$0**	**$26,947,813**

	OPEX (Cost Centre)	CAPEX Funding type	Notes
Project Funding Source	9112	Budget Bid	Funding approved in Budget 2021

It is not possible to estimate the ongoing operating costs at this time. This will be estimated following the engagement of a supplier for the new system and will be included in the Design Business case.

However, funding approved in Budget 2021[2] included operational funding for ongoing support (source Budget Bid[3]):

[2] Refer: Wellbeing Budget 2021: Securing Our Recovery (treasury.govt.nz)

[3] Refer MAKO 118611955

Input – Operating	Funding profile ($m)					Total
	2020/21	2021/22	2022/23	2023/24	2024/25 & out years	
Project Costs		2.000	2.500	2.500	-	7.000
Operating costs					3.700	3.700
Depreciation				1.667	3.333	5.000
Capital Charge		0.100	0.475	0.875	0.833	2.283
Total		2.100	2.975	5.042	7.866	**17.983**
Input – Capital	**Funding profile ($m)**					**Total**
	20/21	**21/22**	**22/23**	**23/24**		
System Build		4.000	11.000	5.000		20.000
Total		4.000	11.000	5.000		**20.000**

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3. Document Control

MLB Template version 5.0.6 – 03 Sep 21

Version history

Date	Version	Author	Description of change
20 Oct 2021	0.1	Privacy of natural persons	Create first draft
10 Nov 2021	0.2		Draft ready for review

Reviewed by

The following people have approved this document for submission to the Portfolio Advisory and Assurance Committee:

Name & Role	Responsibility	Date	Signature
Privacy of natural persons Portfolio Manager	Confirmed that the initiative is understood and that the Portfolio priorities have been confirmed.	28/11/2021	RE_ 4102 tenancy Bond Transformation
Privacy of natural persons MLB PMO Manager	Quality of the document and that the proposed approach is aligned with MLB and EPMO guidelines.	19/11/2021	Tenancy Bond Project Brief _UNCLASSIFIED_
Privacy of natural persons Capability Manager	Quality of the document. Confirmed that Service Transformation resources are available to complete the work to the next governance decision.	26/11/2021	RE_ 4102 tenancy Bond Transformation
Privacy of natural persons Change Management Capability Lead	Change has been considered.		
Privacy of natural persons MLB Strategy Manager	The initiative is correctly aligned to the Portfolio's technical strategies and meets the Business' current state challenge	25/11/2021	RE_ 4102 tenancy Bond Transformation

Endorsed by

The following people have endorsed this document for submission to the Portfolio Board:

Name & Role	Responsibility	Date	Signature
Suzanne Stew Project Sponsor	Verifies that the initiative is necessary and sufficient to meet the project's business objectives and	2/12/2021	RE_ Project Brief for 4102 Tenancy Bond T

Name & Role	Responsibility	Date	Signature
	deliver the benefits necessary to justify the investment.		
Ingrid Bayliss Business Owner	Verifies that the Busines/s Unit has the funding necessary to produce the business case and that line of sight exists to funding to complete the initiative based on the estimated project and ongoing operating costs laid out in this Project Brief. The benefits expected from this initiative have been outlined and are achievable.	1/12/2021	RE_ Project Brief for 4102 Tenancy Bond T
Privacy of natural persons Senior User	Verifies that the benefits expected from this initiative have been outlined and are achievable.	1/12/2021	RE_ Project Brief for 4102 Tenancy Bond T
Privacy of natural persons Finance Business Partner	Verifies that the figures contained in this document are accurate and that the current and Whole of Life costs are affordable within the Business Unit's budget and that the financial treatment (ie. Opex/capex split) is correct.	26/11/2021	RE_ 4102 tenancy Bond Transformation

Reference documentation

The following is a list of reference documentation with MAKO links relating to this project:

Document title	MAKO Link	Author	Date
Budget 2021	Wellbeing Budget 2021: Securing Our Recovery (treasury.govt.nz)		May 2021
Project authorisation Form	Internal Links	Privacy of natural persons	8 Aug 2021
Forecast Spreadsheet			ongoing
Tenancy Bond Strategic Direction 2019 to 2024			October 2019
Terms of Reference for Project Steering Group			7 Oct 2021
Project Definition Document (PDD)			12 Oct 2021
Procurement Plan Lite			12 Oct 2021
Programme Initiation Presentation for PSG			9 Oct 2021

4. Project Overview

The Tenancy Bond Services Strategy was developed and approved in 2019. Following this, some improvements have been delivered across several of the strategy focus areas (customer-centricity; growing our people; smarter systems & processes; data as strategic asset), though this work was interrupted by COVID19 and by changes in project resources.

However, a significant barrier to fully implementing the strategy is that the bond service and processing models are limited by the current ICT system, Bond 2000 – which is end-of-life. There are significant challenges that the project will address:

- the system is paper-based;
- customers lose visibility of bonds during a tenancy;
- at busy times form processing can take up to 12-15 days to complete, with tenants typically paid their refunds several weeks after moving out;
- each year up to $4M in bonds are left unclaimed or uncollected
- there are data quality issues, which expose a potential for privacy risk due to manual processes and historic financial/control risks;
- the Bond service triggers over 10,000 calls per month to the Service Centre (refunds being the main driver);
- there are unmet opportunities for targeted information and education and pathways for early problem resolution, as the bond service is not as well integrated with the rest of Tenancy Services as it could be; and
- there is limited data for regulatory insights, input into policy-setting and compliance.

This project will address the remaining work required to implement the strategy:

- maintenance, improvements, and risk treatments for the current processes and system to ensure that bond processing can continue, including under BCP scenarios, until a replacement system is fully in place;
- customer testing of the new service design for bond;
- implementing a new tenancy bond platform and multi-channel bond service (replacing Bond2000);
- migrating bond data, as required and at the right time, from Bond2000 to the new tenancy bond platform;
- aligning Tenancy Bond Services operating model, processes and structure with the new (more automated) service model;
- change management to ensure that the bond processing team remains engaged throughout the changes and are trained to deliver services with the new system;
- change management to ensure customers are heard and supported through the changes;
- establishing integrated data frameworks to enable the generation of data insights;
- plan and prepare the decommissioning of the legacy Bond 2000 and related systems; and
- plan and implement archiving of the Bond2000 data in accordance with the Data Retention and Disposal schedule.

The project has been funded through a Budget Bid.

Funding was allocated in Budget 2021 for this project.

This Project Brief requests initial funding of $2,522,813 Opex for business case preparation and for the initial discovery phase with the selected vendor while the business case goes through the approval processes with the Portfolio Board, ICDC, and the Treasury (to mitigate against the project team and vendor resources being idle).

Business Need / Case for Change

The problem / opportunity	The legacy Bond2000 system is end-of-life and some of its components are at high risk of technology failure that can only by addressed by their replacement. The service model is no longer consistent with customer expectations as it requires customers to fill in paper forms which are emailed to TBS and the information is manually entered into Bond2000. This means that customers lose visibility of bonds during a tenancy; form processing can take up to 12-15 days which results in over 10,000 calls per month to the service centre where customers are enquiring about the progress of their bond forms. Each year up to $4M in bonds is left unclaimed or uncollected, due to data inaccuracies and TBS resource prioritisation making it difficult to follow-up with customers to ensure the bonds are returned. There are data quality issues, a potential for privacy risk due to manual processes and historic financial/control risks.
Business need	A successful solution would provide a new service model and technology system that provides more control of bonds by tenants, landlords and property managers through multiple channels (online, business-to-business(B2B), call centre, paper forms)
Strategic Alignment	This project aligns with: • Tenancy Bond Services Strategic Direction 2019-2024; • Te Whakatairanga Service Delivery's purpose of Fair markets that thrive and the strategic goals of Kaitiakitanga, Whanaungatanga and Puāwaitanga; and • MBIE's purpose of Grow New Zealand for All.
Key Benefits	To improve the customer experience by allowing all bond transactions to be conducted through multiple channels. To reduce the significant technology and security risks of the legacy Bond2000 systems. To significantly reduce the FTE within the TBS team as a result of most transactions being conducted by customers online. To reduce the number of calls to the service centre where the customer is looking for information about their bonds. To improve data quality through implementation of business rules to validate data entered by customers. To increase the number of bonds returned to the appropriate customers and thereby reduce the number of unclaimed and uncollected bonds that are returned to (vested in) the Crown.
Potential risks	1. The legacy Bond2000 system suffers a significant failure before the new system is in place requiring implementation of a contingency plan to allow for continued bond processing

	2. Development of a replacement system takes longer than planned, increasing the pressure on the legacy system, and continuing current problems with data quality and customer experience. 3. Availability of SMEs may affect the project timeframe, causing delays if SMEs are not available to participate as required 4. The cost of delivering the system is greater than anticipated or planned for. 5. Difficulties with the vendor create delays or cost overruns. 6. Customers and the business are not well-prepared for the changes and this causes distrust, dissatisfaction and complaints.
Constraints and dependencies	This project is dependent on project 4061 Customer Credentials and Verification to provide direction on the technology and patterns to use to authenticate and verify external users of the new system.

Indicative timeline and milestones (for producing the Business Case)

The following table provides a view of the phase milestones to deliver the Business Case. Subsequent delivery phase milestones will be refined during Business Case development:

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ML13. Design Business Case approved by Treasury	16 Nov 2022
ML14. Design Business Case approval confirmed by ICDC	15 Dec 2022

Scope and Major Deliverables

The following outlines all formal deliverables of this project:

Number	Description	Producer	Approver
SC01.	High level requirements/user stories	Business Analysts, Service Designers	Sponsor
SC02.	Change management plan	Change Manager	Sponsor
SC03.	Stakeholder engagement and communications plan	Change Manager	Sponsor
SC04.	Procurement Plan	Programme Director Procurement specialist	MBIE Procurement
SC05.	Solution architecture Part A	Solution Architect	ARB
SC06.	Business Continuity Plan for Bond2000	Project team, TBS	Project Steering group
SC07.	Implement risk mitigations for Bond2000 and address ICT security recommendations	Project team, TBS	Sponsor
SC08.	Service Excellence process improvements	Project team, TBS	Business owner

Governance

Privacy Threshold Assessment

Item	Yes / No	Link to completed assessment / document
Has a Privacy Threshold Assessment been completed?	Yes	PTA2021-07000712 A draft privacy Impact assessment was completed prior to this project commencing. This has been reviewed by the Privacy team and will be updated to reflect their feedback.

Risks

An initial risk assessment has been carried out and the identified high risks are listed in the table below.

Risk	Description	Consequence	Treatment	Risk Rating *after* Treatment
R001.	IF Bond 2000 fails before the new system is in place THEN the tenancy bond service will be compromised	This may result in extended processing times and consequently reputational damage	Mitigate the technology risks where possible. Develop a continuity plan for handling bond transactions if this risk is realised. Consider data migration to new system if Bond2000 cannot continue to run in parallel.	Medium
R002.	IF development of the replacement system takes longer than planned, THEN this will increase the pressure on the legacy system and continue current problems with data quality and customer experience	Continued poor experience for customers from data quality issues and slow processing times. BOND2000 will be required to keep running for longer.	Project will investigate how implementation of new system can be phased to allow some functionality to be deployed early.	Medium
R003.	IF SMEs are not available as required by the project THEN the project may be delayed	BOND2000 will be required to keep running for longer; technology risks will increase and customer experience will not be improved	The project funding includes an amount to provide backfill for SMEs so they can be freed up to assist the project	Minor

All project risks have been recorded in the Project Server Risk Register.

5. Benefits

The benefits will be articulated more fully in the business case.

Benefit Number	Anticipated Benefit	Benefit Category
1	To reduce the number of calls to the service centre where the customer is looking for information about their bonds.	Non-cashable
2	To improve data quality through implementation of business rules to validate data entered by customers.	Non-monetary

Benefit Number	Anticipated Benefit	Benefit Category
3	To improve the customer experience by allowing all bond transactions to be conducted through multiple channels	Non-monetary
4	To reduce the significant technology risk of the legacy Bond2000 systems	Non-monetary
5	To increase the number of bonds returned to the appropriate customers and thereby reduce the number of unclaimed and uncollected bonds that are returned to (vested in) the Crown	Non-cashable
6	To significantly reduce the FTE within the TBS team as a result of most transactions being conducted by customers online.	Cashable

6. Financial Detail & Asset Management

Funding Source

Funding for this project was approved in Budget 2021[4].

- Capex of $20,000,000 ($4,000,000 FY21/22, $11,000,000 FY22/23, $5,000,000 FY23/24) funded from Budget Bid
- Opex of $7,000,000 ($2,000,000 FY21/22, $2,500,000 FY22/23, $2,500,000 FY23/24) funded from Budget Bid

Costs to Produce the Business Case

It will cost $2,205,678 ($1,824,630 FY21/22, $381,048 FY22/23) opex funding from 9112 cost centre to produce the business case. Note that this includes $425,000 opex funding that was approved at the Portfolio Board of 25 Aug 2021 on submission of the Project Authorisation Form.

The project brief also requests an additional $742,135 opex in FY22/23 to cover the costs of starting to work with the selected vendor on the initial discovery phase from September 2022 to January 2023 while the business case goes through the extended approval cycle with the portfolio board, ICDC and Treasury. If the business case is approved, this will be converted to Capex.

[4]Refer https://www.treasury.govt.nz/publications/wellbeing-budget/wellbeing-budget-2021-securing-our-recovery-html#section-8

Estimated Total Cost for the Project

Financial Summary	Financial Years					
Indicative Project Costs	FY21/22	FY22/23	FY23/24	FY24/25	FY25/26	Total
CAPEX	$0	$4,000,000	$11,000,000	$5,000,000	$0	**$20,000,000**
OPEX	$1,824,630	$1,123,183	$2,500,000	$1,500,000	$0	**$6,947,813**
Total Project Costs	**$1,824,630**	**$5,123,183**	**$13,500,000**	**$6,500,000**	**$0**	**$26,947,813**

	OPEX (Cost Centre)	CAPEX Funding type	Notes
Project Funding Source	9112	Budget Bid	Funding approved in Budget 2021

Ongoing operating costs

It is not possible to estimate the ongoing operating costs at this time. This will be estimated following the engagement of a supplier for the new system and will be included in the Design Business case.

However, funding approved in Budget 2021[5] included operational funding for ongoing support (source Budget Bid[6]):

Input – Operating	Funding profile ($m)					Total
	2020/21	2021/22	2022/23	2023/24	2024/25 & out years	
Project Costs		2.000	2.500	2.500	-	7.000
Operating costs					3.700	3.700
Depreciation				1.667	3.333	5.000
Capital Charge		0.100	0.475	0.875	0.833	2.283
Total		2.100	2.975	5.042	7.866	**17.983**
Input – Capital	**Funding profile ($m)**					**Total**
	20/21	**21/22**	**22/23**	**23/24**		

[5] Refer: [Wellbeing Budget 2021: Securing Our Recovery (treasury.govt.nz)]

[6] Refer MAKO 118611955

System Build		4.000	11.000	5.000		20.000
Total		4.000	11.000	5.000		**20.000**

New Capital Asset That Will Be Created
Tenancy Bond system
Existing Asset to be replaced
Bond2000
Existing Asset Enhancement / Extension
n/a
Asset to be Decommissioned
130982 - Enhancement of the Bond2000 System and FMIS system to accommodate direct debit process being applied for bond payments by Tenancy Services.

Resource Plan

The following are the resource requirements to prepare the design business case for this project:

Resource Type	Approx. Duration	Approx. Usage (%)
Programme Director	15 months	100%
Change Manager	15 months	100%
Business Analysts x 3	15 months	100%
Project Manager (for Service Excellence Workstream)	12 months	25%
Solution Architect	15 months	25%
Cybersecurity architect	15 months	20%
Service Designer x 3	12 months	50% each
Operational Policy Advisor x 2	8 months	25% each
Programme Coordinator	15 months	80%
Operational Policy Advisors x 2	8 months	25% each

Cost assumptions

Assumption	Comments
Allowance of $320,000 for changes to legacy Bond2000 components by current vendors	It is assumed that the changes required to mitigate the technology and security risks, and to improve processes, can be completed over the next year prior to completion of the Design Business Case. These will be treated as Opex as the Bond2000 system is fully depreciated and these changes will not introduce significant new functionality. The business case will include an additional allowance for anything urgent that must be done to the current system later in the project.
The project brief includes funding for the backfill of TBS people to assist the project as business SMEs	At least 1 FTE will be backfilled immediately to assist with the service excellence workstream; an allowance has been made to cover the backfill to enable others in the TBS team to contribute to the requirements development through workshops and document reviews while maintaining BAU service delivery.
Allowance of $742,135 for project to continue the initial discovery phase with the selected supplier, this covers the period September 2022 to end January 2023	As the whole of life cost (WOLC) of this project is greater than $20m, the business case must go to Treasury for approval and therefore there will be an extended timeframe to gain approval for the next phase of the project[7] (approx. 4 months). This allowance means that project resources can be retained to work with the selected supplier to frame the detailed design phase in advance of the approval. It is expected that this amount can be converted to CAPEX if the business case is approved.

7. Approach to Supplier Selection

Procurement Approach

MBIE procurement was consulted to determine an appropriate procurement approach for the new technology to replace Bond2000. It was agreed to do this in two phases:

1. A Request for Information (RFI) was released on GETS on 22 October 2021 to identify potential suppliers; responses are due on 19 November 2021. A Procurement Plan Lite was prepared prior to releasing the RFI. The key questions asked in this RFI are:
    a. What products/technology would the supplier propose to use to meet the requirements?
    b. What is the preferred delivery methodology?
    c. How does the supplier approach pricing to ensure certainty of cost and time?

[7] Refer EPMO guidance : 115311154

2. The procurement strategy will be informed by the responses to the RFI and a standard Procurement Plan will be prepared for approval. Procurement options to be considered include:

    a. Identify if there is a case for an exemption to go direct to one supplier;

    b. Using an existing MBIE panel or the MarketPlace to send a Request for Quote to a small number of suppliers;

    c. Releasing an open Request for Proposals for any supplier to respond to.

The Service Excellence Workstream will include changes to the existing systems, all suppliers (DXC, Ricoh, and Datacom) are covered by existing commercial arrangements and any Statements of Work agreed will be consistent with these.

The proposed engagement with these business groups is:

Business Group	Engagement Required
Service Transformation Commercial Specialist	Review of Statements of Work for existing suppliers; Assistance with contract negotiation for new supplier as a result of the procurement activity.
MBIE Procurement	Approval of Procurement Plan Assistance with managing the procurement process.