

INZ Single Stage Business Case – Cover Sheet

Project Code & Name	3644 - Biometric Capability Update (BCU)		
Project Sponsor	Stephen Dunstan	Business Owner	9(2)(a) of the OIA
INZ Branch	Service Design & Performance	Project Manager	9(2)(a) of the OIA
Complexity	Medium	Delivery Approach	Waterfall
Document & version submitted	Business Case v0.9.1	Date submitted	06/08/2019
Capex Investment Bid	NA	Opex Investment Bid	NA
Business Case Capex Requested	\$10,458,858	Business Case Opex Requested	\$46,272
Total Project Capex (including earlier stages)	\$10,458,858	Total Project Opex (including earlier stages)	
		Cost Centre	2919
Funding Source(s) & breakdown (if applicable)	INZ Capital	Contingency as per % of Risk Assessments	15%
Estimated Completion / Close Date	30/09/2020	Treasury Risk Profile Assessment	Low

Description
The Identity Management solution (IDme) provides INZ with the capability to be the authoritative source of identity information for all non-New Zealanders. It was capitalised in 2016 for an asset value of \$53M with accumulated depreciation of \$15 million and now has a net book value of \$38M. This Business Case proposes a significant maintenance upgrade to the INZ IDMe (identity) system. The proposal is self-funding over the life of the asset and is overall cost neutral. It provides improved biographic and biometric related policies, tools and supporting processes. The s 6(c) As a result, the underlying software and platform is 6 years old, 6(c) of the OIA . The current solution lacks sufficient capacity and flexibility to support future initiatives such as ETA, Biometric Enrolment, and Automated Decision Assist without each of those projects undertaking independent development to meet their needs. The core IDme biometric matching and management engine is out-dated, unnecessarily complex, inflexible, s6(c) The Biometric Capability Update has been designed to address each of these projects needs and future known capability by upgrading the versions of biometric matching and management platforms,

rationalising and simplifying the platform to reduce ongoing cost and improving the flexibility and utility of the system in the process. This is a core capability for INZ's future protection in an environment where identity fraud, terrorism and other sources of harm are prevalent and increasingly diverse and sophisticated, and this upgraded capability is crucial to achieving that future.

Ongoing operating cost implications

Several ongoing operational cost implications have been worked through for the recommended option, and for the five years post implementation, the total ongoing opex cost saving is \$1.378M equating to an average annual saving of \$275K (including depreciation) from the current solution.

The Solution

The recommended option (option 3) is to reconfigure and upgrade the Biometric capability in IDMe requiring a project investment of \$10.458 million (across 2019/20 and 2020/21 fiscal years) and \$46,272 project opex required to decommission the servers. This will deliver:

- s6(c)
-
- Alignment with INZ's Future State Reference Architecture is significantly improved, including provision of improved future flexibility and reduced integration cost.
- Key future INZ initiatives, including ETA phase 2, ADA, and Biometric enrolment are enabled and supported by these changes which provide an improved rate of automated identity resolution.
- This approach reduces IDMe ongoing operational costs by \$275K per annum, including depreciation.

ARG / ARB dates & commentary	To be progressed on approval of business case, however the recommended option is supported by INZ business architects.
DA date & commentary	25/07/2019 Include support for INZ initiatives in response to the Christchurch attacks. Confirm funding source for ongoing operational costs.
BRG date & commentary	01/08/2019 Endorse to proceed to BCB with caveat to finalise source of funding.
BCB date & commentary	12 August 2019 Endorsed to proceed to MBIE IB.
IB date & commentary	22 August 2019 Approved at MBIE IB.

Summary of capital and operational costs including out years							
	Current Year 2019/20	Year 1 2020/21	Year 2 2021/22	Year 3 2022/23	Year 4 2023/24	Year 5 2024/25	Total
Total project delivery capex expenditure	\$9,540,744	\$918,114	\$-	\$-	\$-	\$-	\$10,458,858
Total project delivery opex expenditure	\$-	\$46,272	\$-	\$-	\$-	\$-	\$46,272
Estimated on-going business opex (excluding depreciation)	\$-	\$-	\$-	\$-	\$-	\$-	\$-
Estimated on-going ICT opex (excluding depreciation)	s 9(2)(b)(ii)						
Whole of Life costs (capex + opex + on-going costs ¹)	\$9,540,744	\$2,513,283	\$1,858,676	\$1,858,676	\$1,858,676	\$1,858,676	\$19,488,731
Ongoing tangible financial benefits ²	\$-	\$3,319,499	\$3,883,575	\$3,914,482	\$3,949,438	\$3,988,976	\$19,055,971

Project Recommendations	Comments/Caveats
Approve project delivery:	
Approve	The capital funding requested of \$10,458,858; and The project one-off opex cost of \$46,272 provisioned from the INZ ICT Maintenance budget
Approve	Note that project contingency of \$1,568,829, which is 15% of the total project cost has been added to the capex cost calculation. Approve that this be held by the Business Change Board (INZ) and drawn down only following approval of the required Change Request.
Note	That the Support contract with Daon expires in May 2020. There may be a requirement to negotiate a short extension depending on this projects implementation schedule.

¹ This formula includes depreciation

² Refer to [Economic benefits](#) on page 19 for itemised description of cost savings. Refer to **ICT capital and operational costs** on page 65, On-Going Operational table and Savings section for saving details over the 6 years.

Note	Complete removal of the Daon components will only be realised through the delivery of In Person Enrolment project. This means that the Daon equipment and solution will still be required if the project does not go ahead. Further, the support agreement will require renegotiation if this project (or the In Person Enrolment project) does not go ahead.
Note:	Whilst the BCU project will remove all DAON components from the CORE of IDme and IGMS, DAON are still required to support the existing In Person Enrolment solution. A separate project, In Person Enrolment (IPE), is at the Business Case stage and will be required to complete the removal of DAON from the INZ solutions, together with the associated commercial and support agreements.
Agree	To proceed to SoW development and implementation phases for Biometric Capacity Update.

3644

Biometric Capability Update Single Stage Business Case

Project Manager s 9(2)(a)

Version 0.9.1

Date: 06/08/2019

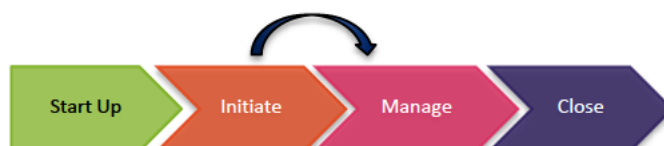
1. Document Control

Version History

Date	Version	Author	Description of change
16/04/2019	0.1	s 9(2)(a)	first draft
13/05/2019	0.2		Strategic Case
03/07/2019	0.3		Second draft for review
15/07/2019	0.4		Third draft for stakeholder review
24/07/2019	0.6		Incorporated feedback from Bob.
26/07/2019	0.7		Feedback from Design Authority.
28/07/2019	0.8		Final version for BRG.
05/08/2019	0.9		Updates from BRG.
06/08/2019	0.9.1		Incorporating feedback from INZPMO.
22/08/2019	1.0		1.0 IB approved version that the project will be baselined against (including any changes requested by governance)

Document Purpose

This business case will provide the Immigration NZ Project Governance with sufficient information on the IDME Primary Resizing project to allow them to assess whether the investment is sound. Once approved it will allow the project to gain approval to drawdown funding and proceed to the Manage (Delivery) stage of the INZ project lifecycle. This document is key project governance collateral and once approved will be the baseline against which project performance will be measured.



Endorsed³ by

In accordance with INZ Gating, Stage standards⁴ and processes, the following INZ governance authorities have been provided with this document for Endorsement.

Function	Role	Comments; Caveats and Date Caveat to be / or actioned by	Date	Name and Signature
*Project Sponsor (M)	Endorse	Stephen Dunstan	05/08/2019	 s 9(2) and Stephen's D endorsements.pdf
*Business Owner (M)	Endorse	s 9(2)(a)	31/07/2019	 s 9(2)(a) endorsement.msg
*MBIE Finance Business Partner for INZ (M)	Endorse		31/07/2019	 s 9(2)(a) endorsement.msg
INZ Business Systems Owner (M)	Endorse		05/08/2019	 s 9(2)(a) Stephen's D endorsements.pdf
Architecture Review Group (ARG) (as required)	Endorse	Upon approval of Business Case	NA	NA
Architecture Review Board (ARB) (M as required)	Endorse	Upon approval of Business Case	NA	NA

Reference/related documents

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

Document Name & Mako link	Version	Date Endorsed/Approved
Project Mandate		NA
Project Brief INZ Maintenance Project Brief v1.2 s 6(c)	1.2	01/11/2018

³ For expediency, the 'Reviewed By' and 'Consulted With' tables can be found at the end of this document.

⁴ The standards that apply to the stakeholders in the Endorsed by and Reviewed by tables are Mandatory (M), Recommended (R) and Optional (O).

Document Name & Mako link	Version	Date Endorsed/Approved
Detailed Business Requirements Primary IDme Resizing Requirements Functions § 6(c)	0.3	10/05/2019
Scope agreement documents / evidence of agreement with the business owner and key stakeholders (eg – minutes / decisions / email) Primary IDme Resizing Approach Plan § 6(c) IDme Fingerprint Enhancements Approach Plan § 6(c)		Refer to documents
Evidence the Requirements have been agreed (eg – minutes / decisions / email) Primary IDme Resizing Requirements Functions § 6(c)	0.3	10/05/2019
Detailed Options Analysis Primary IDme Resizing Options § 6(c) IDme Fingerprint Enhancements Options Analysis Report § 6(c)		Refer to documents
Current state and proposed future state analysis documents In Requirements document.		Requirements document.
Evidence based analytical documents <links> (eg – Data flow/workflow documents)		NA
Value for Money Cost Benefit Analysis		Part of Options Paper
Options Analysis Summary Primary IDme Resizing Options § 6(c) IDme Fingerprint Enhancements Recommendation Paper § 6(c)		Refer to documents
Evidence the Recommended Option has been agreed (eg – minutes / decisions / email) Primary IDme Resizing Options § 6(c) IDme Fingerprint Enhancements Recommendation Paper § 6(c)		Refer to documents
Business Change Management Plan		Described in Business Change Impact section.
Detailed Solution Design		To be completed on approval of Business Case
Procurement Plan		NA
Detailed Procurement Plan		NA
Supplier(s) Statement of Work (s)		To be completed on approval of Business Case

Document Name & Mako link	Version	Date Endorsed/Approved
Add any other relevant contract links as required		NA
Project Risk Register		To be completed on approval of Business Case
Opex financial tables		NA
Treasury Risk Profile Assessment		NA
Privacy Threshold Assessment		Covered under overall Privacy Assessment for IGMS
ICT Security Risk Threshold Questionnaire		Not Applicable as this is a maintenance project.
Finance Sheet for Governance s 6(c)		TBC
DCF Financial model to calculate the NPV		NA
Change Requests to date if any <link(s)>		NA
Evidence Go Live(s) has/have been approved by the business		NA

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2. Executive Summary

The Identity Management solution (IDme) provides INZ with the capability to be the authoritative source of identity information for all non-New Zealanders. It was capitalised in 2016 for an asset value of \$53M with accumulated depreciation of \$15 million and now has a net book value of \$38M.

It provides improved biographic and biometric related policies, tools and supporting processes. s 6(c)

As a result, the underlying software and platform is 6 years old, s 6(c)

The current solution lacks sufficient capacity and flexibility to support future initiatives such as ETA, Biometric Enrolment, and Automated Decision Assist without each of those projects undertaking independent development to meet their needs.

The core IDme biometric matching and management engine is out-dated, unnecessarily complex, inflexible, and no longer deemed fit for purpose for the current, let alone the future, needs of INZ.

The Biometric Capability Update has been designed to address each of these projects needs and future known capability by upgrading the versions of biometric matching and management platforms, rationalising and simplifying the platform to reduce ongoing cost and improving the flexibility and utility of the system in the process. This is a core capability for INZ's future protection in an environment where identity fraud, terrorism and other sources of harm are prevalent and increasingly diverse and sophisticated, and this upgraded capability is crucial to achieving that future.

High Level Options Analysis

The recommended option addresses the outstanding maintenance debt incurred and simplifies support and operation through the update of the systems, and removing Daon as a supplier. As a by-product of the approach, the update provides additional benefits and enhancements through the new features and tools that become available. Many of those core update features and enhancements meet INZ's business requirements and address many of the issues, constraints and defects of the current solution. The project team chose to recommend this approach due to the combination of the core updates as well as the consequential benefits. This update meets those needs and gives transformational change through one COTS (Commercial Off the Shelf) upgrade rather than many smaller, more expensive custom changes by the current suppliers that still would not meet our needs.

Option	Key Advantages	Key Disadvantages	Capital Cost	Ongoing Opex Cost Implication
Do Nothing	Minimize ongoing cost	s 6(c) Doesn't meet future capability and capacity requirements resulting in ETA, Biometric Enrolment, ADA delivery compromised. Sub-optimal alignment with FSRA. Upgrades become more expensive over time and	Nil	s 6(c) the ongoing opex will increase significantly over time. Has not been assessed as is not a viable option

Option	Key Advantages	Key Disadvantages	Capital Cost	Ongoing Opex Cost Implication
		can't be avoided.		
Upgrade versions of current configuration	Minimise change. Provides upgraded capability and limited capacity/performance increase to support INZ identity, risk, visa processing. s 6(c)	More expensive. Higher ongoing opex cost than reconfiguration option. Sub-optimal alignment with FSRA. No rationalisation of platforms a consequence of limited flexibility. Higher future development and upgrade costs.	\$13.439 million (across current and next fiscal years)	The ongoing opex cost is calculated at \$13.821M over a 5 year period compared with the preferred option of \$8.983M.
Reconfigure and upgrade versions	Provides capability and capacity increases to support INZ identity, risk, visa processing. Enables and supports ETA, Biometric Enrolment, ADA delivery. s 6(c) Lower capex than upgrading current. Lower ongoing opex cost implications.	More expensive than the do nothing option from a capex perspective.	\$10.458 million (across current and next fiscal years)	Reduction of \$275K ongoing operating cost per annum (including depreciation). Reduced manual resolution processing
Identity As A Service	In the longer term this may be an option however after investigation this was discounted at this point due to current solution, processes and maturity levels. Requires a substantial redesign of IDMe.	Most expensive capex option. Current recommended solution would still be required, even before we could migrate to "as a service" solution.	Unassessed but significantly more expensive given the current configuration.	Likely more expensive given current configuration and higher capex depreciation cost associated with implementation.

Ongoing operating cost implications

Several ongoing operational cost implications have been worked through for option 3, the recommended option:

- For the five years post implementation, the total ongoing opex cost saving is \$1.378M. Over the five years, there is an average annual saving of \$275K (including depreciation) from the current solution.
- The upgrade results in a net reduction in manual resolution matching resulting from increased ETA related biometric matching volumes, once implemented, so transferring personnel cost to systems cost from that point, if additional staffing fixed term arrangements are aligned, effectively funded by ETA revenue generation.

This project is expected to have a positive impact on ongoing cost, as described in the table below.

9(2)(b)(ii) of the OIA

Assumptions as per the notes above:

Note 1: The Depreciation cost is included for completeness, noting that depreciation is not a cost saving

Note 2: The NEC Licence and Support cost is greater than the Daon cost however NEC is providing a greater level of support than that currently received from Daon.

Note 3: The cost of infrastructure will reduce when the number of IDme servers is reduced from 104 to 40.

Note 4: Efficiency Savings notes and caveats:

- Includes efficiency savings due to not needing to hire 10 FTE's. This funding has been transferred from ETA to Identity Services.
- The growth factor has been estimated at 12%. However indications are that this is conservative when considering the exponential growth that has occurred in face matching over recent years.
- Assumptions deriving efficiency savings can be found in section: [Cost assumptions and constraints \(Page 62\)](#).

Note 5: The cost of illegal migrants to New Zealand is based on the following:

- s 6(c)

- s6(c)
-
- **Note** that as these savings are to New Zealand, rather than Immigration and therefore the numbers above have not been included in the financial benefits.

Recommendations

Note: the recommended option is to **reconfigure and update INZ's biometric solution** for the following reasons:

- s 6(c)
- s 6(c)
- Alignment with INZ's Future State Reference Architecture is significantly improved, including provision of improved future flexibility and reduced integration cost.
- Key future INZ initiatives, including ETA phase 2, ADA, and Biometric enrolment are enabled and supported by these changes which provide an improved rate of automated identity resolution.
- This approach reduces IDMe ongoing operational costs by \$275K per annum, including depreciation.

This requires a project investment of \$10.458 million (across 2019/20 and 2020/21 fiscal years) and \$46,272 opex cost associated with decommissioning servers. Note that the project opex will be provisioned from the INZ ICT Maintenance budget.

⁵ s 6(c)

3. Strategic Case

Scope

The section articulates the business problem and scope of the project under a set of headings. The Biometric Capacity Update project will provide:

- Improved match results with updated biometric matching algorithms and software.
- Removal of redundant middleware (Daon).
- Remove technical and support complexity.
- The updated solution will provide better quality data, and align with the use of NEC photo quality check service.
- Onshore, local support by a Global Tier 1 provider.
- A support model that aligns to business needs.
- A more flexible and straightforward path to provide solutions for new business requirements

Problem

The following are problems associated with the current solution:

s 6(c)



- Complexity that increases the ICT management cost.
- Using different technology adds to the level of intricacy.

s 6(c)



s 6(c)



- **Manual workarounds:** Limitations in the current solution have resulted in manual workarounds that s 6(c)

- **Complex support model:** The current three tier supplier arrangement (Datacom -> Daon -> NEC) has resulted in a complex support model s 6(c)


Overall benefits

This is a maintenance project and cost neutral, there will be no tangible financial benefits delivered. However, this project will deliver benefits to three broad areas: agency, government and economics.

1) Agency benefits

- **Reduce risks to New Zealand –** s 6(c)

- **Remove complexity** - By removing the Daon solution and simplifying the support model.
- **Assurance of quality biometrics** – Implementation of a biometric matching solution provided by a Global Tier 1 biometric provider's COTS tool that provides capability to quality check and correct fingerprints. This will reduce the number of manual resolutions.
- **Encourage reuse and consistency** - Allow different channels to use a single biometric matching service.
- **Simplify technology and improve performance** - Consolidation of the biometric populations and the replacement of the Daon middleware with NEC software, enhances functionality and simplifies the system and the vendor mix responsible for support.

2) Government benefits

This project will achieve the following benefits for the New Zealand government:

- **Reduce the risk of illegal migrants entering New Zealand** - By detecting actors at the application stage, visas will not be issued. The risk to INZ, and cost incurred facilitating departures is reduced.
- **Cross agency initiatives** – Provide the path to simplify working with other agencies (e.g. NZ Customs with the Biometric at the Border) by delivering a single biometric matching service consumable by different channels.
- **Support economic growth of the country** – Through greater confidence in biometric matching, leading to automated processing and a reduction of processing time for visa applicants (e.g. tourists, international students and skilled labour).

3) Economic benefits

9(2)(b)(ii) of the OIA



Assumptions as per the notes above:

Note 1: The Depreciation cost is included for completeness, noting that depreciation is not a cost saving

Note 2: The NEC Licence and Support cost is greater than the Daon cost however NEC is providing a greater level of support than that currently received from Daon.

Note 3: The cost of infrastructure will reduce when the number of IDme servers is reduced from 104 to 40.

Note 4: Efficiency Savings notes and caveats:

- Includes efficiency savings due to not needing to hire 10 FTE's. This funding has been transferred from ETA to Identity Services.
- The growth factor has been estimated at 12%. However indications are that this is conservative when considering the exponential growth that has occurred in face matching over recent years.
- Assumptions deriving efficiency savings can be found in section: [Cost assumptions and constraints \(Page 62\)](#).

Note 5: The cost of illegal migrants to New Zealand is based on the following:

s 6(c)

- **Note** that as these savings are to New Zealand, rather than Immigration and therefore the numbers above have not been included in the financial benefits.

Strategic Drivers

The key strategic drivers for this project are to support and align with INZ's "Striking the Balance" business strategy and INZ's Digital Strategy. To improve our ability to execute regulatory responsibilities, to identify and manage risk early, and improve system adaptability by reducing complexity. Key drivers are:

- Ensuring all channels collecting identity data have a biometric capability.
- Providing biometric services that are collaborative and reusable.
- Support INZ to evolve as a digital business using modern digital services to enhance its ability to facilitate the migration New Zealand needs, and to protect migrants and New Zealand from harm.
- Reducing the number of systems, improving efficiency and moving toward a simple cohesive system where the single supplier will provide a world class biometric matching solution. These things together achieve a more responsive and simplified support model.
- Ensuring quality of biometrics by engaging an onshore global Tier 1 provider in these specialist areas.
- Ensuring the design aligns with and INZ's future architecture strategy.
- Simplifying the technology and removing any technical debt where possible.
- Ensuring INZ is able to manage rapid and frequent change by providing an easier path to upgrade matching algorithms and software.

⁷ s 6(c)

- Ensuring quality data by engaging specialists (e.g. NZ Police) and provision of technology to quality check and correct fingerprints.
- Accommodates increase in volume and future initiatives.
- Provide foundational platform for INZ's initiatives.

Strategic Alignment

Alignment to INZ initiatives

Once completed, the updated biometric capability will offer enhanced flexibility to meet the existing and future demands for Biometric matching and enrolment. These will include requirements defined in the following projects:

- **ETA** – Able to provide one to one face image verification. Suitable capacity to meet demand, and flexibility to meet urgent demands.
- **Mobile Regulator** – Able to provide single digit fingerprint matching.
- **Automated Decision Assist** – Increased percentage of automatically matched identities, which will reduce manual resolutions. This will facilitate greater “lights out” operation.

s6(a)

- **Biometrics Enrolment Expansion** - This initiative is to implement biometric enrolment for all visa applicants including fingerprints.

s 6(c)

This project also aligns to work within the IDme maintenance programme:

- **Photo Quality Check:** Using the same NEC front-end photo quality check solution and back end face-matching engine will provide consistent and accurate matching results.
- **IGMS Operating System and Database upgrade:** The IGMS OS and SQL server upgrade will upgrade the majority of the core servers, as extended support expires in 2020. s 6(c)

s 6(c)

The BCU

project will reduce Biometric servers and databases from 104 to 40. The newly built 40 servers and databases will be upgraded to Windows ^{s 6(c)}, which will ensure they will remain in support until 2027.

- **IGMS ESB capacity** – Migration of biometric workflows to the updated NEC systems will reduce the load on IGMS ESB. This is an identified bottleneck in the system and carries significant operational risk.
- **Linux upgrade** – ^{s 6(c)} ons will remove Linux and Oracle ^{s 6(c)} from the environment and address the current operational risk of non-support. This change removes the necessity for the Linux upgrade, simplifies the IDme ecosystem and the cost of upgrade.
- **DaonEngine upgrade** – Removal of Daon, as a third party integrator ^{s 6(c)} and the need to garner support for the NEC software through them for future years.

Alignment to Striking the Balance

INZ launched the “Striking the Balance” strategy in October 2018. The strategy can be summarised in the aspiration statement: *As trusted stewards of the immigration system, we facilitate and protect New Zealand’s interests.* The BCU project aspires to champion INZ’s “Striking the Balance strategy”.

1) Risk and vulnerability are identified and managed early

Quality decision making is key to protecting our border. This project supports INZ to better risk identification and decision making by implementing the following:

- **Better-quality fingerprints** – Delivery of biometric analysis tools will allow INZ to correct historic, current and ^{s 6(c)}
- ^{s 6(c)}
- ^{s 6(c)}
- **Introduction of effective system queueing for Biometric matching** – ^{s 6(c)}
- **Implementing world top ranking NEC biometric solution** - NEC is ranked #1⁸ in the world as the

⁸ <https://nvlpubs.nist.gov/nistpubs/ir/2018/NIST.IR.8238.pdf>

most accurate algorithm in June 2018 NIST results.

2) Migrants are facilitated to come to New Zealand

To support facilitation of migrants, the BCU project aims to improve visa processing.

- **Simplifying the matching platforms on which Visa Processing is dependent** - Efficiencies are gained by removing redundant third party middleware; reducing manual resolution tasks; enhancing the opportunities for automation and improving system performance by increasing capacity.
- **Less disruptive system change** – With the introduction of the NEC middleware solution, changes to the system are less dependent on each other, in particular the IDme ESB, and the matching systems. This decoupling will reduce disruption caused by IDme changes, which currently require a significant outage.
- **Improved matching accuracy** - The newer version of the NEC algorithm offers significant improvements in accuracy as demonstrated in independent NIST tests. This accuracy improvement will reduce the need for manual resolution and decrease the impact of identity processing on visa applications. This reduced impact will facilitate faster end-to-end visa processing in some cases.

3) Minimise harm

The BCU project is committed to achieving the goal that Immigration has positive outcomes for migrants and communities.

- **Improved matching accuracy by upgrading biometrics algorithms** - Will provide the ability to better identify high-risk migrants in a timely manner; and prevent migrants who pose security or criminal risk from entering New Zealand.
- **High quality fingerprints through quality check and correction process** – Results in better decision making.
- **s 6(c)**
[REDACTED]
- **Additional face images** – Increase the detection of identity fraud.

4) INZ works cross-agency

The BCU project will enable INZ to work more effectively with other agencies in a coordinated way.

- **A biometric matching service** – This product is highly decoupled and will allow reuse by any cross-agency initiatives. Biometric at the Border is an example.
- **Promotes working across branches** – Improved system matching results facilitates visa processing for Visa Services, enhanced accuracy enables protection at the Border, s 6(c)
[REDACTED]

5) INZ's people are supported to be successful

Increase efficiencies that support our people to be successful in their work.

- **Improved matching accuracy** – Results in reduced manual resolution tasks and enables Identity Services staff to focus on high value tasks.
- **Availability of better and quality information and new tools** - Will support staff in their roles.

Alignment to Future State Architecture

The Future State Architecture is a technology blueprint which will support INZ in balancing facilitation, protection and stewardship of the immigration system as a whole. It will position the future development of INZ's digital ecosystem to take advantage of the opportunities provided by technological advances, and will take INZ to the next level of maturity as a digital business. The Future State Architecture document provides the foundational reference architecture.

- **A one system view** – The BCU project builds a foundational platform which is decoupled, extensible and flexible. This supports the one system view in the architecture roadmap.
- **Removes duplication** – By removing redundant third party middleware and associated infrastructure.
- **Ensures extensibility** – The NEC solution is highly scalable and flexible for growth. The modular approach provides a platform which allows INZ to add new biometrics in the future (e.g. iris and voice).
- **Designed for reuse** – The separation of biometric matching from IDme allows the service to be reused by other channels for one to one verification of an identity. (eg. Biometric at the Border and ETA).
- **Decouples systems** – Removing the tight integration between systems will provide greater flexibility in use and reuse and development.
- **Places data and information at the centre** – The BCU project will deliver high quality biometric data as its foundational intent.
- **Cost effective and efficient** – Combining population and simplified vendor model save on infrastructure and support costs over time.
- **Workforce mobility** – The BCU project delivers a platform which provides a future path to enable better mobile solutions for the many INZ staff that work in the field or on the front-line.

Priority Matrix and Assessment Rating

Value Assessment	Description	None	Low	Moderate	Strong	Extreme
Government Priorities	Is this change driven by a direct legislative requirement, Cabinet or Ministerial Directive? Is it being funded through a specific capital injection?	There is no link to a Ministerial or Cabinet directive or Legislative change.	Linked to a legislative change but does not directly impact our ability to meet the core requirements of legislation.	Ministerial support but no direct legislative requirement and no explicit funding.	There is legislation coming into force or a Ministerial/Cabinet directive but no explicit funding is provided.	There is legislation coming into force or a Ministerial/Cabinet directive which is being funded by a specific capital injection.
MBIE Strategic Contribution	Does this project contribute to MBIE strategy and priorities? Can it be clearly mapped to a business plan or roadmap?	There is no clear contribution.	Indirectly contributes to strategy, but can't be directly linked to a business plan or roadmap.	Directly contributes to strategy, but can't be directly linked to a business plan or roadmap.	Directly contributes to strategy and is indirectly linked to a business plan or roadmap.	Directly contributes to strategy and is in a business plan or roadmap.
Capability	Does INZ have the appropriate management, organisational capacity and funding to successfully complete the project and operationalise it sustainably?	No existing capability.	Limited existing capability.	Most capabilities exist but not all are available to the project.	Most capabilities exist and are available to the project.	All required capabilities exist and are available to the project.
Economics	On a risk adjusted basis, is the project return acceptable?	No return.	High risk and/or slow return.	Moderate risk and /or slow return.	Moderate risk and /or medium return.	Low risk and /or fast return.
Optional scoring		0	1	2	3	4

Key:
 Slow return = > 24mths
 Medium return = 12-24mths
 Fast return = < 12mths

The Priority Assessment rating is

Strong

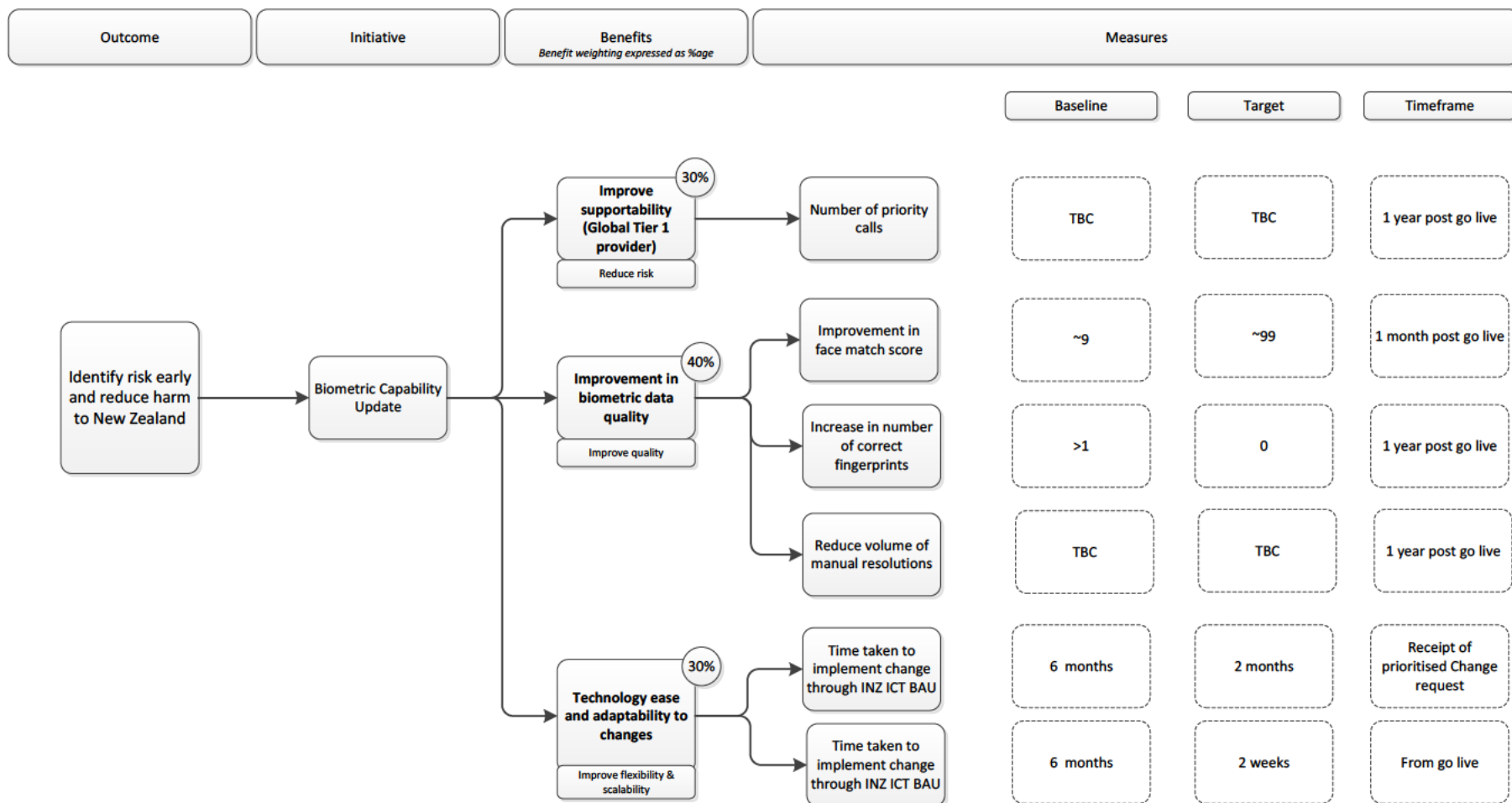
Criterion	Rating ⁹	Justification / Alignment ¹⁰
Government Priorities	2	The Government is committed to protecting the wellbeing of New Zealanders. Being able to successfully use biometric data to identify a person means that INZ can effectively evaluate the risk to New Zealand.
MBIE Strategic Contribution	4	This project contributes to: • INZ's "Striking the Balance" business strategy • INZ Digital Strategy • INZ Future State Architecture
Capability	3	INZ Identity Business Unit will provide expertise in identity and the tuning of the algorithms. This team can provide subject matter experts, s 9(2)(a) ICT team will provide project management, requirements management, solution architecture, and testing resources. It is expected that the Supplier will provide the expertise to implement the solution.
Economics	3	It is expected that this project will provide a return within 12 – 14 months.

⁹ Depending on the Assessment, the rating can be any of these – None, Low, Moderate, Strong or Extreme

¹⁰ The Justification/Alignment is aligned to the Prioritisation Assessment table

4. Benefits

Benefits Map for Biometric Capability Update project



Business Change Management Benefits Considerations

Have change management measures and target dates that will enable benefits been defined?	Comments: Change management is minimal as the update is mainly back-end technology. Only a very small group of fingerprint specialists may require training in the use of the enhanced tool.
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5. Economic Case

Prioritised Requirements

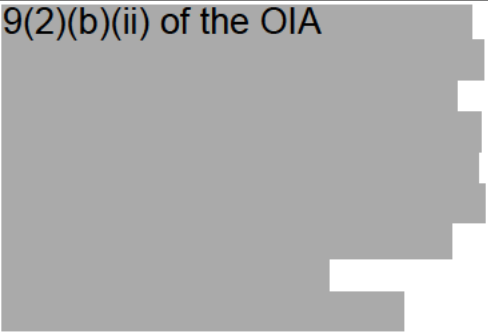
The functional and non-functional requirements are detailed below and are the result of defining business needs and alignment to future state architecture, INZ's Digital Strategy and Striking the Balance. The measurement of requirements is based on the MoSCoW Prioritisation Method for rating the projects requirements unless otherwise specifically agreed with the Business Owner and Sponsor.

Benefits Planned			
Minimum Viable Solution	Benefits Target		
M = Must have	S = Should have	C = Could have	W = Would have

Requirement #	Description	Prioritisation M,S,C,W
R1	Algorithms and software Review, upgrade or replace algorithms and software.	M
R2	Availability There shall be: - Ability to maintain performance regardless of other operational backend activities; - Ability to carry out scheduled maintenance and releases within agreed change window; - High availability of the Online systems. - Able to make changes to the sub system with minimal disruption to the IDme solution.	M
R3	Capture The solution shall provide ability to capture and store fingerprints from various sources.	M
R4	Flexibility The solution shall be flexible and; easily and cost effectively accommodate changes to load and demand as the dynamics of the business change without requiring significant design change. The solution should be able to provide diverse services to serve multiple requirements.	M
R5	Interoperability The solution shall integrate seamlessly with current and future INZ's systems ensuring consistencies and standards.	M

Requirement #	Description	Prioritisation M,S,C,W
R6	Maintainability The solution shall: • Provide a sustainable support model including support for enrolment equipment and agreed response times for attending to issues. • Provide ability for the solution to stay current with the latest software releases. • Ensure that they are operationally sustainable.	M
R7	Performance The solution shall provide ability to deliver acceptable user response times, business services, and inter-system transactions at any time, including during peak demand periods.	M
R8	Quality The solution both systems and processes shall enable the best quality of fingerprints are available to provide the highest success rate in match results.	M
R9	Scalability Solution shall be scalable and capacity planning shall accommodate increase in volume as a result of natural growth and new INZ's initiatives in the pipeline and future.	M
R10	Tuning Solution shall enable effective tuning of thresholds and algorithms.	M

Functional Requirements

No	Description	Rationale	Priority
FR1	Simplify process for configuration of thresholds Configuration of fingerprint and face matching thresholds shall be simplified: • Does not require a release; • Does not require an outage; • Does not require unnecessary paper work with vendor (e.g. statement of work);	9(2)(b)(ii) of the OIA 	Must

No	Description	Rationale	Priority
	Does not require prioritisation and scheduling.		
FR2	Simplify process to add, modify and deploy business rules The process of adding, modifying and deploying business rules shall be simplified to enable quicker turnaround time; as to realise business benefit at a greater pace.	6(c) of the OIA	Must
FR3	Solution is supported The solution shall provide a sustainable and support model.	The current multi-vendor support model is complex 6(c) of the OIA	Must
FR4	6(c) of the OIA Combine 6(c) of the OIA into a single population; 6(c) of the OIA	- Reduce complexity as a result of duplicating some data. 6(c) of the OIA - Reduce infrastructure and system overheads.	Must
FR5	Access to quality check and correct fingerprints Both authorised staff in Identity Services and designated third party agency (e.g.: NZ Police) shall have ability to quality check and correct fingerprints. Authorised users from third party agency shall be able to remotely access the solution where they are able to view, quality check and correct fingerprints.	NZ Police have expertise in fingerprints.	Must
FR6	6(c) of the OIA 6(c) of the OIA	6(c) of the OIA	Must

No	Description	Rationale	Priority
		6(c) of the OIA 	
FR7	Fingerprint extraction and template creation; and matching algorithms The solution shall ensure that NEC fingerprint extraction and template creation; and matching algorithms are the latest version.	6(c) of the OIA Reduce technical debt and facilitate a future upgrade path by ensuring fingerprint extraction and template creation; and matching algorithms are current.	Must
FR8	Fingerprint matching software The solution shall ensure NEC fingerprint matching software is the latest version.	6(c) of the OIA Reduce technical debt and facilitate a future upgrade path by ensuring fingerprint matching software is current.	Must
FR9	Face extraction and template creation; and matching algorithms The solution shall ensure NEC face extraction and template creation; and matching algorithms are the latest versions.	6(c) of the OIA Reduce technical debt and facilitate a future upgrade path by ensuring face extraction, templating and matching algorithms are current.	Must
FR10	Face matching software The solution shall ensure NEC face matching software is the latest version.	6(c) of the OIA Reduce technical debt and facilitate a future upgrade path by ensuring face matching software is current.	Must
FR11	Upgrade fingerprint quality score algorithm Fingerprint quality score algorithm shall be updated to the latest version.	6(c) of the OIA Advances in fingerprint technology necessitated an update to the latest version of NFIQ which: • Provides a higher resolution quality score 6(c) of the OIA 	Must

No	Description	Rationale	Priority
		6(c) of the OIA	
FR12	Matching response time by services The solution shall provide ability to return match results with different configurable response times depending on INZ's services. Example: Border may require a faster turnaround time to obtain match results compared to visa applications.	Different services within INZ have different needs; solution must provide ability to cater to those needs.	Must
FR13	Visibility of fingerprints A user shall be able to easily search, view and retrieve all fingerprints for a client in the database; 6(c) of the OIA	6(c) of the OIA	Must
FR14	Quality check of fingerprint When a new set of fingerprints are enrolled or added to the system 6(c) of the OIA 6(c) of the OIA the fingerprints shall be quality checked by an authorised user (skilled fingerprint expert). Standard quality checks practiced would include: • checking fingerprints are captured in the correct sequence; • the core and axis are accurate; • the pattern type is correct; • the ability to select the best quality fingerprint for templating. When a set of fingerprints are pending or undergoing quality checks, the fingerprints shall continue with the current matching process. Where a set of fingerprints have been	These quality checks are central to having a high quality database. 6(c) of the OIA	Must

No	Description	Rationale	Priority
	edited, it will: - trigger the current matching process again using the edited fingerprints; 6(c) of the OIA	6(c) of the OIA	
FR15	Edit fingerprint An authorised user shall be able to edit a fingerprint in the database: - Flip and rotate; - Crop and resize images; - Reorder individual fingers.	To optimise fingerprint images so as to improve the probability of finding a match in INZ's database. Even if an issue is known with a set of fingerprints the fingerprints can be extracted and corrected; 6(c) of the OIA	Must
FR16	Retain original fingerprint where edited Where a fingerprint is edited, the original shall be retained. Original fingerprint shall not be used for matching.	Best practice to retain original unedited images; and for audit purposes.	Must
FR17	Best fingerprint sets are used for matching The solution shall ensure that the sets of fingerprints used for matching will provide the highest success rate in match results. Note: Options shall consider the following desirable mechanisms for obtaining the best set of fingerprints. <u>Match all available fingerprints:</u> Maximise INZ's database by matching against all available sets of fingerprints. <u>Primary fingerprints set is made up of best individual print from each finger:</u>	Reduce the risk of missed opportunities in identifying a person. 6(c) of the OIA	Must

No	Description	Rationale	Priority
	Allow a user to select the best image for each finger from different enrolments of the same person; to form a composite set of fingerprints as the primary biometric for matching. s 6(c) • <u>Improve primary biometrics selection rules:</u> Review rules to determine if they need to be modified so as to ensure that the best fingerprint is selected as the primary biometric.	6(c) of the OIA	
FR18	Correct existing fingerprints Existing fingerprints in the database which are unmatchable because of problems (e.g.: wrong order, upside down, sideways) shall be corrected. 6(c) of the OIA	6(c) of the OIA	Must
FR19	One to one verification of face images The solution shall provide ability to carry out 1:1 verification of face images.	6(c) of the OIA	Must

No	Description	Rationale	Priority
		6(c) of the OIA [Redacted] [Redacted]	
FR20	Capture and enrol ink fingerprints The solution shall provide ability to upload fingerprints against an identity in all populations. The upload function shall provide ability to add attributes to the fingerprints (e.g. FingerprintCaseType and FingerprintingReason). The enrolled ink fingerprint must go through templating and matching process.	6(c) of the OIA [Redacted]	Should
FR21	Add fingerprints to an identity The solution shall allow a user to upload a fingerprint to an identity.	6(c) of the OIA [Redacted] [Redacted] [Redacted]	Must
FR22	6(c) of the OIA [Redacted]	6(c) of the OIA [Redacted] [Redacted]	Could

No	Description	Rationale	Priority
		s 6(c) s 6(c)	
FR23	Increase Capacity Solutions shall be scalable and capacity planning shall accommodate increase in volume as a result of natural growth and new INZ's initiatives in the pipeline and future. - Biometric Enrolment project - Up to 400,000 new sets of fingerprints per year; 6(c) of the OIA - s 6(c) - Images at the border - More information required. <i>Note: Predicted statistics will be confirmed in the Non-Functional Requirements.</i>	Future growth and new initiatives will place further strain on resources.	Must
FR24	Increase types of biometrics The solution shall provide the ability to use other biometrics for matching in the near future, including iris and voice.	Ensure INZ has a path to move into the future state.	Must
FR25	6(c) of the OIA	6(c) of the OIA	Must

No	Description	Rationale	Priority
	• s 6(c) • s 6(c) s 6(c)	s 6(c) • s 6(c)	
FR26	Integrate with existing systems and new initiatives The solution shall integrate seamlessly with IDme and ability to integrate with future new INZ's initiatives.	Solution must be future proofed to accommodate new initiatives: • In-Person Enrolment – solution integrates with replacement of enrolment system. • Biometric Enrolment - fingerprints enrolled by offshore agencies as part of the visa application process go through the matching process. • 6(c) of the OIA • ETA – matching of face images enrolled by ETA.	Must
FR27	More face biometrics available for matching The solution shall performing matching using all or more face biometrics for each client.	Reduce the risk of missed opportunities in identifying a person or fraud. 6(c) of the OIA	Must
FR28	Expected templated biometrics are available for matching s 6(c) All templated fingerprints and face images associated with a person shall be available for matching 6(c) of the OIA The solution shall allow a user to easily identify the correct identity 6(c) of the OIA 6(c) of the OIA	6(c) of the OIA	Must

No	Description	Rationale	Priority
	6(c) of the OIA [REDACTED]	6(c) of the OIA [REDACTED]	
FR31	Consistency between systems This requirement is related to FR13; if identity data cannot be mastered in a single location (i.e. FR13 is not implemented): Where identity data exists in different systems, data consistency and integrity must be ensured between these systems. Note: This requirement will be met with implementation of FR13.	6(c) of the OIA [REDACTED] [REDACTED]	Must
FR32	Automated consolidation of multiple matches When an identity resolver confirms the probe matches to multiple candidates, the system should accept this decision and take the necessary action to link the identities and send correct linking instructions to AMS. Refer to Change Request: CR379.	Currently linking of identities after multiple matches is confirmed is a manual process.	Must
FR33	6(c) of the OIA [REDACTED] [REDACTED] [REDACTED]	[REDACTED]	Must

No	Description	Rationale	Priority
		s 6(c)	
FR40	Remove Daon Remove Daon as the middleware.	s 6(c)	Must
FR43	Ongoing upgrade of fingerprint and face extraction and template creation; and matching algorithms and software Commercials with supply and maintenance vendor shall include reviews, recommendations and implementation of upgrades if desired, when new versions are released.	INZ has a path for ensuring algorithm and software are current to keep up with emerging biometrics and biographic technology.	Must
FR44	Consistent standards across INZ INZ to: - Establish standards – technology and process; for capturing of fingerprints. - Adhere to NZ government standards to enable sharing of data. Fingerprints are captured at a satisfactory quality and consistent manner across all enrolment points; so that they can be templated and suitable for matching.	With the Biometric Enrolment project, external agencies are expected to enrol fingerprints on INZ's behalf. Therefore enforcing standards will ensure quality fingerprint sets for matching.	Must
FR45	NZ Police engagement INZ to engage with NZ Police to explore the prospect of Police providing services to quality check and correct fingerprints in INZ holdings. Includes the following: - Establishment of a written agreement; - Design business processes;	Reasons being: - Police has the expertise in fingerprints and - For setting up a fingerprint team, INZ will need to consider the following: - Need qualified team with a minimum of three staff (need to take into consideration leave	Must

No	Description	Rationale	Priority
	Define roles and responsibilities.	etc.) - Shortage of skilled fingerprint expertise in New Zealand; requires training of new hire. - Training of fingerprint staff: - Requires at least 12 months training; - Which will qualify for standard ten prints identification; - Have to consider a suitable training course (consider presenting legal statements in court). The process will take one to two years to get INZ fingerprint team up and running; at a proven level of confidence.	
FR46	6(c) of the OIA [REDACTED]	6(c) of the OIA [REDACTED]	Must
FR47	Alternate workflow patterns for Biometric matching IDme should decouple the reliance on the IDme ESB for new workflows	6(c) of the OIA [REDACTED]	

Non Functional Requirements

The solution must meet the INZ Non Functional requirements. These are located [here](#).

Detailed Scope

The Detailed Scope of the response to the problem or opportunity has been agreed with the business owner and key stakeholders. It is based on its strategic alignment, priority and requirements.

#	Current state	In Scope	Out of scope
Sc01	6(c) of the OIA [REDACTED]	Implement NEC as the core biometric matching solution; s 6(c) [REDACTED]	

#	Current state	In Scope	Out of scope
	s 6(c)	s 6(c)	
Sc02	6(c) of the OIA	Remove Daon biometric matching solution.	
Sc03	6(c) of the OIA	Update to the latest NEC face and fingerprint matching algorithms and software.	
Sc04	Face images have been templated using the older version of the matching algorithm.	Re-templating face images using latest face matching algorithm.	
Sc05	6(c) of the OIA	6(c) of the OIA	Mastering identities in a single location; including provision of functionality to add new identities, edit identity records, link identities or remove the identities association with a person. Note: The current capabilities that perform/mange these functions will remain unchanged.
Sc06	6(c) of the OIA	Delivery of a tool for viewing, editing and correcting fingerprints.	
Sc07	6(c) of the OIA	Data migration from Daon to NEC biometric storage.	
Sc08	6(c) of the OIA	Where available and meets quality standards; enable more than one face image per client.	
Sc09	6(c) of the OIA	6(c) of the OIA	

Project output(s)

The business outcomes from the Biometric Capability Update project are:

- Simplified technology and removal of technical debt.
- Solution that aligns to MBIE future state architecture.
- Provide INZ the capability to maintain the solution.

- A solution that is operationally supportable.
- Solution that is able to meet capacity and capability requirements of new INZ initiatives.
- Simplified support model.
- Improved data quality.
- Reduced risk with improved match results.
- Better decision making with improved quality of information.

Critical Success Factors (CSFs)¹¹

Critical Success Factors that describe what the recommended option is to achieve for Immigration NZ are:

#	Description
CSF01	The biometric identity storage solution meets the NZ Information Security requirements, protecting and controlling access to the biometric data INZ holds.
CSF02	The biometric identity storage solution meets the requirements of the Privacy Act 1993, especially in relation to the Principle 5 - Storage and security of personal information.
CSF03	Within IDme the biometric identity storage and matching algorithms solution is licensed and the version in use is supported by the Supplier.
CSF04	INZ holds a contract with the Supplier that ensures that the solution is supported and maintenance and enhancements are completed when agreed timeframes.
CSF05	Changes to the biometric identity storage and matching algorithms solution will have minimal impact on the availability of the IDme solution.
CSF06	The changes to IDme and the implementation of the new biometric solution must enable INZ to easily and cost effectively implement new initiatives and business change.
CSF07	The solution is scalable and extensible to meet and exceed capacity needs.

¹¹ A Critical Success Factor is an 'activity required for ensuring the success of a company or an organization'. https://en.wikipedia.org/wiki/Critical_success_factor. They should be short and inclusive statements. For example – The project will establish a new contact centre that will have trained staff offering excellent customer service. CSFs are not necessarily measurable like KPIs or Benefits.

Value for Money Cost Benefit Analysis of the Options

This table has been completed based on a number of assumptions and estimates because of the embedded nature of Daon's solution in the core INZ systems. Engagement with Daon to derive a cost breakdown has been unsuccessful. Consequently, we are presenting an analysis of "Required Maintenance cost of Retaining the Current Solution" against the Recommended Option.

	Option 1: Maintenance Costs of Retaining Current Solution	Option 2: Retain and Upgrade Daon and s 6(c)	Option 3: Recommended Option
Appraisal Period (years)	5 Years	This option was discounted early and has not been analysed.	5 Years
Capital Costs	\$13,439,111 (note 1)		\$10,458,858
Operating Costs	\$46,272		\$46,272
Ongoing Cost	\$12,137,637 (excluding Depreciation)		\$8,983,601 (excluding Depreciation)
Whole of life costs (Project Delivery Capex + Opex + Ongoing Cost)	\$25,623,020		\$19,488,731
Cost-benefit analysis of monetary costs and benefits			
Net Cash Flow (Benefits less Total Costs)			
IRR			
Net present value			

Notes

Capital costs

The following assumptions were made:

- Datacom ITMS will be required to build 104 servers, instead of the 40 required under the preferred NEC option. We have assumed a 50% increase to the Datacom IGMS costs and 100% to the Datacom ITMS costs.
- The Daon cost associated with updating existing systems and continuing to use Daon has been estimated at \$7.000M, which is the same as originally incurred. This is more than the associated NEC cost of \$5.900M. No change was made to other cost inputs.

Operating costs

- The ongoing cost has been calculated to be \$12.137M over a 5 year period compared with the preferred option of \$8.983M.

The following assumptions were made:

- New server numbers were provided by Datacom ITMS. The ongoing cost assumption is that if we do not reduce the server base from 104 to 40, there will be no cost saving as we will pay for 104 servers.
- The ongoing cost provided by NEC has been compared against the existing Daon licence cost.

Further, note that:

- Daon were engaged as part of the analysis of options phase S 9(2)(b)(ii). If we did not remove Daon from the stack the cost savings would not materialise, nor would the benefits to the Identity Services team.
- The IPE project also seeks to remove Daon from the vendor mix.

Options Analysis Summary

	Option 1: Retain and upgrade Daon solution – including NEC matching algorithms and software	Option 2: Retain and upgrade Daon face component; and replace fingerprint component with NZ Police’s NEC solution as a shared service	Option 3: Implement NEC as the core biometric solution
Fit for purpose (Strategic fit & Benefits)	No	No	Yes
Is it do-able? (Requirements, Scope, CSFs, etc)	No	Yes	Yes
Value for money (Cost Benefits Analysis)	No	No	Yes

Recommended Option

Option	Reasons why it is recommended
The recommended option is Option 3: Implement NEC as the core biometric solution	This option is recommended because: - Increased capacity - Meets our growth needs as IDme is already running close to its design volumes (1.2 million enrolments per year in 2020, approx. 50% are first time applicants) and the forecast is for more channels and a growth in application. - Greater enrolment - All possible biometrics are templated and therefore made available for matching and search operations. - Combined population – Increase efficiency, remove complexity and cost savings. For example, removing Linux and Oracle will save considerable cost and re-aligns to MBIE standard operating systems and databases. - Reduces complexity and streamlines support - Single vendor solution reduces complexity, streamlines support, makes troubleshooting issues easier and simplifies solution upgrade paths. - Simplify support - Reduce number of third parties and products that INZ have to work with. Working with a single vendor to resolve issues encountered and ensure a faster turnaround time. - Improved matching results – Latest algorithms have been proven to produce improved match results.¹²

¹² Anecdotally from testing of ETA face images.

Option	Reasons why it is recommended
	• Enables interoperability – Solution removes complexity with a third party middleware. • Aligns with future state - Solution enables INZ to move into the future state. • NEC world leader in biometrics: ○ NEC has proven reputation worldwide in the biometrics industry, ○ NEC biometric products are used across multiple jurisdictions, and in multiple agencies in New Zealand. • Quality biometrics – Analysis and correction of faces and finger prints that have been recorded incorrectly. • Simplify extensibility and flexibility in meeting INZ current and future demands for Biometrics.

Short-listed options not recommended

Do nothing option is out of scope because:

- IDme is already running close to its design volumes (1.2 million enrolments per year in 2020, approx. 50% are first time applicants) and the forecast is for more channels and a growth in application.
- Ongoing unresolved issues. E.g. upside down fingerprints.
- s 6(c)
- This work supports projects currently in-flight and providing foundational building blocks for: ETA; Biometrics at the Border; Biometric Enrolment Enhancement; Automated Decision Assist and biometric capture through External Channels.
- Opportunity to align with consistent use of vendor (NEC) software for photo quality check; thereby ensuring that accepted face images can be templated and matched.
- s 6(c)

Option(s) not selected for recommendation	Reason why not selected for recommendation
Option 1: Retain and upgrade Daon solution – including NEC matching algorithms and software	This option was not recommended because it: • Partial solution to requirements - Only delivers a partial solution to requirements. • Does not resolve current issues with fingerprints – Solution is not sufficient to address and resolve current fingerprint segmentation, quality issues; and will not overcome the current efficiency issues. • Costs outweigh benefits - costly and resource intensive to upgrade the software and algorithms for limited amount of benefit gained. • Multi-vendor support model – Does not address current experience where a support has to go through multiple vendors (Datacom first point of contact; Daon next; NEC if escalation) which may take days to get a response. • Inefficiencies still persist - Current solution does not work for INZ. • Does not align to future state – Does not provide INZ ability to bring on new channels. • Data quality issues persist. • Daon remains a black box, s 6(c)
Option 2: Retain and upgrade Daon face component; and s 6(c)	This option was not recommended because it: • Retains Daon as the face matching solution – Current issues with data quality and support remain. • Multi-vendor support model – Exacerbate current support issues with s 6(c) • Inefficiencies still persist - Current solution does not work for INZ. • Does not align to future state – Does not provide INZ ability to bring on new channels because we would be splitting where we are storing your face and fingerprint biometrics which introduces complexity for searching both biometrics. • 6(c) of the OIA • 6(c) of the OIA • Increased technical challenges - Complexity of integrating back to IGMS and potential issues arising from managing fingerprints

Option(s) not selected for recommendation	Reason why not selected for recommendation
	separately from biographics and facial data. Hosting fingerprint data in another organisation's environment introduces considerable technical, workflow and data flow complexity. • Challenges in interoperability – Solution will increase number of parties 6(c) of the OIA has complicated interfaces and orchestration of results will be more complex. • Impact on security polices – Considerations will need to be given to security polices 6(c) of the OIA

6. The Commercial Case

Products and / or Services required to deliver the recommended option

Approach

The project has complied with the MBIE Sourcing and Contract Policy

6(c) of the OIA

The recommended option means that Daon is no longer required in the vendor mix. INZ's current 5 year contract with Daon expires in May 2020 and INZ will have to renegotiate with Daon for a short term extension of the support contract.

Procurement Plan

NEC is an existing vendor to INZ with whom MBIE has a recently agreed Master Service Agreement. The recommended solution is more than an "update in place" due to the consequential benefits that are inherent in the approach. The impact of the in situ update would be less than a completely new system.

An exemption from the requirement to undertake an open tender was approved by MBIE Procurement to enable the direct use of NEC as an existing supplier, updating the software and algorithms to provide an updated solution that they will also support.

Negotiated Deal

Implementation requires a Supplier Statement of Work(s) (SOW) from the relevant vendors. The SoW will be progressed on approval of this business case.

Recommended Supplier(s)

Supplier Name	Reason why selected
NEC	Technical fit to business requirements. Tier 1 global supplier of capability and services in this specialised area of safety and security capability. Ranked #1 in the world by NIST. Able to provide local support in Wellington for INZ. Already providing biometrics matching solution within current IGMS. Simpler vendor landscape.
Datacom	Incumbent for hosted environment and integration with IGMS.
Vodafone	Incumbent provider for application related networking services.

DAON	To provide supporting services in removing their software from IDme and providing support for data migrations necessary to complete the update
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ICT Contract and Relationship Management

Formal arrangements will be in place to successfully manage the contract. **s 9(2)(a)** is the MBIE contract manager who has been appointed to manage the relationship with the recommended supplier(s) over the term of the contract.

Supplier Name	NEC New Zealand Limited (NECNZL)
Contractual arrangements	Statements of Work will be agreed between the parties under the Master Services agreement
The required products and services that have been negotiated are:	Biometric matching solution.
The implementation milestones agreed are:	Detailed design, Build and Test, Deploy, handover to BAU operations.
The proposed payment approach is:	Payment of fixed fees on completion of milestones with on-going monthly fees managed services.
Specific contract terms include:	N/A
Ongoing Support	Support of the solution is to be provided for X years at the sole discretion of the Ministry.
Escrow	N/A

Supplier Name	Datacom
Contractual arrangements	The Ministry and Datacom will agree a Sub-Project Plan (SPP) to engage Datacom to provide Analysis, Design and Implementation of the services required to integrate IGMS with the NEC solution
The required products	Changes to IGMS to integrate with NEC solution. Deployment of new servers and decommissioning of existing servers.

and services that have been negotiated are:	
The implementation milestones agreed are:	Detailed design, Build and Test, Deploy, handover to BAU operations.
The proposed payment approach is:	Payment of fixed fees on completion of milestones with on-going monthly fees managed services.
Specific contract terms include:	N/A
Ongoing Support	Support of the solution will using the existing support model for IGMS
Escrow	N/A

Commercial Risks

The following Commercial Risks associated with the project have been identified:

New Zealand Immigration			Risk Description				Target / Treated Risk		
Date Identified	Risk ID e.g. - INZ Project FMIS Code Risk # - ie INZ 2048 R001	Risk Owner	Risk cause	Risk Description	Risk Impacts	Risk Type (Operational, Enterprise, Strategic, change)	Likelihood	Consequence	Inherent Risk Exposure
Nov 2018	NA	9(2)(a) of the OIA	NA	If we are unable to extract from Daon prior to the end of the current contract, then any short term extension may incur a greater cost	NA	Commercial	L	M	L
		9(2)(a) of the OIA		If the commercial contract negotiations fail to ensure that the full delivery of the preferred solution is within cost expectations, then the	A Change Request for additional funding would likely be required		Low	High	Low

New Zealand Immigration			Risk Description				Target / Treated Risk		
Date Identified	Risk ID e.g. - INZ Project FMIS Code Risk # - ie INZ 2048 R001	Risk Owner	Risk cause	Risk Description	Risk Impacts	Risk Type (Operational, Enterprise, Strategic, change)	Likelihood	Consequence	Inherent Risk Exposure
				project budget may be insufficient					

Next Steps

Develop and issue SoW to NEC and Datacom.

7. Financial Case

Summary of business capital and operational costs including out years

Summary of capital and operational costs including out years							
	Current Year 2019/20	Year 1 2020/21	Year 2 2021/22	Year 3 2022/23	Year 4 2023/24	Year 5 2024/25	Total
Total project delivery capex expenditure	\$9,540,744	\$918,114	\$-	\$-	\$-	\$-	\$10,458,858
Total project delivery opex expenditure	\$-	\$46,272	\$-	\$-	\$-	\$-	\$46,272
Estimated on-going business opex (excluding depreciation)	\$-	\$-	\$-	\$-	\$-	\$-	\$-
Estimated on-going ICT opex (excluding depreciation)	s 9(2)(b)(ii)						
Whole of Life costs (capex + opex + on-going costs ¹³)	\$9,540,744	\$2,513,283	\$1,858,676	\$1,858,676	\$1,858,676	\$1,858,676	\$19,488,731
Ongoing tangible financial benefits ¹⁴	\$-	\$3,319,499	\$3,883,575	\$3,914,482	\$3,949,438	\$3,988,976	\$19,055,971

Cost benefit analysis of monetary costs and benefits - out years

	Current Year 2019/20	Year 1 2020/21	Year 2 2021/22	Year 3 2022/23	Year 4 2023/24	Year 5 2024/25	Total
Net Cash flow (Benefits less Total Costs)	N/A						
IRR	N/A						
Net Present Value (NPV)	N/A						

¹³ This formula includes depreciation

¹⁴ Refer to [Economic benefits](#) on page 19 for itemised description of cost savings. Refer to **ICT capital and operational costs** on page 65, On-Going Operational table and Savings section for saving details over the 6 years.

Business Opex Impacts - forecast ongoing costs

Description	Assumes	Assumed Incr (\$/yr)	Assumed Start Date	Cost Centre	Business Group/Branch	Confirmed By (Owner & Title)
Support and Maintenance		\$1,858,676	FY20/21	2919	Service Design & Performance	

Deltas in costs

This project is expected to have a positive impact on ongoing cost, as described in the table below.

9(2)(b)(ii) of the OIA



Assumptions as per the notes above:

Note 1: The Depreciation cost is included for completeness, noting that depreciation is not a cost saving

Note 2: The NEC Licence and Support cost is greater than the Daon cost however NEC is providing a greater level of support than that currently received from Daon.

Note 3: The cost of infrastructure will reduce when the number of IDme servers is reduced from 104 to 40.

Note 4: Efficiency Savings notes and caveats:

- Includes efficiency savings due to not needing to hire 10 FTE's. This funding has been transferred from ETA to Identity Services.

- The growth factor has been estimated at 12%. However indications are that this is conservative when considering the exponential growth that has occurred in face matching over recent years.
- Assumptions deriving efficiency savings can be found in section: [Cost assumptions and constraints \(Page 62\)](#).

Note 5: The cost of illegal migrants to New Zealand is based on the following:

s 6(c)

- **Note** that as these savings are to New Zealand, rather than Immigration and therefore the numbers above have not been included in the financial benefits.

¹⁵ 6(c) of the OIA

ICT Capital and Operational costs

Project Capex								
		Q1	Q2	Q3	Q4	Current Year Total	Out Years	TOTAL
Personnel § 9(2)(a) Contractors 3164)								
§ 9(2)(a) Contractor	§ 9(2)(b)(ii)					77,832	-	77,832
§ 9(2)(a) Contractor						75,064	1,848	76,912
§ 9(2)(a) Contractor						273,330	34,684	308,014
§ 9(2)(a) Contractor						157,800	12,600	170,400
Hardware (3155)								
Servers § 6(c)	§ 9(2)(b)(ii)					195,534	34,506	230,040
Vendor Costs (3163)								
NEC	§ 9(2)(b)(ii)					5,310,000	560,000	5,900,000
Datacom (IGMS)						2,200,284	244,476	2,444,760
Datacom IGMS Contingency						1,222,380		1,222,380
Vodafone						13,000	-	13,000
Quality / Security (3163)								
Security audit	5,520	-	-	-	5,520	-	5,520	
Training (2951)								
Training material	-	-	-	10,000	10,000	-	10,000	
Total Project Capex		931,838	2,781,940	2,733,364	3,093,602	9,540,744	918,114	10,458,858
Project Contingency	15%							1,568,829
Project Opex								
		Q1	Q2	Q3	Q4	Current Year Total	Out Years	TOTAL
Decommissioning Costs								
Vendor (Datacom DCSG)						-	46,272	46,272
Total Project Opex		-	-	-	-	-	46,272	46,272

On-going Operational											
				Current Year 2019/20	Year 1 2020/21	Year 2 2021/22	Year 3 2022/23	Year 4 2023/24	Year 5 2024/25	TOTAL	
Financial	Start Year	No. of Years									
	Depreciation	Y2	8	-	s 9(2)(b)(ii)					6,318,893	
Software (3163)											
	NEC Support and Maintenance		-								
IaaS (3162)											
	Server	6(c)	-								
ITMS (3163)											
	Ongoing Service Support		-							643,046	
Total Costs				-	2,638,361	3,166,033	3,166,033	3,166,033	3,166,033	15,302,494	
Savings											
Support and licenses (Daon solution)					s 9(2)(b)(ii)					4,072,315	
Datacom Hardware				s 9(2)(c)							5,436,050
Datacom ITMS										1,278,552	
Future FTE	Cost avoided	based on 12%	Volume inc		201,353	236,799	267,706	302,662	342,200	1,350,720	
Efficiency	savings	Curent capacity			783,333	940,000	940,000	940,000	940,000	4,543,333	
Total Savings				-	2,844,499	3,408,575	3,439,482	3,474,438	3,513,976	16,680,971	
Change to Cost Centre				-	(206,138)	(242,542)	(273,449)	(308,405)	(347,943)	(1,378,477)	

Analysis of Ongoing Operational Cost Savings over time	Current Year 2019/20	Year 1 2020/21	Year 2 2021/22	Year 3 2022/23	Year 4 2023/24	Year 5 2024/25	Total
Depreciation over 8 years (Note 1)		s 9(2)(b)(ii)					\$6,318,893
NEC License and Support (Note 2)		s 9(2)(b)(ii)					\$5,316,667
Daon Licence Savings							-\$4,072,315
Current s 6(c) Cost based on 104 Servers		s 9(2)(b)(ii)					\$5,436,050
Future state s 6(c) cost based on 40 Servers							\$3,023,888
Savings		\$415,890	\$499,068	\$499,068	\$499,068	\$499,068	\$2,412,162
Current ITMS Cost		s 9(2)(b)(ii)					\$1,278,552
ITMS Costs post implementation							\$643,046
Cost Savings		\$109,570	\$131,484	\$131,484	\$131,484	\$131,484	\$635,506
Annual Datacom Savings (Note 3)		s 9(2)(b)(ii)					\$3,047,668
Cost avoidance based on efficiency savings							4,543,333
Cost avoidance based on growth factor							1,350,720
Cost avoidance - efficiency savings (Note 4)	\$0	\$984,686	\$1,176,799	\$1,207,706	\$1,242,662	\$1,282,200	\$5,894,053
Savings to Immigration NZ	\$0	\$206,139	\$242,542	\$273,449	\$308,405	\$347,943	\$1,378,477

Assumptions as per the notes above:

Note 1: The Depreciation cost is included for completeness, noting that depreciation is not a cost saving

Note 2: The NEC Licence and Support cost is greater than the Daon cost however NEC is providing a greater level of support than that currently received from Daon.

Note 3: The cost of infrastructure will reduce when the number of IDme servers is reduced from 104 to 40.

Note 4: Efficiency Savings notes and caveats:

- Includes efficiency savings due to not needing to hire 10 FTE's. This funding has been transferred from ETA to Identity Services.
- The growth factor has been estimated at 12%. However indications are that this is conservative when considering the exponential growth that has occurred in face matching over recent years.
- Assumptions deriving efficiency savings can be found in section: [Cost assumptions and constraints \(Page 62\)](#).

[3] The cost of illegal migrants to New Zealand is based on the following:

s 6(c)

16 s 6(c)

6(c) of the OIA

- Note that as these savings are to New Zealand, rather than Immigration and therefore the numbers above have not been included in the financial benefits.

Risks & Contingency:

- The contingency figure recommended for this project is 15%.
- s 9(2)(b)(ii)

Cost assumptions and constraints

The following are the cost assumptions for this project:

Cost Assumption(s)	Comments
Datacom Costs	Datacom's costs were supplied in their document: Datacom Biometric Capability 6(c) of the OIA For the purpose of this business case, we have selected Option 2 Best Case + Variation. This includes Datacom's contingency s 9(2)(b)(ii)
NEC Costs	NEC supplied their costs in 6(c) of the OIA
Vodafone Costs	Vodafone costs based on actual costs incurred undertaking a similar network implementation for the K2 project
Hosting Costs	Datacom's DCSG and ITMS costs were supplied in their document: 70188 - Budget Estimate - INZ Biometric.docx 6(c) of the OIA
Contingency	We recommend an overall capex contingency of 15%. 9(2)(b)(ii) of the OIA
Savings – Support and licenses (Daon solution)	Daon's support cost is bundled into a single package which includes the enrolment piece. 9(2)(b)(ii) of the OIA 9(2)(b)(ii) of the OIA
Future cost avoidance	Estimates have been calculated using the following assumptions: Growth • Cost savings is not about reducing the number of FTEs in the Face Resolution team; but rather with an improvement in the algorithms, to lessen the need for additional FTEs to accommodate natural growth. • Does not take into consideration increase in face resolution tasks from any new initiatives (e.g. ETA).

Cost Assumption(s)	Comments
	- Salary + overheads (office space, electricity, and administration) is estimated at s 9(2)(b)(ii) - Estimated 12% natural growth in number of manual resolution tasks. - Is based on limited information and assumptions; and is our best attempt in demonstrating the potential savings in resources. ETA has provided 10 FTE's to deal with the expected volume increase from ETA. That increase will no longer be required.

Cost Constraints	Comments
N/A	

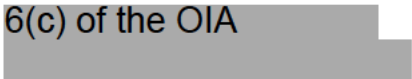
8. Management Case

Approach

The project will use the Immigration NZ Project Governance Framework, INZ Project Management processes and tools and adhere to the INZ Portfolio Quality Assurance. Once the business case is approved, the relevant vendors will be approached to commence the next stages of the project – Build, Test and Deploy. The Project Close report will also be developed.

Collective delivery

The table below shows alignment to goals set in the IDme maintenance program and the rationale for delivering the capability collectively rather than in fragments.

IDme maintenance program goals	Biometric Capability Update	Rationale for delivering capability collectively
Ensure current and supported versions of matching algorithm and software continue to be used.	Upgrade face and fingerprint matching algorithms and software to the latest NEC versions.	A version upgrade to the matching algorithm will see cost reductions. Delivering capabilities collectively will further: • Remove technical complexity. • Remove requirement to re-template face and fingerprints for multiple populations. • Avoid costs of fixes and changes to the Daon product. • Reduce licencing fees by removing Daon. Upgrading both face and fingerprint (rather than one or the other) will: • Maximise benefits with the NEC solution. • Remove the need for middleware and its integrator. • Simplify the support model • Reduce technical complexity. • Simplify future upgrade paths.
Reduce costs and complexity; improve matching results with combining identity populations.	6(c) of the OIA   • Reduce infrastructure cost; • Allow flexibility to add other 'flags'; • Improve search performance.	
Support ability to manage increasing online volumes and strategic projects that are on the roadmap that will reuse IDme services and cause step increases in identity volumes.	Increase capacity of biometrics engine to meet growth.	
Ensure system upgrades align with INZ Technical Architecture roadmap as appropriate.	Implement a loosely coupled biometric matching service that will be re-used by different channels.	
Meet the performance requirements in order to handle the throughput of transactions.	The latest NEC matching algorithm and software improves transactional performance over the previous versions.	
Remove technical debt and technical complexity.	Removal of redundant middleware (Daon).	

IDme maintenance program goals	Biometric Capability Update	Rationale for delivering capability collectively
Ensure system is easily upgradable to support new versions of matching algorithms.	Upgrade face and fingerprint matching algorithms and software to the latest NEC versions; thereby simplifying the future upgrade paths.	
Provide more responsive and simplify matching vendors' support models	Removal of Daon as the third party integrator will simplify the vendor support model. NEC is a Global Tier 1 provider in these specialist areas; and provides onshore and local support.	
6(c) of the OIA [REDACTED]	Latest NEC matching engine is deployable to the MBIE standard Microsoft platforms removing the need for proprietary technology.	
Increase the quality of the fingerprint images, to improve matching accuracy.	Delivery a NEC COTS fingerprint editing tool; and a business process to assure quality of fingerprints.	
Deliver a solution which empowers mobile personnel in their tasks.	The project will provide mobile capability for biometrics matching to enable future initiatives in implementing their mobile solution.	

Product Descriptions (Deliverables)

The Products (Deliverables) are based on the requirements and scope and have been agreed with the business owner.

Title	Description	Type
Prod1	Detail Business Requirements	Document
Prod2	Requirements Traceability Matrix	Document
Prod3	Current State Analysis	Document
Prod4	Business Process Impact Assessment	Document
Prod5	Development and implementation of new support model	Document
Prod6	Business Change Management Plan	Document

Prod7	Operational Readiness Review	Document
Prod8	ICT Systems Handover	Document
Prod9	Solution Design Part A	Document
Prod10	Solution Design Part B	Document
Prod11	Build Schedule	Document
Prod12	Security Risk Assessment	Document
Prod13	Test Plan	Document
Prod14	Test Exit Report	Document
Prod15	Project Closure Report	Document

Product Quality Assurance

MBIE's Identity Management Systems has been in production since 2016. Over the years, the business has built up a good understanding of "quality" biometrics. Furthermore, engagement of a world class biometrics agency ensures that INZ quality standards are globally consistent. Product quality can be readily assured through regression and user acceptance testing.

Delivery schedule, milestones and the work breakdown structure including Products/Work-packages

The template below shows the steps that the project will follow through implementation phases post business case approval.

Task Name	Duration	Start	Finish
Gate 3 & Stage 3 - Manage	222 days	16/08/19	7/07/20
Build & Test	222 days	16/08/19	7/07/20
Procurement work package(s)	15 days	16/08/19	5/09/19
Vendor estimates revisited and confirmed	10 days	16/08/19	29/08/19
SoWs signed	5 days	30/08/19	5/09/19
ICT work package(s)	219 days	16/08/19	28/2/20
ARB for ICT Design approval	10 days	20/08/19	29/08/19
Build & Configure (as per SoW)	176 days	30/08/19	15/05/20
Testing	30 days	18/05/20	19/06/20
Testing complete	1 day	19/06/20	19/06/20
Hand-over to ICT operations defined & agreed	5 days	29/06/20	3/07/20
ICT Go Live date scheduled	1 day	6/07/20	6/07/20
Business Change work package	25 days	1/06/20	7/07/20
Business Acceptance ICT Test plans developed	5 days	1/06/20	5/06/20
Business Acceptance Testing successfully completed	5 days	22/06/20	26/06/20
Business training carried out	3 days	1/07/20	3/07/20
Business Training complete	1 day	3/07/20	3/07/20
Business Go Live date scheduled	1 day	6/07/20	6/07/20
Go Live approval process (not always as part of Change Bundle)	3 days	1/07/20	3/07/20

Go Live - approved	1 day	6/07/20	6/07/20
Go Live schedule/dates	1 day	7/07/20	7/07/20
Gate 4 & Stage 4 Go Live Deployment	13 days	12/07/20	28/07/20
ICT Deployment	12 days	12/07/20	24/07/20
ICT Go Live	1 day	12/07/20	12/07/20
ICT Early Life Support period	10 days	12/07/20	24/07/20
Hand-over to ICT support complete	1 day	24/07/20	24/07/20
Business Change Deployment	13 days	13/07/20	25/07/20
New business process(es) deployed	1 day	13/07/20	13/07/20
Business early life support period	10 days	13/07/20	24/07/20
Hand-over to business operations completed	1 day	27/07/20	27/07/20
Business Acceptance signed off	1 day	28/07/20	28/07/20
Gate 5 and Stage 5 decomissioning	31 days	27/07/20	07/09 20
Decommissioning of Redundant infrastructure	12 days	27/07/20	07/09/20
Environment 1	10 Days	27/07/20	10/08/20
Environment 2	10 days	27/07/20	10/08/20
Environment Pre Production	10 Days	03/08/20	24/07/20
Environment Production	10 Days	10/07/20	31/08/20
Network reconfiguration	30 Days	27/07/20	07/09 20

The schedule for project closure can be found in the 'Planning for Closure' section of this business case.

Assumptions

#	Assumption	Impact if Assumption does not hold	Validated by	Validation date	Notes
AS01	Validation by Biometrics Consultant (i.e. Biometix) will not uncover any serious flaws in the option selected.	Solution may be deficient.	Biometix	8/11/2018	

Constraints

No constraints have been identified for this project.

#	Constraint	Impact	Validated by	Validation date	Notes

Project dependencies

#	Description the dependency	Name of project dependent on	Dependency Inward or Outward?	Milestone impacted	Impact Assessment	Date required to be delivered
Dep01	ETA is depending on BCU to provide the capacity to meet the increased demand in enrolled identities; including face images.	Electronic Travel Authority (ETA)	Inward	NA	Face matching engine is able to meet increase number of biometrics from ETA.	Interim project delivered in FY1819 to cover initial capacity increase. BCU project will deliver flexibility in adding matching capacity further to meet growth and future requirements
Dep02	The Photo Quality Check workstream will provide a standalone photo quality check for face images.	Photo Quality Check	Both	TBC	PQC aligns with face matching engine.	May 2020
Dep03	Biometric Enrolment is depending on BCU to provide the capacity to meet the increased demand in enrolled identities; including fingerprints.	Biometric Enrolment	In	TBC	Fingerprint component is able to meet increased volume.	TBC

All dependencies are entered in to Project Server.

Tolerances

The tables below lists the permissible deviations from the project targets than can be managed without raising a Change Request.

Project level tolerances

Time and Cost project tolerances comply with the MBIE standard. Zero Scope Tolerance is the INZ standard and by default also includes Benefits. Risk and Quality Tolerances have been agreed with the Business Owner.

The Project Manager will inform the Business Owner and Project Sponsor as soon as it becomes apparent that tolerance will be used. Where it is forecast that there will be a deviation beyond the agreed tolerance level a Change Request will be raised. A Change Request is not required where a project delivers ahead of schedule or under budget.

Tolerance criteria		Tolerance Settings default
Time ¹⁷	+/- time on target completion date	3 weeks over the agreed target completion date
Cost	+/- amount of approved budget	5% over budget or \$150k whichever is the less
Scope	permitted variation of the scope of a solution	Zero: All "Must have" (MVS) requirements met
Risk	limit on the aggregate value of threats; limit on any individual threat	All RED risks to have treatment plans
Quality	target range, set at the product level	No show stoppers
Benefits	target benefits defined as a range	All Must have and Should Have Requirements met

Delivery Assurance Plan

Exception and Change Control process

Upon approval of this business case, the project plan will be baselined, after which all project changes will come under formal change management. A project Change Request will be raised for any proposed changes to scope, schedule and/or financials and approval sought from INZ governance for the changes.

In addition, the following project reporting and assurance activities will be carried out:

¹⁷ 3 weeks slippage applies to the project completion date. For a large project, 3 week slippage for a milestone may be absorbed and recovered and may not impact the overall end date.

Assurance activities	Mandatory/Optional/ Recommended	Frequency -
Business owner	Mandatory	tbd
Project status reporting for the business owner	Mandatory	tbd
Project status reporting is done in MS Project sever (for INZ governance and the business owner reporting). Work package reporting as agreed with the Project Manager	Mandatory	Weekly
Project Steering Group	Optional	tbd
Project Reference group meetings	Optional	tbd
Project Risk Assessments using the MBIE standard	Mandatory	Throughout the project lifecycle
Compliance with INZ Change Portfolio Project Management framework, processes, governance and quality assurance	Mandatory	Throughout the project lifecycle
Compliance with INZ Change Portfolio project health checks, including Benefits checks	Mandatory	As required, throughout the project lifecycle
Compliance with INZ Business Change and Integration processes	Mandatory	As required, throughout the project lifecycle
Acceptance Certificates signed by the business	Mandatory	As required /on milestone deliverables
External Assurance activities (as required)	Optional	Independent Quality Assurance review as mandated

Testing and Acceptance/Early Life Support

Testing, Early Life Support and Acceptance assurance activities are included in the work package/product delivery. As part of formal hand-over to BAU, the business owner will sign an Acceptance Certificate for each Product/Work-package.

Resource estimates for delivery:

Impact to business is low, as this project is an upgrade and enhancement of the back-end technology for biometrics matching technology. Implementing it will not have significant impact on INZ resourcing though details of this will not be determined until implementation planning gets underway.

Project Risks

The following project risks have been identified and will be actively managed by the project. Where it appears that the risk will materialises as an issue, the discussion with the business owner and further escalation action may be required to be taken. Risk contingency may be required to be used and a CR.

New Zealand Immigration			Risk Description				Target / Treated Risk		
Date Identified	Risk ID <i>e.g. INZ Project FMIS Code Risk # - ie INZ 2048 R001</i>	Risk Owner	Risk cause	Risk Description	Risk Impacts	Risk Type (Operational, Enterprise, Strategic, change)	Likelihood	Consequence	Inherent Risk Exposure
R1	NA	TBC	NA	Complex Vendor Relationship If the Vendors are unable to agree a satisfactory RACI for design and implementation of the technology components, then planned upgrade cannot be completed.	Low - there is only a single intersection point where the old and new capability can operate in parallel.	Strategic	Low	Low	Work with all vendors and internal stakeholders to agree RACI.
R2	NA	TBC	NA	If integrated INZ technology work stream planning is not undertaken, then other projects or work streams may develop the same or conflicting capabilities.	Duplicate capabilities or conflicting solutions are developed.	Operational	Low	Low	Continue cross work stream planning take places a Align business and technical solution with ICT INZ Strategic Architecture Ensure formal

New Zealand Immigration			Risk Description				Target / Treated Risk		
Date Identified	Risk ID <i>e.g. INZ Project FMIS Code Risk # - ie INZ 2048 R001</i>	Risk Owner	Risk cause	Risk Description	Risk Impacts	Risk Type (Operational, Enterprise, Strategic, change)	Likelihood	Consequence	Inherent Risk Exposure
									INZ governance processes are adhered to
R3	NA	TBC	NA	If sufficient funding is not available then the maintenance may not complete all the individual work items.	Project will end without completing all requirements. This will further increase the INZ backlog and technical debt.	Strategic	Low	Medium	Ensure funding is secured through investment rounds Planning to ensure off ramps and phases are utilised to logically group like capability. Prioritise the individual work items and associated activities.
R4	NA	TBC	NA	If resources are insufficient to deliver all INZ projects and Programmes, then the Maintenance work	Implementation is delayed and benefit realisation is	Operational	Low	Medium	Ensure formal INZ governance processes are adhered too.

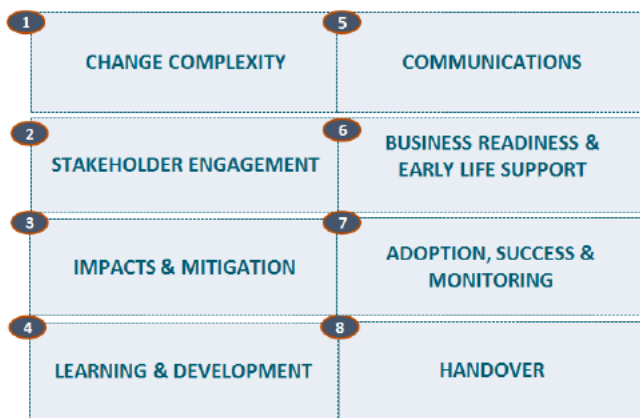
New Zealand Immigration			Risk Description				Target / Treated Risk		
Date Identified	Risk ID <i>e.g. INZ Project FMIS Code Risk # - ie INZ 2048 R001</i>	Risk Owner	Risk cause	Risk Description	Risk Impacts	Risk Type <i>(Operational, Enterprise, Strategic, change)</i>	Likelihood	Consequence	Inherent Risk Exposure
				stream may be prioritised behind other project, and the Maintenance may not be fully completed	deferred.				
R5	NA	TBC	New commercials	If commercial agreements with vendors result in unresolved commercial issues this may prevent progression of some of the work items.	Solution won't meet all requirements or Implementation is delayed and benefit realisation is deferred	Operational	Low	Medium	Work early and closely with vendors to iron out potential commercial roadblocks.
R6	NA	TBC	NA	All vendors need to work together and schedule accordingly	Work items may be delayed, and need to be reprioritised	Operational	Medium	Medium	Ensure project management and governance processes are adhered to. Investigate alternate options for providing sufficient capacity and

New Zealand Immigration			Risk Description				Target / Treated Risk		
Date Identified	Risk ID <i>e.g. INZ Project FMIS Code Risk # - ie INZ 2048 R001</i>	Risk Owner	Risk cause	Risk Description	Risk Impacts	Risk Type <i>(Operational, Enterprise, Strategic, change)</i>	Likelihood	Consequence	Inherent Risk Exposure
									capability across streams

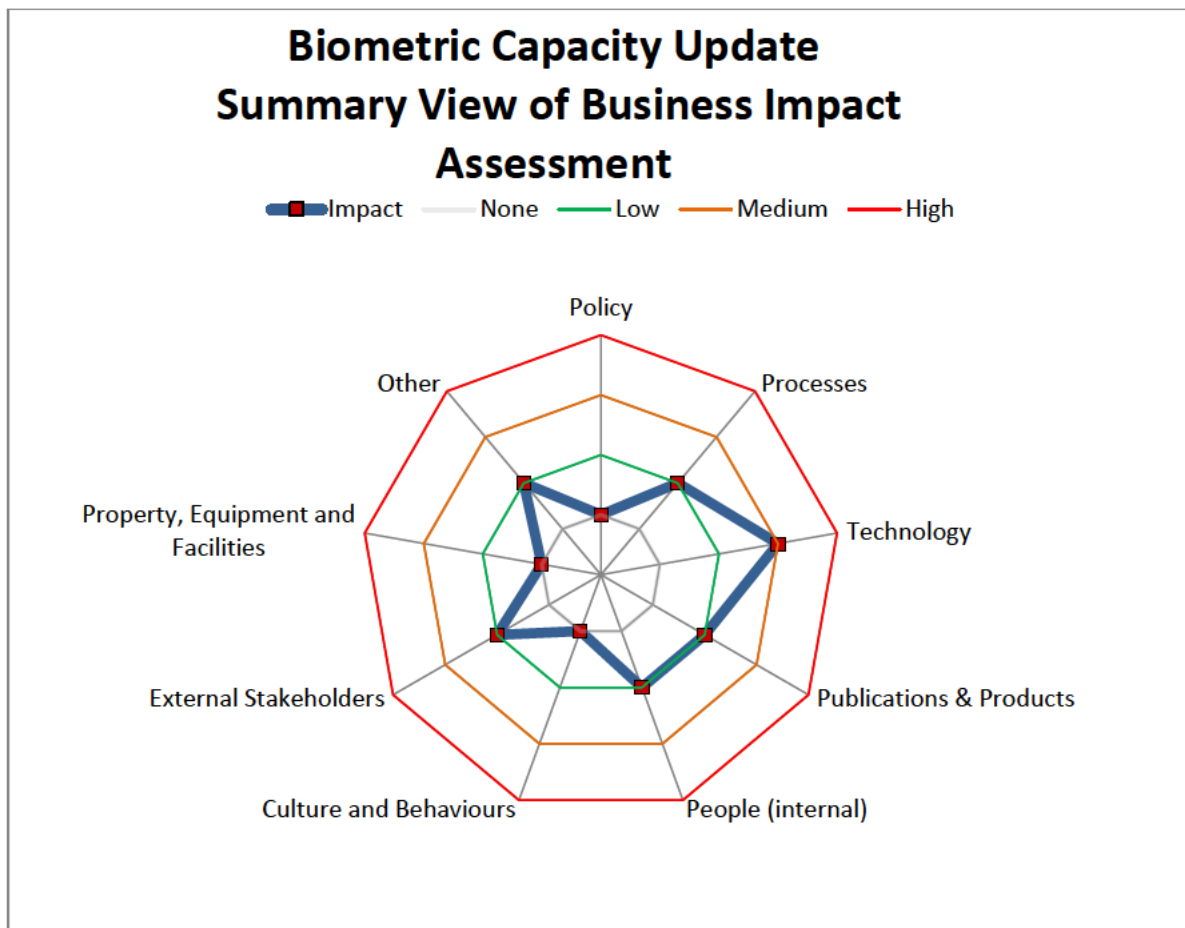
A link to the Project Risk Register can be found in the Reference Documents section at the beginning of this document. Risks are also entered in to project server.

Business Change Management

The Business Change Management strategies are outline in the [Defining the Change](#) document. It will apply the INZ Business Change Architecture and support the INZ Business Case.



Summary of the Business Change Management Focus Areas table here from the define the business change



Business Change - Defining the Business Change, High level assessment.docx
6(c) of the OIA

Focus Areas	Priority H/M/L	Description
Change Complexity	M	Implementation of a simplified ICT solution
Stakeholder Engagement	L	Stakeholders impacted by this solution are: • Identity Services • NZ Police
Impacts and Mitigations	L	No substantive change to how Identity Services, Border and Visa Services work. The impact is positive in that more accurate information will be received in a timely manner. The reduction in the requirement for Manual resolution will allow the specialist teams to focus on higher risk, time critical assessments.
Learning and Development	L	Identity Services Specialist staff will require training on how to tune the biometric algorithms.
Communications	L	SDP will be responsible for communicating business change to INZ
Business Readiness and Early Life Support	L	This project will follow the standard INZ and ICT process for Business Readiness and Early Life Support
Adoption, Success & Monitoring	L	The success of this project will be measure through the benefits realisation.
Handover	L	This project will deliver the standard ICT handover documentation (Operational Readiness Report, Support and Operation Model, Test Exit Report, Project Closure report).

Role	Work package #	Name	Responsibility
Project Reference Group member	NA	9(2)(a) of the OIA	Oversight
Project Reference Group member	NA	9(2)(a) of the OIA	Oversight
Senior ICT Project Manager	All	9(2)(a) of the OIA	Management of deliverables
Senior Business Analyst	All	9(2)(a) of the OIA	Analysis and support
Senior Solution Architect	All	9(2)(a) of the OIA	Technical solution
Procurement Manager / ICT Commercial	NA	9(2)(a) of the OIA	Commercials with vendors
Function owner from CRIS perspective	NA	9(2)(a) of the OIA	Informed
Function owner from CRIS perspective	NA	Steve Vaughan	Informed
Function owner from CRIS perspective	NA	9(2)(a) of the OIA	Informed
Subject Matter Expert	NA	9(2)(a) of the OIA	Informed
Subject Matter Expert	NA	9(2)(a) of the OIA	Informed
Subject Matter Expert	NA	9(2)(a) of the OIA	Informed
Project Manager / Subject Matter Expert	Change	9(2)(a) of the OIA / TBC	Manage and perform change activities (e.g. communication and training) as a result of the project.

Project roles and responsibilities (as documented by the INZ Portfolio) have been discussed with the relevant stakeholders. The INZ Portfolio project management roles and responsibilities can be found under Cross Stage templates: s 6(c) and used by the project manager for agreement.

Planning for project closure and Close Stage

During Deployment, the project manager completes the project close activities:

Schedule for project closure:

Task Name	Duration	Start	Finish
Planning for Project Close	10 days	07/09/20	7/08/20
Planning for Project Close	5 days	02/09/20	07/09/20
Project Close Report completed	5 day	07/09/20	12/09/20
Gate 6 & Stage 6 - Project Close	11 days	12/09/20	TBC
Close Report socialised with stakeholders and feedback incorporated	5 days	12/09/20	18/09/20
Endorsements received for Project Close report	3 days	18/09/20	20/09/20
INZ BCB meeting	1 day	TBC	TBC
Project Close Report - approved	1 day	TBC	TBC
BCB approval to close the project received	1 day	TBC	TBC

Appendix A

Reviewed by

Function	Role	Content reviewed	Comments ; Caveats and Date Caveat to be / or actioned by	Date	Name and Signature
ICT Release and Environment Manager (M)	ICT Environment Contentions	Schedule	9(2)(a) of the OIA		Embed snapshot of email approval
Business Change, Integration and Deployment (M)	Business Change Reviewer	Business impacts, stakeholders, deployment communications	9(2)(a) of the OIA		 9(2)(a) of the OIA endorsement.msg
INZ Finance (M)	Financial Reviewer	All financial content	9(2)(a) of the OIA		Embed snapshot of email approval
INZ Portfolio Management Office (M)	Governance, Process and Quality Assurance	All	TBC		Embed snapshot of email approval
Peer review (O,R)	Peer review	All	9(2)(a) of the OIA		Embed snapshot of email approval

Consulted with

Function	Role	Content reviewed	Date	Name
Key stakeholders	Review relevant section	Content relevant to the stakeholder interest		

Appendix B – Benefits Table

Benefit category	Benefit type	Benefit Description	Weighting	Ref #	Baseline value	Benefit measurement	Benefit value	Financial Years					Total	Benefit Owner	Benefit timing	Delivery Tracking responsibility
Fixed list of categories - Do not remove from table	Attempt to re-use these benefit types before introducing new ones		The contribution (expressed as a %) that this benefit contributes to the overall benefit position of the project		The pre-project value of the metric	Articulate how the metric will be calculated, basis of the numbers presented and the intended tracking method.	Go Live (Year 0)	Year 1	Year 2	Year 3	Year 4	Year 5	Total Benefit Value	GM and Branch / Delegated person	Articulate when the benefit will begin to be realised – project milestone or BAU timeframe	Project or BAU Name and Role (e.g. PM Name – Project Manager or Business Owner name and role)
Reduce/Avoid costs	Reduce the time and cost of each interaction/transaction	N/A														
	Reduce FTE headcount	Reduction in the FTE required during peak demand (within current volumes)	N/A	B01		Number of FTE hours required to perform face manual resolution will not need to be increased.	TBC							9(2)(a) of the OIA	12 months after go live	Identity Services
	Reduce system / platform cost	Combination of populations into a single population gives savings in infrastructure	N/A	B02	Support cost for current infrastructure	Cost savings	TBC							9(2)(a) of the OIA	Go live	Business Owner, IGMS
Reduce/Avoid risk	Deliver to new government requirements (Bill enacted)	N/A														
	Deliver to new government requirements (Regulatory amendments)	N/A														
	Deliver to new government requirements (Treaty obligations)	N/A														
	Remove technology risk to system availability	Improve supportability	30%	B03	Number of priority calls	The current number of priority calls to Daon and response time will be used as a baseline for measuring supportability.	TBC						TBC	9(2)(a) of the OIA	12 months after go live	Business Owner, IGMS
	Deliver to new government requirements (NZBN Cat A Directive)	N/A														

Benefit category	Benefit type	Benefit Description	Weighting	Ref #	Baseline value	Benefit measurement	Benefit value	Financial Years					Total	Benefit Owner	Benefit timing	Delivery Tracking responsibility
Increase productivity	Allow Third-Parties/Agencies to provide wider set of MBIE service offerings	N/A														
	Provide a wider set of delivery channels to meet customer demand (Mobile)	N/A														
	Improve flexibility and scalability	Technology ease and adaptability to changes	N/A	B04	Time taken to implement change through INZ ICT BAU.	Measure time from change request being raised to delivery into production.	6 months	2 months						9(2)(a) of the OIA	12 months after go live	Business Owner, IGMS
Increase quality	Improve quality of data and ability to access it	Improvement in biometric data quality	40%	B05	Improvement in face match score Increase in number of correct fingerprints	Run face images in the current and latest matching algorithms to derive scores. Currently more than one set of fingerprints with problems. Expect the number to decrease to zero with new solution.	~9 ¹⁸ >1	~99 0					TBC	9(2)(a) of the OIA	12 months after go live	Identity Services
Increase responsiveness	Develop / improve front line services to reduce the transaction time or response delay.	Reduction in manual resolution queues will reducing Identity processing time	N/A	B06	Processing time.	Number of Biometric Manual Resolution Tasks (Queue Size)								9(2)(a) of the OIA	At Implementation	Identity Services

¹⁸ Testing of face images from ETA using the current and latest face matching algorithms shows a vast difference in the match score. The scores 9 and 99 are just from testing of a single face image.

Biometric Capacity Update Business Case on a page

Strategic Case

Need to Invest

- Current solution not able to meet capacity, capability, and resource demands from new initiatives.
- 6(c) of the OIA
- Support model is complex.
- 6(c) of the OIA
- Multiple populations cause inefficiency, increased costs and data consistency issues.

Strategic Context

The BCU project provides a supported, modern identity processing platform in alignment to the INZ Asset Management Plan; enabling, improved risk identification and increased capacity and capability to meet business needs a crucial dependency for delivery of initiatives such as ETA (phase), Biometric Enrolment, ADA.

Investment Objectives and Case for Change

Objectives:What you are seeking to achieve?

Existing arrangements	Current servers going out of support, in flight and new initiatives putting pressure on capacity on infrastructure and resources, 6(c) of the OIA offshore vendor, 6(c) of the OIA
Business Needs	Quality biometric data, reduced manual resolutions, improved matching results, sustainable support model, scalable solution that will meet evolving business needs, and reduced technical debt and complexity. Aligns with INZ Asset Management Plan. Crucial enabler for future INZ key initiatives.
Scope	Upgrade biometric matching algorithm and software, removal of redundant middleware, migration and re-templating of biometrics, simplified support model, consolidation of identity populations, and improved quality of biometric data.
Benefits	Improves the quality of matching services increasing automated matching, reducing the manual resolution burden. Major simplification of ICT infrastructure reducing costs by 44% yearly on-going opex. 6(c) of the OIA, addressing existing issues. Simplified operation and support through the removal of DAON and consolidating with NEC, and their On-Shore support. Delivers common capability that future project will require, simplifying these projects and reducing silos of duplication.
Risks	Risk is low for this project.
Assumptions, constraints & dependencies	Electronic Travel Authority, 6(c) of the OIA Automated Decision Assist and Biometric Enrolment Expansion and 6(c) of the OIA all utilise functionality delivered by BCU to provide the capacity to meet increased demand in enrolled identities and provides the platform to enable the delivery of these projects.

Commercial Case

Prepare for the Potential Deal:

- NEC has recently signed a Master Services Agreement with MBIE and a Statement of Work will be agreed under this.
- MBIE will agree a Sub Project Plan (SPP) with Datacom for the integration work required to seamlessly integrate the NEC biometric capability within IGMS.

Economic Case

Note: "Do nothing" is not an option because IDme system needs to cater for expected volume growth and update the existing algorithms. "As a Service" option is not sufficiently mature but enabled by recommended option.

Options Analysis	Option1: Upgrade current solution	Option 3: Recommended Update biometric system with NEC solution
Fit for purpose	No	Yes
Is it do-able?	No	Yes
VFM	No	Yes
VFM Cost Benefit Analysis		
Appraisal Period (years)	5	5
Capital Costs	\$13,439,111	\$10,458,858
Operating Costs	\$46,272	\$46,272
On-going costs	\$12,137,637 (excluding depreciation)	\$8,893,601 (excluding depreciation)
Whole of life costs (Project Delivery Capex + Opex + On-going costs)	\$25,623,020	\$19,488,731
Recommended Option		Option 3
Recommended Option Description	Update INZ biometric solution with NEC as the core vendor.	

Financial Case – Financial Costing

	Current Year	Total
Total project delivery capex	\$9,540,744	\$10,458,858
Total project delivery opex	\$0	\$46,272
Total Revenue	\$0	\$0
Capital Funding Required	\$9,540,744	\$10,458,858

Affordability & Funding

The cost of remaining with the current solution and providing for increased volumes and new algorithms is greater than the proposed recommended option.

The recommended option has a \$275K per annum positive impact on ongoing cost (including funding of depreciation).

Management Case – key milestones

MS1
Commercial Engagement Phase
15 Aug 2019

MS2 Design Phase
29 Aug 2019

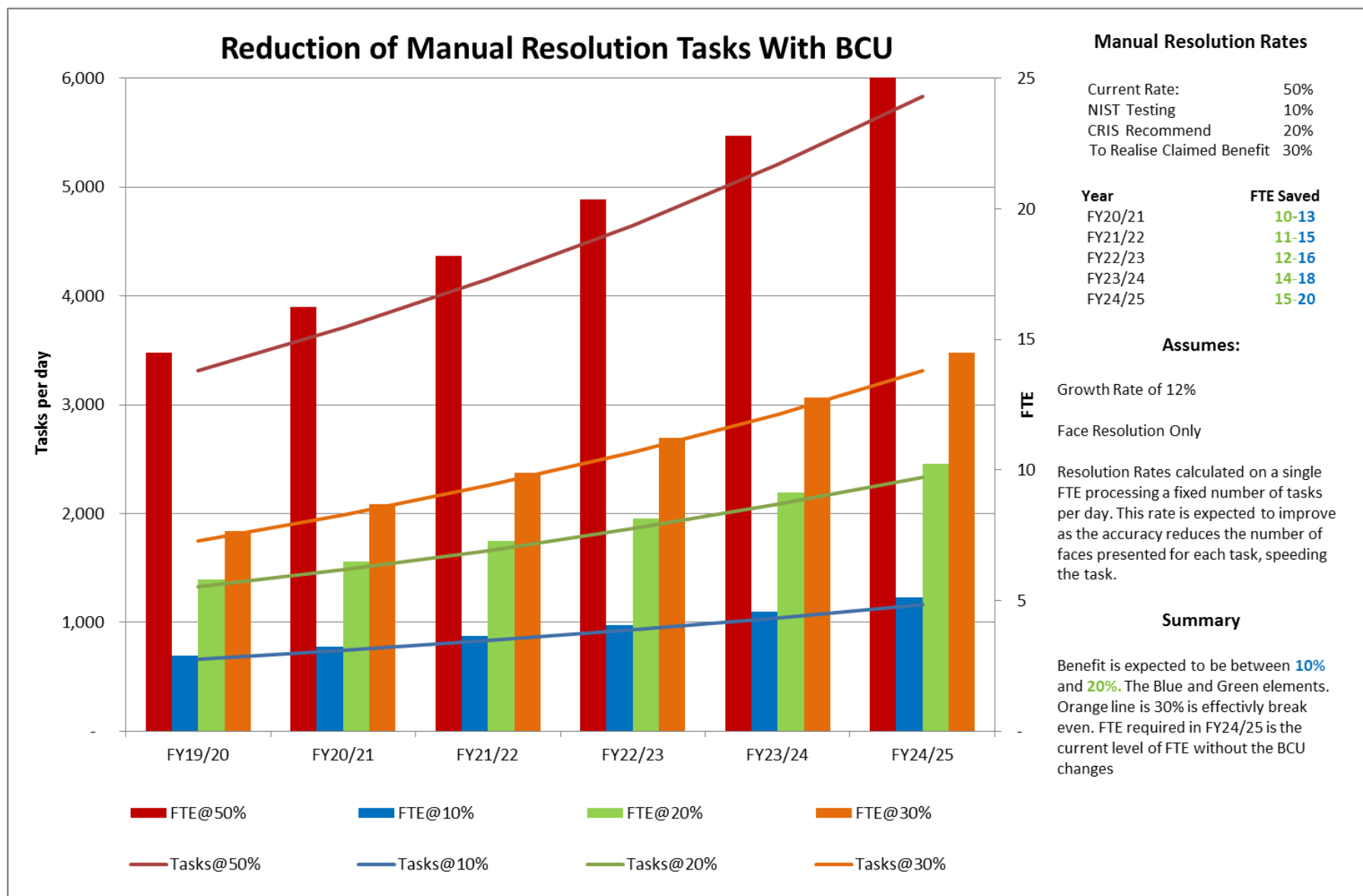
MS3 Build & Test Phase
7 Jul 2020

MS4 Go Live & Early Life Support
28 Jul 2020

MS5 Decommissioning
7 Sep 2020

MS6 Project Close
30 Sep 2020

Delivery Plan: Once the business case has been approved, the waterfall phases of commercial engagement, detailed design, build and test, deployment, handover to BAU operations and project closure will occur.



INZ Single Stage Business Case – Cover Sheet

Project Code & Name	3586 - IDme Resizing Component Business Case – In-Person Enrolment		
Project Sponsor	9(2)(a) of the OIA	Business Owner	Stephen Vaughan
INZ Branch	Compliance Risk & Intelligence Services	Project Manager	9(2)(a) of the OIA
Complexity	Medium	Delivery Approach	Phased
Document & version submitted	Business Case v1.3	Date submitted	29/03/2019
Capex Investment Bid	NA	Opex Investment Bid	NA
		Cost Centre	2146
Funding Source(s) & breakdown (if applicable)	INZ Capital	Contingency as per % of Risk Assessments	16%
Estimated Completion / Close Date	16/09/2020	Treasury Risk Profile Assessment	Low

Traditional Based (CAPEX) model

Business Case Capex Requested	\$2,255,046	Business Case Opex Requested	\$33,180
Total Project Capex (including earlier stages)	\$2,255,046	Total Project Opex (including earlier stages)	\$33,180

Service Based (OPEX) model

Business Case Capex Requested	\$320,496	Business Case Opex Requested	\$976,680
Total Project Capex (including earlier stages)	\$320,496	Total Project Opex (including earlier stages)	\$976,680

Description
This project is part of the INZ ICT Systems Maintenance Workstream and is a sub-project of the IDme Upgrade and IDme Upscale projects. The purpose of this business case is to request approval of capital funding of \$2,255,046 to enable the replacement of the existing In Person Enrolment solution.

The In-Person Enrolment (IPE) solution provides an identity capture client installed on devices for capturing in-person enrolments. Problems with the current solution have resulted in 6(c) of the OIA inefficiency, wasted time and resources, unresponsive and complex support model, outdated technology and reputational damage.

The following are real-life cases to demonstrate the problems:

s 6(c)

- **Inefficiency:** Setting up enrolment station in field is finicky and unforgiving; an experienced staff takes at least 40 minutes to set up a workstation.
- **Capture consistency and viability:** Staff resorted to by passing enrolment solution and taking photos on standalone cameras.
- **Problems with devices:** High failure rate with passport scanners means information is manually entered and prone to errors.
- **Manual workarounds:** Upload of identities is limited to manually selecting and uploading ten identities every ten minutes; which is a 3½ hour process for a typical mission profile.

The solution will replace 6(c) of the OIA as MBIE's primary identity In-Person enrolment solution. Key capabilities include:

- Capture of in-person enrolment including biometrics (face and fingerprints) and biographics;
- Centralised, Automated updating and maintenance of the client equipment from a central Service management platform; and
- On Shore, local, support from a Global tier 1 provider.

In addition, the solution will simplify the current solution and reduce the support operating model by one vendor, and improve the quality of support which will include the provision of New Zealand based support rather than the current Australian based front line support. Overall the solution will reduce the difficulty and overhead associated with in-house administration of IPE Kiosks, Pelican Cases and related hardware and paraphernalia.

This is aligned with key principles in the INZ: Striking The Balance business strategy, Digital Strategy,

Asset Management Plan and Future State Architecture (currently under development).

The enhanced IPE functionality will streamline the enrolment process by reducing common sources of error using the current technologies and methods. This solution is extensible to other business applications within INZ; Mobile Regulator will be able to utilise the IPE capability.

Two pricing models have been included in the business case:

- Traditional Based (CAPEX) model - This model capitalises IPE application software, development and workstation hardware. MBIE owns the software and hardware; and is charged an annual support cost.
- Service Based (OPEX) model - In this model, NEC provides IPE application, workstation hardware, licensing and support as a service with an on-going monthly charge.

ARG / ARB dates & commentary	22 November 2018
DA date & commentary	21 March 2019 <i>The DA endorsed the IPE business case with the following commentary:</i> 1. <i>Project benefits to be limited to 3 key benefits to facilitate benefits monitoring</i> 2. <i>Source of operational costs to be reconfirmed.</i> 3. <i>Mobile Regulator to be mentioned as one of the services that would use the IPE capability.</i> 4. <i>Finance Business Partner ^{9(2)(a) of the OIA} endorsement required.</i>
BRG date & commentary	27 March 2019 <i>Milestones to reflect intended delivery dates.</i> <i>Resolution of ongoing Opex – Progressing and being worked through with respective parties.</i> <i>Transfer of Cost Centre – Responsible Cost Centre will be updated once ongoing Opex has been resolved.</i>

Traditional Based (CAPEX) model

Description	Current Year FY 19/20	FY 20/21	FY 21/22	FY 22/23	FY 23/24	FY 24/25	Total
Total project delivery capex expenditure	\$2,255,046						\$2,255,046
Total project delivery opex expenditure	\$33,180						\$33,180
Estimated on-going business opex (excluding depreciation)	\$-	\$-	\$-	\$-	\$-		\$-
Estimated on-going ICT opex (excluding depreciation)	s 9(2)(b)(ii)						
Whole of Life costs (Delivery capex + opex + ongoing costs)	\$2,306,050	\$326,034	\$326,034	\$326,034	\$326,034	\$326,034	\$3,936,220
Ongoing tangible financial benefits	\$-	\$-	\$-	\$-	\$-		\$-

Service Based (OPEX) model

Summary of capital and operational costs including out years							
Description	Current FY 18/19	FY 19/20	FY 20/21	FY 21/22	FY 22/23	FY 23/24	Total
Total project delivery capex expenditure	\$320,496						\$320,496
Total project delivery opex expenditure	\$943,500	\$33,180					\$976,680
Estimated on-going business opex (excluding depreciation)	\$-	\$-	\$-	\$-	\$-	\$-	\$-
Estimated on-going ICT opex (excluding depreciation)	s 9(2)(b)(ii)						
Whole of Life costs (Delivery capex + opex + ongoing costs)	\$1,314,250	\$970,157	\$970,157	\$970,157	\$970,157	\$970,157	\$6,165,035
Ongoing tangible financial benefits	\$-	\$-	\$-	\$-	\$-	\$-	\$-

Project Recommendations	Comments/Caveats
Approve project delivery:	If this project is to be completed in the 2019/20 financial year.
- Approve - Note	The capex model. The capital funding requested of \$2,255,046 and associated project opex of \$33,120, and that the ongoing operational cost has been fully provided for.
Agree	Proceed to SoW development and implementation phases for In-Person Enrolment.
Note	There is sufficient CAPEX funding in the IDme maintenance programme to implement this project in this financial year (FY19/20).

TBC

In Person Enrolment Sub-Project Business Case

Project Manager **s 9(2)(a)**

Version **1.3**

Date: **29/03/2019**

1. Document Control

Version History

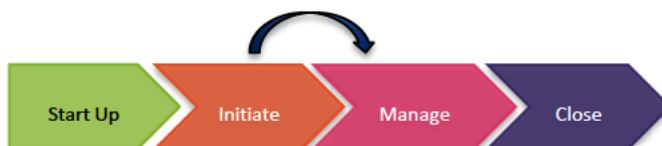
Date	Version	Author	Description of change
22-Nov-2018	0.1	s 9(2)(a)	first draft for review by Working Group (sans financials)
10-Dec-2018	0.2		2 nd draft for review by Design Authority (including financials)
12-Dec-2018	0.3		Includes updates from the DA recommendations in readiness for submission to BRG. <u>This version was withdrawn from the 9(2)(b)(ii) of the OIA</u> <u>. Funding issues also became apparent within the broader context of the IDme Rescaling workstream.</u> <u>It was agreed that further work was required on the business case to bring it up to a standard suitable for BRG review.</u>
12-Feb-2019	0.4		This version brings the business case up to date with the revised count of devices required by the business, and a revised proposal.
11-Mar-2019	0.5		Updates with feedback from business and project team; and revised costings to include internal MBIE costs, and secondary vendor involvement
13-Mar-2019	1.0		This version updates the business case to that point and obtains all the necessary endorsements required for BRG.
18-Mar-2019	1.1		This version incorporates feedback from 9(2)(a) of the OIA in the following areas: • Recommend approval of Traditional Based (CAPEX) model; • Explain difficulties in obtaining current cost under the supplier.
21-Mar-2019	1.2		Include updates from the DA recommendations in readiness for submission to BRG.
29-Mar-2019	1.3		Include updates from BRG: • Milestones to reflect intended delivery dates.
TBC	1.3	TBC	1.3 BCB approved version that the project will be baselined against (including any changes requested by governance)

Document Purpose

This business case will provide the Immigration NZ Project Governance with sufficient information on the [In-Person Enrolment Project](#) to allow them to assess whether the investment is sound. Once approved it will allow the project to gain approval to drawdown funding and proceed to the Manage (Delivery) stage of the INZ project lifecycle. This document is key project governance collateral and once approved; it will be the baseline against which project performance will be measured.

Endorsed¹

In accordance with standards² and governance provided with this document for Endorsement.



by

with INZ Gating and Stage processes, the following INZ authorities have been

Function	Role	Comments; Caveats and Date Caveat to be / or actioned by	Date	Name and Signature
*Project Sponsor (M)	Endorse	s 9(2)(a)	15/03/19	 9(2)(a) of the OIA
*Business Owner (M)	Endorse	Stephen Vaughan	15/03/19	 Steve V's approval.msg
*MBIE Finance Business Partner (M)	Endorse	s 9(2)(a)	21/03/19	 9(2)(a) of the OIA endorsement.msg
INZ Business Systems Owner (M)	Endorse		18/03/19	 9(2)(a) of the OIA approval.msg
Architecture Review Group (ARG) (as required)	Endorse		27/11/2018	Refer to ARG minutes of meeting dated 27/11/2018
Architecture Review Board (ARB) (M as required)	Endorse	Upon approval of Business Case	NA	NA

**Evidence that the named person(s) or group(s) listed above has/have endorsed this document must be embedded as email snapshots; alternatively provide a link to the minutes of the meeting or email in lieu of an email signature.*

¹ For expediency, the 'Reviewed By' and 'Consulted With' tables can be found at the end of this document.

² The standards that apply to the stakeholders in the Endorsed by and Reviewed by tables are Mandatory (M), Recommended (R) and Optional (O).

Reference/related documents

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

Document Name & Mako link	Version	Date Endorsed/Approved
Project Mandate		NA
Project Brief INZ Maintenance Project Brief v1.2 s 6(c)	1.2	01/11/2018
Detailed Business Requirements IPE Enhancements Options Summary s 6(c)	1.2	1/11/2018
Scope agreement documents / evidence of agreement with the business owner and key stakeholders (eg – minutes / decisions / email) IPE Enhancements Approach Plan s 6(c)	1.3	28/08/2018
Evidence the Requirements have been agreed (e.g. – minutes / decisions / email) IPE Enhancements Options Summary s 6(c)	1.2	1/11/2018
Detailed Options Analysis Photo Quality Check Enhancements Options Analysis Report s 6(c)	0.2	1/11/2018
Current state and proposed future state analysis documents		Dealt with in options paper
Evidence based analytical documents		NA
Value for Money Cost Benefit Analysis		Part of Options Paper
Options Analysis Summary Photo Quality Check Recommendation Paper s 6(c)	1.0	28/11/2018
Evidence the Recommended Option has been agreed (eg – minutes / decisions / email) Photo Quality Check Recommendation Paper s 6(c)	1.0	28/11/2018
Business Change Management Plan		Described in Business Change Impact section.
Detailed Solution Design		To be completed on approval of Business Case
Procurement Plan		To be provided by s(2)(a) of the O re the process around NEC engagement. Authorisation to not

Document Name & Mako link	Version	Date Endorsed/Approved
		undertake a procurement process.
Detailed Procurement Plan		See above.
Supplier(s) Statement of Work (s)		To be completed on approval of Business Case
Add any other relevant contract links as required		NA
Project Risk Register s 6(c)		NA
Opex financial tables		NA
Treasury Risk Profile Assessment		NA
Privacy Threshold Assessment		Covered under overall Privacy Assessment for IGMS
ICT Security Risk Threshold Questionnaire		Not Applicable as this is a maintenance project.
Finance Sheet for Governance Traditional Based (CAPEX) model: s 6(c) Service Based (OPEX) model: s 6(c)		11/03/2019
DCF Financial model to calculate the NPV		NA
Change Requests to date if any		NA
Evidence Go Live(s) has/have been approved by the business		NA

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2. Executive Summary

The Daon In Person Enrolment (IPE) platform has been in production since the IDme go-live in June 2016. Problems with the current solution have resulted in 6(c) of the OIA

inefficiency with wasted time and resources, unresponsive and complex support model, outdated technology and reputational damage.

IPE is a core capability of INZ and the current facilities available to staff are inefficient and increasingly not fit for purpose as the demand for these services on INZ increase and the use cases evolve.

Replacement of IPE is a part of a broader maintenance and upgrade programme of work: the INZ ICT Systems Maintenance Workstream. It relates to the IDme Upgrade and IDme Upscale projects which form part of this workstream.

This project forms part of a matrix of inter-related and integrated capacity building enhancements to the IGMS eco-system which will reinforce and underpin the ability of INZ to better protect our border and facilitation of visitors.

Problems with the current solution have resulted in 6(c) of the OIA

inefficiency; wasted time and resources; unresponsive and complex support model; outdated technology; and reputational damage. The following are real-life cases to demonstrate the problems:

s 6(c)

- **Inefficiency:** Setting up enrolment station in field is finicky and unforgiving; an experienced staff takes at least 40 minutes to set up a workstation.
- **Capture consistency and viability:** Staff resorted to by passing enrolment solution and taking photos on standalone cameras.
- **Problems with devices:** High failure rate with passport scanners means information is manually entered and prone to errors.
- **Manual workarounds:** Upload of identities is limited to manually selecting and uploading ten identities every ten minutes; which is a 3½ hour process for a typical mission profile.

The project will provide:

Current Solution	New Solution
Limited range of devices.	Replacement to the current IPE capability but with a wider range of access to supportable devices.
Inflexible solution.	A more robust front-end to the solution.
Complex technical and support model.	Simpler technical and support complexity.
Support limited to enrolment software.	Increased support scope to cover the software a, client and centralised equipment supporting the service.
Inconsistent photo quality checks between IPE and online.	The new software will provide better quality of data, and align with the use of NEC QTF across all INZ Face Capture activities.
Off-Shore support.	On-Shore, local, support by a global Tier 1 provider in these specialist areas.
Complex support model with incumbent vendor.	A support operating model that better meets business needs.
Incur technical debt.	Future proofing by introducing Windows ^{s 6(c)}
	A more flexible and simple path to provide solutions for new business requirements.
	Decommissioning of the current solution.

From the strategic perspective, replacement of In Person Enrolment delivers enhanced operational efficiency; reduce operational risk of bad actors details not being recorded to minimise successful repeat offences and allowing teams to capture biometrics accurately and reliably. It will also establish a scalable and extensible platform that can be adapted to address new use case requirements. This aligns with the “Striking the Balance” strategy and a Future State architecture that supports a higher volume and velocity of transactions. The future state of in person enrolment also aligns with the following INZ’s identity strategy. Procurement of the solution involved providing a set of requirements to the incumbent suppliers for this technology including Datacom, Daon (who use NEC technology at the core of their IPE capability within IGMS) and NEC themselves. The NEC solution was deemed to offer the best fit to requirements and this solution was endorsed by the ARB over the alternative options.

The recommended solution is more than an “upgrade in place” but significantly less than a completely new business requirement for a system that doesn’t exist within MBIE today. Enhanced support capabilities available from NEC will relieve INZ staff of much of the administrative and technical burden of managing the myriad of hardware components of the IPE solution, allowing them to focus more on their core roles.

This solution is extensible to other business applications within INZ; Mobile Regulator will be able to utilise the IPE capability.

Pricing model

Two pricing models have been included in the business case with the Capex model being the recommended option.

Traditional Based (CAPEX) model

This model capitalises IPE application software, development and workstation hardware. MBIE owns the software and hardware; and is charged an annual support cost.

The cost to deliver the Traditional Based (CAPEX) model requires a Capital Expenditure of \$2.255M in Financial Year 2019/20. There is an on-going opex cost of \$326K per annum excluding depreciation. The whole of life costs for the project through to the end of FY23/24 is forecast to be \$3.9M (excluding project contingency).

Service Based (OPEX) model

In this model, NEC provides IPE application, workstation hardware, licensing and support as a service with an on-going monthly charge.

The cost to deliver the OPEX model requires a Capital Expenditure of \$320K in FY 2019/20. There is an on-going opex cost of \$976K per annum excluding depreciation. The whole of life costs for the project through to the end of FY23/24 is forecast to be \$6.1M (excluding project contingency).

Current cost

- INZ currently pays an annual licence of maintenance and support to Daon 9(2)(b)(ii) of the OIA [REDACTED]
- This amount of \$ 9(2)(b)(ii)
 - Does not include support of hardware - There is an existing internal cost that requires an equivalent of approximately one FTE to support and maintain the existing equipment. However this is an approximation as the support is ad hoc across the staffs that use the equipment, the IT CRM and the identity team depending on those with a technical bent.
 - Does not include any local support – consequently all support is via email or phone because Daon does not have a presence in New Zealand.
- 6(c) of the OIA [REDACTED] The replacement cost for like for like current equipment is 9(2)(b)(ii) of the OIA [REDACTED]
The Capex model includes pricing for the kit of \$ 9(2)(b)(ii)
- If we were to remain with Daon and replace the equipment each model would require certification at a total cost of \$ 9(2)(b)(ii) which when added to the equipment cost, is a total of \$ 9(2)(b)(ii) to ensure they are compatible with DaonEnroll.
- Daon's support cost is a package which includes the licensing, software support of the matching function. However Daon will not provide a breakdown of the cost allocation associated with IPE.

- There is also an unquantifiable cost associated with INZ staffs' time required to setup an enrolment station due to the handling issues with the solution which frequently fails. However on a good day this can be at least 40 minutes.

It is recommended that a 16% capex contingency is made based on the uncertainty risk associated with this project. The development of a new Master Services Agreement with NEC as a direct vendor to MBIE is currently underway, to facilitate other work such as recently-approved PQC project. The services we are acquiring from Datacom and Vodafone are governed by existing agreements. The implementation project will follow standard INZ methodologies and governance processes.

Because IPE is an embedded function, the costs have not been separately tracked so we are unable to determine a traditional NPV/IRR style return figure using the discounted cash flow method.

Variation from Project Brief

Not Applicable.

Recommendation(s)

The recommended option is **Replace current Daon/NEC technical and support solution with NEC as a single vendor solution** (retaining Datacom for application integration) and the capex model for the following reasons:

- Aligns directly with INZ's "Striking the Balance" strategy (refer to the strategy case below);
- The solution scales more effectively and provides a platform for the future development of new use cases that INZ might contemplate (such as a new mobile-based³ use case for Compliance);
- INZ has positive experience and feedback with NEC:
 - From prior dealings with NEC as a vendor;
 - 9(2)(b)(ii) of the OIA
- NEC has demonstrated through a proof of concept their ability to integrate NEC's enrolment solution with INZ's systems.
- This single vendor solution provides a more responsive and simplified support model.
- NEC is able to provide local support in New Zealand and over the phone support for RQB while on overseas missions.
- Solution will provide simplicity and efficiency of operation by dispensing with a 3rd party middleware (i.e. DaonEnroll).
- Solution meets all objectives and integrates with other strategies, programmes and projects.
- Solution improves efficiency and reputation. 6(c) of the OIA

³ Mobile-based refers to a solution that is portable; suitable for in the field use; and works over a mobile network.

- NEC is able to provide mobile-based solution⁴ for field work.
- Solution accommodates different use cases; and can be tailored for in house and out in the field capture of identities.
- NEC solution is hardware agnostic:
 - Wide range of capability with the enrolment software;
 - Opens up options for newer and more portable devices;
 - Easy to find replacements for devices.
- Solution provides consistency in front and back end. By using NEC's fingerprint segmentation software and face quality check solutions ensures alignment with the biometrics matching algorithms in the backend.
- Solution aligns to INZ future state. NEC solution offers multimodality to future proof biometrics capture by possessing ability to integrate with fingerprint, face, iris and voice.
- 6(c) of the OIA

⁴ Mobile-based refers to a solution that is portable; suitable for in the field use; and works over a mobile network.

4. Strategic Case

Scope

The section articulates the business problem and scope of the project under a set of headings. The In Person Enrolment project will provide:

- Replacement to the current IPE capability but with a wider range of access to supportable devices.
- A more robust front-end to the solution.
- Simpler technical and support complexity.
- Increased support scope to cover the software a, client and centralised equipment supporting the service.
- The new software will provide better quality of data, and align with the use of NEC QTF across all INZ Face Capture activities.
- On-Shore, local, support by a global Tier 1 provider in these specialist areas.
- A support operating model that better meets business needs.
- Future proofing by introducing Windows ^{s 6(c)}
- A more flexible and simple path to provide solutions for new business requirements;
- Decommissioning of the current solution.

Problems

The following are real-life cases to demonstrate the problems with the current solution:

- s6(c) 
- 
- 
- 
- **Inefficiency:** s 6(c)  in total; is bulky and impractical for in field use. Setting up an enrolment station in field is finicky and unforgiving; and devices must be connected and turned on in

a specific order. It takes an experienced user 40 minutes to prepare and setup an enrolment workstation in the field and more if there are issues.

- **Capture consistency and viability:** Compliance Officers have resorted to taking face images on standalone cameras (e.g. Smart Phones) and uploading the photos manually into IDme; resulting in problems where images are not templatable and hence cannot be used for matching; or being uploaded to the incorrect identity.
- **Problems with devices:** High failure rate with passport scanners means information is manually entered and prone to errors. Fingerprint scanners are too bulky for in the field work; and not able to capture good quality fingerprints.
- **Manual workarounds:** Documents captured are not being saved in the correct folder; which RQB have to manually move to the designated folder so as to be correctly associated with the client. RQB clients which are enrolled offline have to be manually uploaded into IDme. Upload of identities is limited to manually selecting and uploading ten identities every ten minutes; which is a 3½ hour process for a typical mission profile.

Strategic Drivers

The primary strategic driver is alignment with INZ's "Striking the Balance" business strategy, and the INZ Digital Strategy, by improving our ability to execute our regulatory responsibilities, identifying risk and managing risk early, and improving systems adaptability and reducing complexity. Key deliverables of the solution that support this alignment are:

- Addresses shortcomings with the current solution and support model that create risk for Border management and compliance.
- System is more easily upgradable to support new versions of algorithms and parameter-driven threshold configurations;
- Delivers a solution which is flexible and provides an easy path for emerging technology;
- Accommodates increase in volume and future initiatives, bulk processing, empowers in the field personnel and is capable of integrating with newer and more advance devices (e.g. scanners);
- Ensures all biometrics and biographic data is captured at a satisfactory quality and consistent manner across all enrol points so they are suitable for matching;
- Provides a more responsive and simplified support model;
- Improves compliance with, and accommodate changing the landscape, of INZ MBIE security policy and wider NZ Government;
- Provides a solution that is more robust and reliable than the current solution;
- Simplifies the technology and removes any technical debt where possible;
- Ensures design aligns with MBIE's future architecture strategy.
- Provides an on-Shore, local, support by a global Tier 1 provider in these specialist areas.

Strategic Alignment

INZ's Striking the Balance Strategy: *"Immigration New Zealand (INZ) is the trusted steward of the immigration system. We aim to strike the balance between facilitating the migration our country needs while protecting New Zealand and those who travel here from harm.*

We support individuals and organisation to use the immigration system effectively, efficiently and appropriately and focus on the need for an effective immigration system and a secure border."

The IPE project directly aligns with the effectiveness and efficiency strategy for the immigration system. IPE may be a small footprint but foregoing quality biometrics is a huge risk for New Zealand. The benefits of the project for INZ align with INZ future state architecture; and impacts upon the robustness and reliability to capture biometrics data (face and fingerprint) which contribute to both INZ risk management, protection of our border and facilitation of visitors to the country.

Priority rating

This table shows the strength of alignment with MBIE objectives.

The proposed project rates as follows against the MBIE investment priority criteria – 1 (lowest) to 3 (highest).

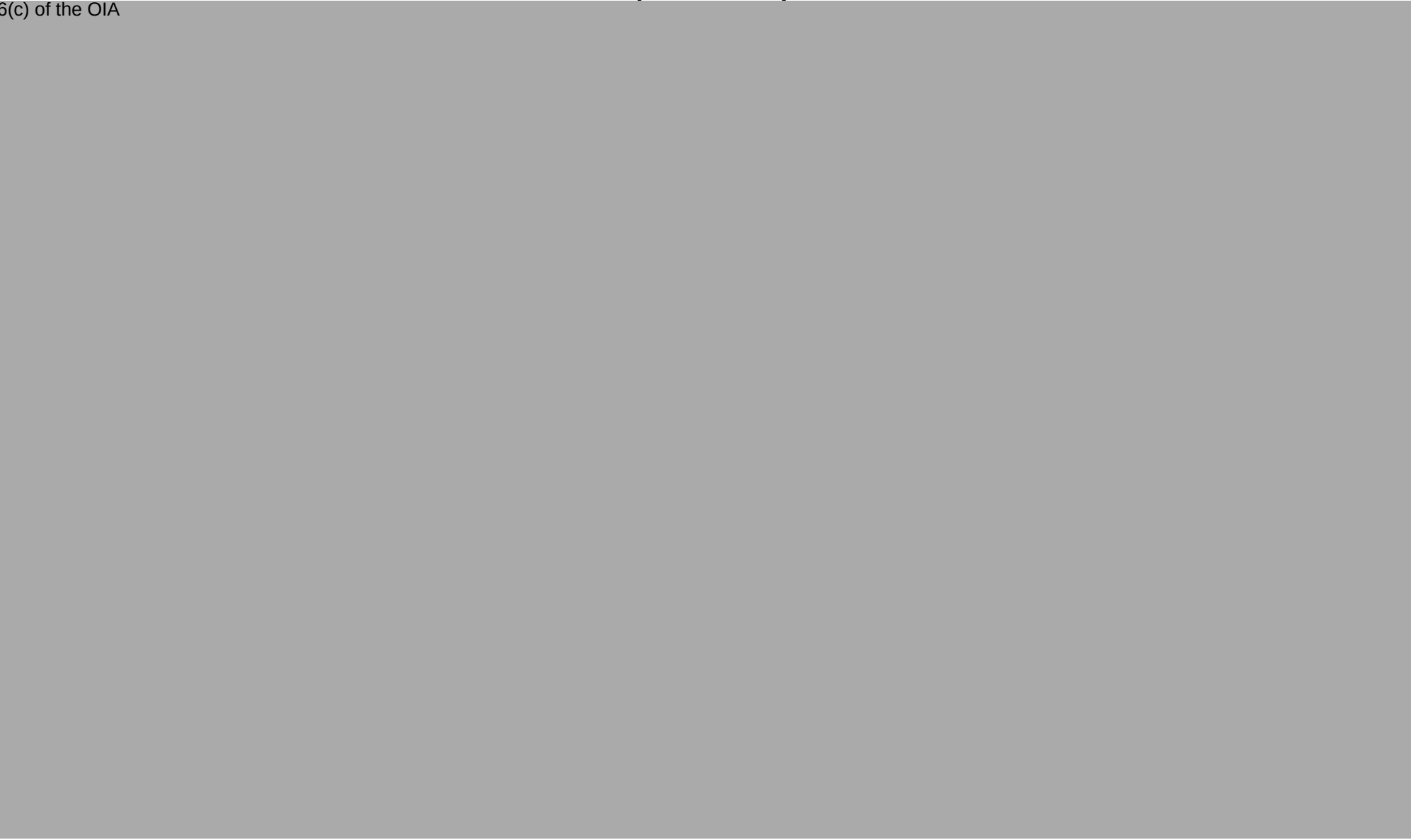
Criterion	Rating ⁵	Justification / Alignment ⁶
Strategic Build	3	Alignment with the Striking the Balance strategy INZ Digital Strategy, and INZ Future State Architecture.
Sustainability	3	This project is an essential element of capacity building within the INZ system and operational efficiency. Support model is simplified and improved; with a single local based vendor solution and a global Tier 1 provider in these specialist areas. An important capability in support of system enhancements for the Compliance team.
Value Creation	2	• More robust and reliable capture of biometrics data (face and fingerprint) contributing to both INZ risk management (IDme) and s 6(c) • Enhanced capability across CRIS and SPA teams and functions through provisioning of more portable, robust and reliable biometrics capture, search and check as well as biometric enrolment in the field. • Improved and more reliable enrolment tools at the border. • Ease of use encourages increased capture of quality and consistent biometric. • Accommodate different use cases; and provide a wide range of devices.

⁵ Depending on the Assessment, the rating can be any of these – None, Low, Moderate, Strong or Extreme

⁶ The Justification/Alignment is aligned to the Prioritisation Assessment table

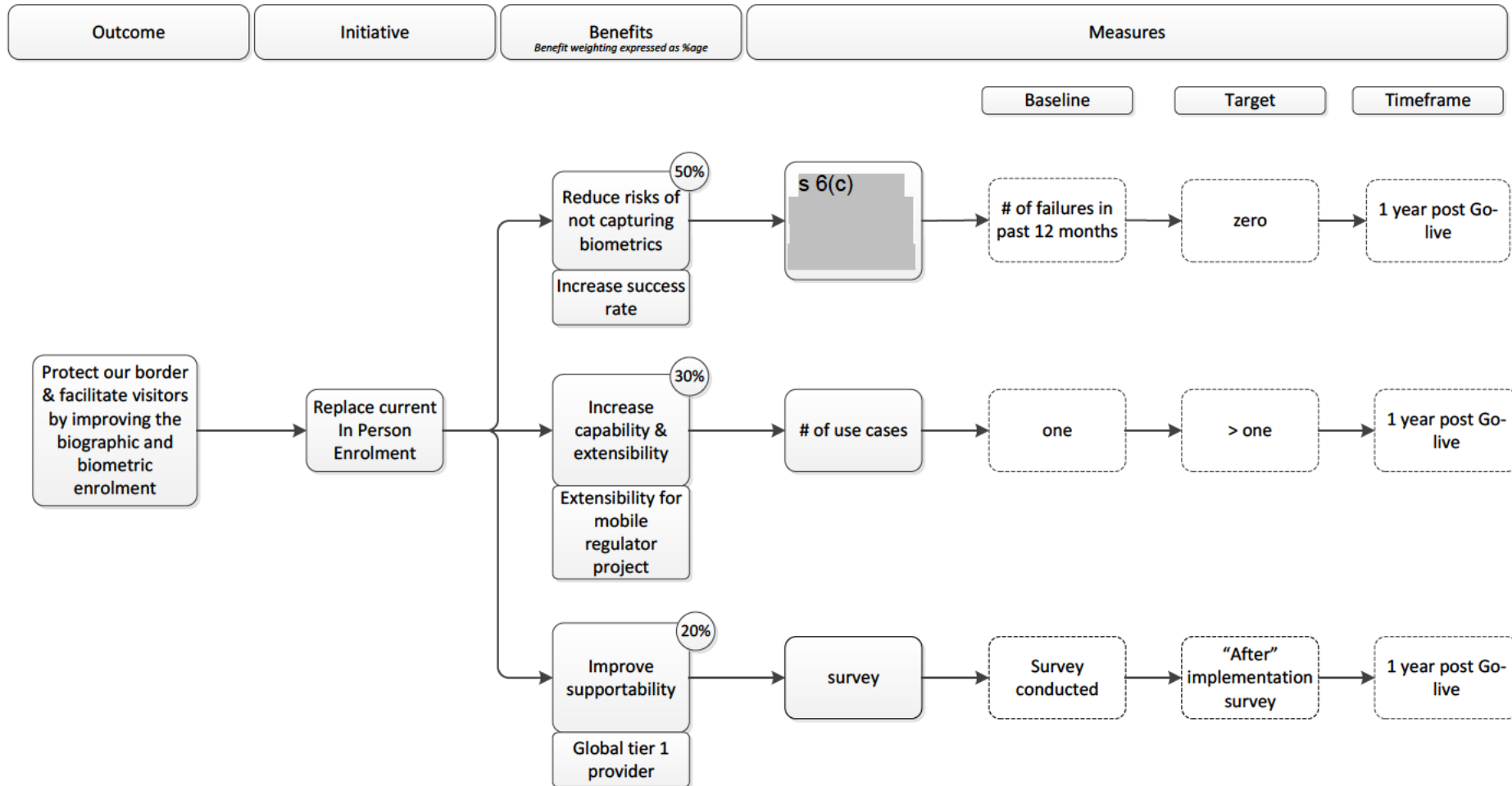
The Role of IPE within the INZ Architecture and Project Inter-dependencies

6(c) of the OIA



Benefits and dis-benefits of the recommended option

Here is the benefit map for In-Person Enrolment:



Benefit #	Benefit type	Benefit profile ID#	Benefit Title	Benefit Description	KPI (validated by SDP-SDI team)	Unit	Current state	Achievable Target	Timeframe	Benefit Monitor(s)
Ben01	Reduce risk	NA	Reduce risks of not capturing biometrics	6(c) of the OIA	6(c) of the OIA	Number	TBC	Zero	1 year post Go-live	CRIS
Ben02	Increase capability	NA	Increase capability & extensibility	Allow different use cases by business needs (e.g. Mobile Regulator is one of the services which could use IPE capability). Multimodality (fingerprint, facial, Iris and voice) allows ease of adding new biometrics in the future.	Number of use cases	Number	One use case	More than one use case	1 year post Go-live	CRIS
Ben03	Improve supportability	NA	Improve supportability	Single vendor solution with global tier 1	Survey	NA	Unable to determine as Daon does not	TBC	1 year post Go-live	CRIS

Benefit #	Benefit type	Benefit profile ID#	Benefit Title	Benefit Description	KPI (validated by SDP-SDI team)	Unit	Current state	Achievable Target	Timeframe	Benefit Monitor(s)
				supplier providing local and onsite support; and over the phone support for RQB while overseas. Devices are supplied and supported by vendor; making it easier to find replacements.			have technical support staff in NZ.			

Have change management measures and target dates that will enable benefits been defined?	Comments: Change management is not required as the changes are limited to replacement of hardware and software.
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Dis-benefits have been identified as: Not Applicable.

5. Economic Case

Prioritised Requirements

The requirements are based on the MoSCoW Prioritisation Method for rating the projects requirements unless otherwise specifically agreed with the Business Owner and Sponsor.

Benefits Planned			
Minimum Viable Solution	Benefits Target		
M = Must have	S = Should have	C = Could have	W = Would have

Requirement #	Description	Prioritisation M,S,C,W
R1	Algorithms and software Review, upgrade or replace fingerprint and face images related algorithms and software as appropriate.	M
R2	Availability There shall be: - Ability to maintain performance regardless of other operational backend activities; - Ability to carry out scheduled maintenance and releases within agreed change window; - High availability of the Online systems.	M
R3	Flexibility The solution shall be flexible and easily and cost effectively accommodate changes to load and demand as the dynamics of the business change without requiring significant design change.	M
R4	Interoperability The solution shall integrate seamlessly with current and future INZ's systems ensuring consistencies and standards.	M
R5	Operability - The solution shall be function reliably, simple to operate and maintain; without needing application restarts, server reboots, or any other fixes and workarounds which operations team have to use in order to make system work in practice on a daily basis. - Non service activities such as backups should be able to be conducted without impacting the service performance, and be finished in reasonable times as to not overload/overlap other	M

	non-service operation components.	
R6	Maintainability and Supportability The solution shall: • Provide a support model that is operationally sustainable. • Provide the ability to stay current with the latest software releases. • Upgrades activities for components should have minimal impact on users.	M
R7	Mobility The solution shall enable staffs in the field to enrol and verify identities by providing: • Lean physical devices suited for in the field use; • Access to client's data while out in the field. • Only addressed through "Pelican Cases" presently within this business case.	M
R8	Performance The solution shall provide ability to deliver acceptable user response times, business services, and inter-system transactions at any time, including during peak demand periods.	M
R9	Quality The solution, in both systems and processes, shall enable the collection of high quality biometrics and biographics to provide the capability to match identities effectively.	M
R10	Reliability The solution shall provide equipment that is robust and reliable.	M
R11	Scalability Solution shall be scalable and capacity planning shall accommodate increases in volume as a result of natural growth and new INZ's initiatives in the pipeline and future.	M
R12	Training and physical environment Training and environmental factors shall be taken into consideration to complement the solution.	M
R13	Peripherals management – should be something and it would be a must (and understand the solution provides much better flexibility here.	M

The scope of the initiative will contain all 'Must haves' and all 'Should have' requirements.

Functional Requirements

FR #	Description	Prioritisation Rating
FR1	Upgrade fingerprint quality score algorithm Fingerprint quality score algorithm shall be updated to the latest version.	M
FR2	Fingerprint segmentation algorithm to provide accurate identification The segmentation algorithm shall provide accurate identification of sections of a finger.	M
FR3	Fingerprint segmentation software to provide accurate identification The fingerprint segmentation software shall provide accurate identification of sections of a finger.	M
FR4	Different devices The solution shall be device agnostic and capable of integrating with existing, newer and more advance devices.	M
FR5	Interoperability with other systems The solution shall be able to integrate seamlessly with desktop components.	M
FR6	Enrolment offline The solution shall allow enrolment of biographics and biometrics offline. With identities enrolled offline, the solution shall enable to user to bulk upload these identities when the user is back in the office or is online; rather than require manual intervention.	M
FR7	Solution is supported The solution shall provide a sustainable support model including enrolment equipment and defined response times; and desktop operating systems (Windows ^{5(c) of th} with automatic updates.	M
FR8	Ongoing upgrade of fingerprint quality score algorithm Commercials with supply and maintenance fingerprint quality score algorithm vendor shall include reviews, recommendations and implementation of upgrades if desired, when new versions are released.	M
FR9	Ongoing upgrade of fingerprint segmentation algorithm Commercials with supply and maintenance fingerprint segmentation algorithms vendor shall include reviews, recommendations and implementation of upgrades if desired, when new versions are released.	M
FR10	Ongoing upgrade of fingerprint segmentation software Commercials with supply and maintenance fingerprint segmentation software vendor shall include reviews, recommendations and implementation of upgrades if desired, when new versions are released.	M

FR11	Ongoing upgrade of photo quality check software Commercials with supply and maintenance of photo quality check software vendor shall include reviews, recommendations and implementation of upgrades if desired, when new versions are released.	M
FR12	Identification of person in the field The solution shall provide ability for in field staffs using a mobile device (i.e. laptop, tablet, mobile phone with internet connection) to identify a person in a timely and responsive manner. <i>Note: Solution is designed to accommodate different use cases; but delivery of mobile use case (using smart phones and tablets) is not in scope for this project.</i>	M
FR13	Access to clients data in the field The solution shall provide access to client's data (e.g. biographics, visa applications and associated documents where possible) on a mobile device using verification via a face image, fingerprints and/or biographics. <i>Note: Solution is designed to accommodate different use cases; but delivery of mobile use case (using smart phones and tablets) is not in scope for this project.</i>	M
FR14	Kit suitable for in the field use The solution shall provide equipment suitable for in the field use by keeping the kit lean and flexible where different user groups need only take the absolutely necessary equipment required for an assignment.	M
FR15	Consistency in quality Biometrics shall be enrolled and collected consistently from all enrolment points where possible; and of a sufficient quality which can be used for matching.	M
FR16	Photo quality check to ensure consistent and high quality of face images The solution shall ensure that the same or equivalent criteria and thresholds are applied to face images captured in in-person enrolment.	M
FR17	Warnings are prominent on screen When enrolling biometrics, the solution shall display warnings prominently; and shall require user acknowledgements where applicable.	M
FR18	Display score while enrolling fingerprint The solution shall display fingerprint score clearly and more prominently for each individual finger while enrolling to help Immigration Officer decide if the fingerprint needs to be enrolled again.	M
FR19	Robust and reliable solution The solution shall provide equipment that is robust and reliable for	M

	different user groups.	
FR20	Known constraints Known constraints especially with other systems shall be enforced in the solution upfront.	M
FR21	In the field preparation work Provide solution to enable users to prepare for in field enrolment smoothly and without difficulties current faced. E.g.: Ensure that updates on devices are completed prior to taking out of office.	M
FR22	Identities captured offline When identities are captured in-person offline; as soon as a network connection is re-established, the solution should ensure that identities are synced without having to break down into small groups to avoid overloading the system. To consider if identity should be synced automatically; or user promoted to either sync or delete identity.	M
FR23	Bulk processing of identities The solution shall allow uploading of unlimited identities at the same time to be enrolled and matched.	M
FR24	Future biometrics The solution shall consider the use of other biometrics (e.g. Iris and voice).	M
FR25	Review training material and exercise The existing training material and Standard Operating Procedures (SOPs) shall be reviewed and updated to provide better instructions on enrolling identities. <i>Note: Consider in-person training for Border, Compliance, RQB and RSB.</i>	M
FR26	Implement best practices for physical environment ICAO (International Civil Aviation Organisation) provides a set of best practices on how to set a physical biometric enrolment environment. Consider: • Applying ICAO and similar international recommendations and best practices. • Visit each major enrolment location; and take practical steps to ensure these enrolment locations and stations align with the	S

	recommendations.	
	Tie back to training, e.g. providing updated guidance for RQB and compliance on how to best capture biometrics when out on missions and in the field.	

Non Functional Requirements⁷

INZ Non Functional Requirements v0.99.docx

s 6(c)

6(c)

⁷ Otherwise known as 'ities/itys' – ie Scalability, Availability, Functionality, Maintainability, Disaster Recovery, etc. There are costs associated with Service Level Agreements (SLAs) for non-functional requirements and these should be included in the on-going operational support costs.

Detailed Scope

The Detailed Scope of the response to the problem or opportunity has been agreed with the business owner and key stakeholders. It is based on its strategic alignment, priority and requirements.

#	In Scope	Out of scope
Sc01	Upgrade or replace fingerprint score and segmentation algorithms.	The solution is designed to accommodate different use cases (including mobile use case); but delivery of mobile use case (using smart phones and tablets) is not in scope for this project.
Sc02	Upgrade or replace fingerprint segmentation software.	
Sc03	Replacement of photo quality checks software ^{6(c) of the OIA}	
Sc04	Ongoing review and upgrade of algorithms and software.	
Sc05	Integration with existing and new equipment.	
Sc06	Ability to accommodate other biometrics in the future (e.g. Iris and voice).	
Sc07	Supply and support model for equipment, including in the field support.	
Sc08	Lean solution where enrolment devices are individually optional.	
Sc09	Provide different equipment by user groups.	
Sc10	INZ systems to integrate with new solution.	
Sc11	Ability to process identities in bulk.	
Sc12	Ability to easily access clients' data using mobile devices (i.e. information from AMS and IDme). <i>Note: Solution is designed to accommodate different use cases; but delivery of mobile use case (using smart phones and tablets) is not in scope for this project.</i>	

Sc13	Support of in field preparation work (i.e. consider docking stations and/or improve systems process for performing updates on laptops).	
Sc15	Operating system is Windows ^{s 6(c)}	
Sc16	Decommission current solution	
Sc17	Implement new support operating model	
Sc18	Commercials associated with disengagement with Daon.	
Sc19	Support, architecture, design and operating system documentation updated.	
Sc20	Handover to MBIE ICT Operations, CRIS and INZ ICT Systems teams.	
Sc21	Early Life Support of new solution and operating model.	
Sc22	Support for API compliance initiative. <i>Note: Solution is designed to accommodate different use cases; but delivery of mobile use case (using smart phones and tablets) is not in scope for this project.</i>	
Sc23	Decommissioning of current solution, technical and commercial.	

Project output(s)

Critical Success Factors (CSFs)⁸

Critical Success Factors that describe what the recommended option is to achieve for Immigration NZ are:

#	Description
CSF01	System is more easily upgradable to support new versions of algorithms; and parameter driven threshold configurations.

⁸ A Critical Success Factor is an 'activity required for ensuring the success of a company or an organization'. https://en.wikipedia.org/wiki/Critical_success_factor. They should be short and inclusive statements. For example – The project will establish a new contact centre that will have trained staff offering excellent customer service. CSFs are not necessarily measurable like KPIs or Benefits.

CSF02	Solution is flexible and provides an easy path for emerging technology; accommodates increase in volume and future initiatives; bulk processing; empowers in the field personnel (e.g. in-field compliance officers) and capable of integrating with newer and more advanced devices (e.g. scanners).
CSF03	All biometric and biographic data is captured at a satisfactory quality and consistent manner across all enrol points so they are suitable for matching
CSF04	A more responsive and simplified support model.
CSF05	Solution is robust and reliable.
CSF06	Technology is simplified and technical debt reduced.
CSF07	Improved agile adaptability to meet future business needs
CSF08	Reduce technical debt by deploying Windows 10 into workstations; which will allow the operating systems to be easily upgraded in the future.
CSF09	Solution is easy to use and does not require finicky setups.

Value for Money Cost Benefit Analysis of the Options

A Value for Money Analysis of the options has been carried out and included in the Options Paper. Do nothing is out of scope because:

- Ongoing unresolved issues. E.g. upside down fingerprints.
- Equipment is tightly integrated to solution; and may not be in production in the near future.
- Software is out of date and expensive to change, and difficult to support.
- Hardware device choice is tightly constrained by the solution, and necessary upgrades to the equipment will need to be funded within the medium term. Current equipment not reliable and requires significant manual intervention to get to work.
- s 6(c)
- s 6(c)
- Support projects currently in-flight as part of the enhanced risk and assurance; especially in discovery insights and providing foundational building blocks for: Biometric Enrolment Enhancement; Automated Visa Assessment and biometric capture through External Channels.
- Opportunity to align with consistent use of vendor (NEC) software for biometric data capture across INZ systems including the ETA service and IDME Primary Workstream with NEC as the single vendor.
- s 6(c)
- s 6(c)

Note: We have not been able to separately identify what the current system is costing the organisation. This new solution will supplant it but determining the cost “delta” is beyond our reach at this stage.

	Option 1: Do Nothing ⁹	Option 2: Traditional Based Capex Model (Recommended – Option C below)	Option 3: Service Based Model
Appraisal Period (years)	NA	6	6
Capital Costs	NA	\$2,255,046	\$320,496
Operating Costs	NA	\$33,180	\$976,680
Ongoing Cost (6 years)	NA	\$1,956,204	\$4,867,859
Whole of life costs (Project Delivery Capex + Opex + Ongoing Cost) (6 years)	NA	\$4,244,430	\$6,165,035
Cost-benefit analysis of monetary costs and benefits			
Net Cash Flow (Benefits less Total Costs)	NA	NA	NA
IRR	NA	NA	NA
Net present value	NA	NA	NA

⁹ There may be negative cost implications of doing nothing and these should be noted here.

Options Analysis Summary

	Option A: Upgrade current solution ¹⁰	Option B: Upgrade and enhance current solution	Option C: Replace current solution
Fit for purpose (Strategic fit & Benefits)	Lacks additional capability to support INZ's future state. Does not meet INZ's needs.	Current instability in Daon solution does not meet objectives. Will deliver some benefits, but lack of local support will not deliver efficiency and current issues with Daon solution are not totally addressed.	Meets objectives and aligns to future state. Positive experience and feedback on NEC provides level of confidence especially in support and usability.
Is it do-able? (Requirements, Scope, CSFs, etc)	Does not meet requirements.	Partly aligns but does not meet all requirements.	NEC's response has demonstrated good understanding of needs and how they will meet all requirements.
Value for money (Cost Benefits Analysis)	Lowest costs and timeframe to deliver.	Higher costs and timeframe to deliver.	Higher costs and timeframe to deliver; and increased integration costs and regression testing.

¹⁰ There may be negative cost implications of doing nothing and these should be noted here and included in the Cost Benefit Analysis.

Recommended Option

Option	Reasons why it is recommended
The recommended option is Option C Replace current solution	This option is recommended because • Strategic and architectural alignment • Positive prior experience with NEC. • Positive feedback on NEC by other agencies. • Single vendor solution ensures supportability. • Local and onsite support in NZ and over the phone support for RQB while overseas. • Simplicity and efficiency of operation. • Consistency in front and back end. • Multimodality. • Hardware agnostic. • Easy to find replacements for devices. • Open up option for other devices. • Meet all objectives and integrates well with other strategies, programmes and projects. • Lean solution for in the field work. • s 6(c) • Enrolled identities available for matching immediately.

Short-listed options not recommended

Option(s) not selected for recommendation	Reason why not selected for recommendation
Option A Upgrade current solution	This option was not recommended because • Inconsistent face quality checks. • Partial solution to requirements. • Does not meet INZ's needs. • Costs outweigh benefits. • Multi-vendor support model. • Does not remedy existing user issues. • Does not align to future state. • s 9(2)(b)(ii)
Option B Upgrade and enhance current solution	This option was not recommended because • Inconsistent face quality checks. • Multi-vendor support model.

	• Lack local support in NZ. • Does not provide support of equipment. Daon's response indicated they will not provide support for equipment. • Does not meet all requirements. • Intermittent issues and poor reliability of the biometric enrolment station to capture information. • More complex than option one. • Inherent risk in extending existing solution. • s 9(2)(b)(ii)
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6. The Commercial Case

Products and / or Services required to deliver the recommended option

Approach

The project has complied with the MBIE Sourcing and Contract Policy

S 6(c)

Procurement Plan

NEC are an existing vendor to INZ. The recommended solution is more than an “upgrade in place” but significantly less than a completely new business requirement for a system that doesn’t exist within MBIE today.

An exploratory set of requirements were issued to both Daon and NEC and the budgetary responses that were received showed the solution and direct supply relationship with NEC to be the preferred business outcome for MBIE.

To this end, an exemption from open tender and the requirement to undertake a formal procurement process was approved by MBIE Procurement to enable the direct use of NEC.

Negotiated Deal

Implementation requires the establishment of new commercial agreements between MBIE and NEC. Development of a Master Service Agreement (MAS) with NEC is underway and going well.

Recommended Supplier(s)

The recommended supplier is:

<i>Supplier Name</i>	<i>Reason why selected</i>
NEC	Technical fit to business requirements. Tier 1 global supplier of capability and services in this specialised area of safety and security capability. Able to provide local support in Wellington for INZ. A more flexible managed hardware opex-based model that addresses the limitations of the current equipment sourcing model.
Datacom	Incumbent for hosted environment and integration with IGMS.
Vodafone	Incumbent provider for application related networking services.

ICT Contract and Relationship Management

Formal arrangements will be in place to successfully manage the contract. s 9(2)(a) of the OIA is the MBIE contract manager who has been appointed to manage the relationship with the recommended supplier(s) over the term of the contract.

Supplier Name ¹¹	NEC New Zealand Limited (NECNZL)
Contractual arrangements	Considering appointing NECNZL as the Lead Vendor for these projects. Arrangement should include: 1. MSA 2. Statements of Work (as required) 3. Managed Services Schedule (if applicable for IPE) 4. Service Level Agreement (if applicable for IPE)
The required products and services that have been negotiated are:	Equipment, services and support for 27 workstations and additional test licenses.
The implementation milestones agreed are:	Detailed design, Build and Test, Deploy, handover to BAU operations.
The proposed payment approach is:	Payment of fixed fees on completion of milestones with on-going monthly fees managed services.
Specific contract terms include:	eg - The contractor provides suitably skilled resources with proven ability to deliver a high standard product on time.
Ongoing Support	s 9(2)(b)(ii) Namely, NEC will sit behind the Datacom ITMS Help Desk which will provide Incident Management and initial screening of incidents with subsequent escalation to NEC at the second and third level for resolution.
Escrow	Not applicable.

¹¹ Complete a separate table for each supplier

Commercial Risks

The following Commercial Risks associated with the project have been identified as: the commercial risks are being considered by the project's Commercial Advisor, however at the risks associated with the NEC agreement (yet to be negotiated) have not been fully determined at this time. Notwithstanding this, NEC have agreements of the type we are seeking, with other NZ government agencies and the type of agreement and services we are seeking are not unique or unusual in any way.

New Zealand Immigration			Risk Description				Target / Treated Risk		
Date Identified	Risk ID e.g. - INZ Project FMIS Code Risk # - ie INZ 2048 R001	Risk Owner	Risk cause	Risk Description	Risk Impacts	Risk Type (Operational, Enterprise, Strategic, change)	Likelihood	Consequence	Inherent Risk Exposure
Nov 2018	NA	9(2)(a) of the OIA	NA	Establishing a correctly designed commercial agreement for managed services with NEC (if MBIE elects to acquire managed services).	NA	Commercial	M	M	M
Nov 2018	NA	9(2)(a) of the OIA	NA	Disengaging from Daon over time. Reducing our annual expenditure with them in alignment with the shift toward NEC directly.	NA	Commercial	L	M	L

Next Steps

Enter commercial negotiations with NEC. Develop and issue a SoW to Datacom for the integration project associated with IPE.

7. Financial Case

Cost benefit analysis of monetary costs and benefits - out years

We are unable to perform a CBA with the current solution because of the following reasons.

- INZ currently pays an annual licence of maintenance and support to Daon 9(2)(b)(ii) of the OIA [REDACTED]
- This amount of \$ 9(2)(b)(ii)
 - Does not include support of hardware - There is an existing internal cost that requires an equivalent of approximately one FTE to support and maintain the existing equipment. However this is an approximation as the support is ad hoc across the staffs that use the equipment, the IT CRM and the identity team depending on those with a technical bent.
 - Does not include any local support – consequently all support is via email or phone because Daon does not have a presence in New Zealand.
- 6(c) of the OIA [REDACTED]
[REDACTED] The replacement cost for like for like current equipment is \$ 9(2)(b)(ii)
The Capex model includes pricing for the kit of \$ 9(2)(b)(ii)
- If we were to remain with Daon and replace the equipment each model would require certification at a total cost of \$ 9(2)(b)(ii) which when added to the equipment cost, is a total of \$ 9(2)(b)(ii) to ensure they are compatible with DaonEnroll.
- Daon's support cost is a package which includes the licensing, software support of the matching function. However Daon will not provide a breakdown of the cost allocation associated with IPE.
- There is also an unquantifiable cost associated with INZ staffs' time required to setup an enrolment station due to the handling issues with the solution which frequently fails. However on a good day this can be at least 40 minutes.

Traditional Based (CAPEX) Model

Summary of business capital and operational costs including out years

Description	Current FY 18/19	FY 19/20	FY 20/21	FY 21/22	FY 22/23	FY 23/24	Total
Total project delivery capex expenditure	\$ 2,255,046						\$ 2,255,046
Total project delivery opex expenditure		\$ 33,180					\$ 33,180
Estimated on-going business opex (excluding depreciation)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Estimated on-going ICT opex (excluding depreciation)	s 9(2)(b)(ii)						
Whole of Life costs (Delivery capex + opex + ongoing costs)	\$ 2,272,870	\$ 359,214	\$ 326,034	\$ 326,034	\$ 326,034	\$ 326,034	\$ 3,936,220

ICT capital and operational costs

The Capex costs in addition to on-going ICT operational support costs are detailed in the following table(s).

Project Capex										Ver 1.1	
				Q1	Q2	Q3	Q4 (18/19)	Current Year Total	Out Years	TOTAL	
Personnel (Staff 3157, Contractors 3164)											
s 9(2)(a)						-	s 9(2)(b)(ii)				
						-					
						-					
						-					
Hardware (3155)											
Hardware for Kiosks				-	-						
Vendor Costs (3163)											
NEC				-	-						
Datacom				-	-						
Vodafone				-	-						
Software (3163)											
User licence				-	-	343,750	343,750	-	343,750		
Server licence				-	-	144,000	144,000	-	144,000		
Quality / Security (3163)											
Security audit				-	-	16,000	16,000	-	16,000		
Total Project Capex				-	-	-	2,167,304	2,167,304	87,742	2,255,046	
Project Contingency			16%							360,807	
Project Opex											
				Q1	Q2	Q3	Q4 (18/19)	Current Year Total	Out Years	TOTAL	
Personnel (Staff 3157, Contractors 3164)											
s 9(2)(a) Contractor			-				-		s 9(2)(a) of the OIA		
Training/Staff (2951)											
Trainer & Travel							-	30,000	30,000		
Total Project Opex				-	-	-	-	-	33,180	33,180	
On-going Operational											
				Current Year	Y1	Y2	Y3	Y4	Y5	Y6	TOTAL
Financial											
Depreciation		Y1	6	s 9(2)(b)(ii)							
IaaS (3162)											
Disk Storage		9(2)(b)(ii) of the OIA									
Backup Services											
Server (2 servers in 4 Environments)											
ITMS (3163)											
Ongoing Service Support		9(2)(b)(ii) of the OIA									
Vendor (3163)											
Ongoing Service Support (NEC)		9(2)(b)(ii) of the OIA									
Total Costs				17,824	701,875	701,875	701,875	701,875	701,875	701,875	4,229,074
Ongoing cost excluding depreciation				17,824	326,034	326,034	326,034	326,034	326,034	326,034	1,974,028

Risks & Contingency: The contingency figure recommended for this project is 16%. This is linked entirely to R8: “The INZ architecture is complex and tightly integrated so if a change made in one area then there may be an unforeseen negative impact on another area” in the Project Risks section below.

The risk and contingency provision is due to uncertainty around the detailed architectural approach INZ is seeking take with this IPE solution. Most of the contingency is based on the pricing information supplied by NEC and it incorporates their recommended contingency number. It is similar to the figure included in the IPE business case.

Cost assumptions and constraints

The following are the cost assumptions for this project:

Cost Assumption(s)	Comments
Datacom Costs	Datacom’s costs were supplied in their document: IGMS IDme Rescaling IPE and In-person Enhancements Estimates Paper.docx of 22 November 2018.
NEC Costs	NEC supplied their costs in the paper: Preliminary costs estimate IPE ver0.1.docx of 4 December 2018. This was subsequently updated with revised costings, along with some additional information supplied as part of that proposal.
Managed Service Commercials	There is an implied assumption that we can actually negotiate a managed service with NEC. This amounts to a more creative funding model that could shift a significant portion of capital expenditure for the project to an opex model. A final decision on this can be made during the commercial engagement and implementation phases of the project, should it be approved.
Vodafone Costs	Vodafone costs based on actual costs incurred undertaking a similar network implementation for the K2 project
Hosting Costs	These are based on the current costs incurred in the K2 application implementation for mounting similar servers in similar environments. Additional costs for back-up and storage have been included at the recommendation of INZ Architects. The pricing is current.
Contingency	With reference to the high levels of uncertainty around the Datacom proposal pricing and the volume and nature of the assumptions and exclusions that Datacom has specified below, we recommend an overall capex contingency of 16%. This is higher than we would normally countenance in an ICT business case however the fluidity of the approach to the solution, particularly around IGMS integration is such that a contingency of this size is warranted.

Cost Constraints	Comments
Datacom’s Pricing Assumptions	Datacom’s indicative price estimate that can be used for Business Case for the Datacom related work to implement Option 3 is s 9(2)(b)(ii)

8. Management Case

Approach

The project will use the Immigration NZ Project Governance Framework, INZ Project Management¹² processes and tools and adhere to the INZ Portfolio Quality Assurance. Once the business case is approved, the IPE Project will be approached to commence the next stages of the project – Build, Test and Deploy. The Project Close report will also be developed and the cost for doing this is included in finance section as a component of Project Opex costs.

Product Descriptions (Deliverables)

The Products (Deliverables) are based on the requirements and scope and have been agreed with the business owner. Not Applicable is specified where the maintenance upgrade nature of the project obviates the need for the product in question.

Title	Description – eg- business process, new policy, ICT system, etc	Type - document, code, survey, ICT system, etc	Date to be delivered by
Prod1	Detailed Business Requirements	Document	15/05/19
Prod2	Requirements Traceability Matrix	Document	Completed
Prod3	Current State Analysis	Document	Completed
Prod4	Future State Processes	Document	15/05/19
Prod5	Business Process Impact Assessment	Document	31/05/19
Prod6	Development and implementation of new support model	Document	28/06/19
Prod7	Data Register	Document	NA
Prod8	Business Change Management Plan	Document	NA
Prod9	Training Needs Analysis	Document	15/05/19
Prod 10	Privacy Impact Assessment	Document	NA
Prod 11	Operational Readiness Review	Document	15/07/19
Prod 12	ICT Systems Handover	Document	31/07/19
Prod 13	Solution Design Part A	Document	19/04/19
Prod 14	Solution Design Part B	Document	15/05/19
Prod 15	Build Schedule	Document	15/05/19
Prod 16	Security Risk Assessment	Document	15/05/19

¹²Benefits and Business Change (Training and deployment communications) are part of the project management processes - noting that the project is the vehicle for benefits and business change.

Title	Description – eg- business process, new policy, ICT system, etc	Type - document, code, survey, ICT system, etc	Date to be delivered by
Prod 17	Test Plan	Document	14/06/19
Prod 18	Test Exit Report	Document	28/06/19
Prod 19	Benefit Realisation Plan	Document	TBC
Prod 20	Project Close Report	Document	07/08/19

Product Quality Assurance

Because IPE is an existing function within MBIE's Identity Management Systems, what constitutes "quality" is well understood by the business. Furthermore, international standards such as NIST which are protocols used to exchange data with foreign agencies ensures that INZ quality standards are globally consistent.

Product quality can be readily assured through regression and user acceptance testing. Integration of the discrete IPE service is another quality assurance check. The quality of the IPE output must be sufficient to meet the requirements of client applications of all types.

Delivery schedule, milestones and the work breakdown structure

The template below shows the steps that the IPE project will follow through the implementation phases post business case approval. The approval cycle for the business cases is expected to be completed in April 2019. The Commercial phase will commence as soon as practicable after that and is likely to take a month to complete. Whilst existing agreements are in place with Vodafone and Datacom, the commercial agreements with NEC will need to be established.

The implementation phase will be in full swing by May 2019 with the goal of having it completed as soon as practicable during the first half of calendar 2019.

There is considerable uncertainty around the deployment schedule at this stage. It is hoped that the implementation project can be initiated during the fourth quarter of FY19 and completed including the project closure report by the end of the first quarter of FY20.

s 6(c)

Task Name	Duration	Start	Finish
Gate 3 & Stage 3 – Manage			
Commercial Engagement Phase	11 days	Tue 0/04/19	Fri 26/04/19
Procurement work package	11 days	Tue 0/04/19	Fri 26/04/19
Vendor estimates revisited and confirmed	8 days	Tue 9/04/19	Thu 18/04/19
Contracts signed	3 days	Tue 23/04/19	Fri 26/04/19
Design Phase	24 days	Tue 9/04/19	Wed 15/05/19
ARB for ICT Design approval	24 days	Tue 9/04/19	Wed 15/05/19
Build & Test Phase	44 days	Mon 29/04/19	Fri 28/06/19

ICT work package	44 days	Mon 29/04/19	Fri 28/06/19
Build & Configure (as per SOW)	34 days	Mon 29/04/19	Fri 14/06/19
Testing	10 days	Mon 17/06/19	Fri 28/06/19
Testing complete	1 day	Fri 28/06/19	Fri 28/06/19
ICT Training to support the solution – complete	5 days	Mon 24/06/19	Fri 28/06/19
Hand-over to ICT operations defined and agreed	1 day	Fri 28/06/19	Fri 28/06/19
Gate 4 & Stage 4 Go Live Deployment			
Production Deployment & Soft Launch Phase	28 days	Mon 24/06/19	Wed 31/07/19
Soft Launch approval process	5 days	Mon 24/06/19	Fri 28/06/19
Soft Launch date scheduled	1 day	Fri 28/06/19	Fri 28/06/19
ICT Deployment	23 days	Mon 1/07/19	Wed 31/07/19
ICT Soft Launch	23 days	Mon 1/07/19	Wed 31/07/19
ICT Early Life Support period	13 days	Mon 15/07/19	Wed 31/07/19
Hand-over to ICT Support complete	1 day	Wed 31/07/19	Wed 31/07/19
Business Change Deployment	23 days	Mon 1/07/19	Wed 31/07/19
Business training carried out (in conjunction with soft launch)	23 days	Mon 1/07/19	Wed 31/07/19
Business training complete	1 day	Wed 31/07/19	Wed 31/07/19
Business Early Life Support period	13 days	Mon 15/07/19	Wed 31/07/19
Hand-over to Business Operations completed	3 days	Mon 29/07/19	Wed 31/07/19
Business Acceptance signed off	1 day	Wed 31/07/19	Wed 31/07/19

The schedule for project closure can be found in the 'Planning for Closure' section of this business case.

Assumptions

#	Assumption	Impact if Assumption does not hold	Validated by	Validation date	Notes
AS01	Validation by Biometrics Consultant (i.e. Biometix) will not uncover any serious flaws in the option selected.	Solution may be deficient.	Biometix	8/11/2018	
AS02	Possible mobile use case of the technology outside of kiosks and “Pelican Cases” (such as those contemplated by the Compliance Team) have been specifically excluded from this Business Case. Note: Solution is designed to accommodate different use cases (including mobile use case); <i>but delivery of mobile use case (using smart phones and tablets) is not in scope for this project.</i>	Additional use cases are not financially supported by this business case.	Primary IDme Resizing workstream	5/12/2018	

Constraints

No constraints have been identified for the IPE project.

Project dependencies

#	Description	Milestone and Impact Assessment	Dependency in or out? ¹³	Date required to be delivered
Dep01	Photo Quality Checking workstream	The In-Person Enrolment workstream will be a downstream user of photo quality check when capturing face images. The solution selected in Photo Quality Check workstream will be deployed for In-person Enrolment photo quality check for consistency.	In	No date has been set

All dependencies are entered in to Project Server.

Tolerances

The tables below lists the permissible deviations from the project targets than can be managed without raising a Change Request.

Project level tolerances

Time and Cost project tolerances comply with the MBIE standard. Zero Scope Tolerance is the INZ standard and by default also includes Benefits. Risk and Quality Tolerances have been agreed with the Business Owner.

The Project Manager will inform the Business Owner and Project Sponsor as soon as it becomes apparent that tolerance will be used. Where it is forecast that there will be a deviation beyond the agreed tolerance level a Change Request will be raised. A Change Request is not required where a project delivers ahead of schedule.

Tolerance criteria		Tolerance Settings default
Time ¹⁴	+/- time on target completion date Note: Implementation is expected to be a soft launch with a phased roll out to each site.	3 weeks over the agreed target completion date
Cost	+/- amount of approved budget	5% over budget or \$150k whichever is the less
Scope	permitted variation of the scope of a solution	Zero: All "Must have" (MVS) requirements met

¹³ 'Dependencies In' mean dependencies the project is dependent on delivering before it can proceed with an activity. 'Dependencies Out' means that the project must deliver an activity before another project to proceed. This is particularly important in an ICT enterprise environment or a project that may be upgrading a building and relocating staff.

¹⁴ 3 weeks slippage applies to the project completion date. For a large project, 3 week slippage for a milestone may be absorbed and recovered and may not impact the overall end date.

Risk	limit on the aggregate value of threats; limit on any individual threat	All RED risks to have treatment plans
Quality	target range, set at the product level	No show stoppers
Benefits	target benefits defined as a range	All Must have and Should Have Requirements met

Delivery Assurance Plan

Exception and Change Control process

Upon approval of this business case, the project plan will be baselined, after which all project changes will come under formal change management. A project Change Request will be raised for any proposed changes to scope, schedule and/or financials and approval sought from INZ governance for the changes.

In addition, the following project reporting and assurance activities will be carried out:

Assurance ¹⁵ activities	Mandatory/Optional/Recommended	Frequency -
Business owner (Stephen Vaughan)	Mandatory	TBD
Project status reporting for the business owner	Mandatory	TBD
Project status reporting is done in MS Project sever (for INZ governance and the business owner reporting). Work package reporting as agreed with the Project Manager	Mandatory	Weekly
Project Steering Group	Optional	NA
Project Reference group meetings	Optional	TBC
Project Risk Assessments using the MBIE standard	Mandatory	Throughout the project lifecycle
Compliance with INZ Change Portfolio Project Management framework, processes, governance and quality assurance	Mandatory	Throughout the project lifecycle
Compliance with INZ Change Portfolio project health checks, including Benefits checks	Mandatory	As required, throughout the project lifecycle
Compliance with INZ Business Change and Integration processes	Mandatory	As required, throughout the project lifecycle
Acceptance Certificates signed by the business	Mandatory	As required /on milestone deliverables
External Assurance activities (as required)	Optional	Independent Quality

¹⁵ INZ projects are selected at random for external assurance reviews.

		Assurance review as mandated
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Testing and Acceptance/Early Life Support

Testing, Early Life Support and Acceptance assurance activities are included in the work package/product delivery. As part of formal hand-over to BAU, an Acceptance Certificate for each Product/Work-package will be signed by the business owner.

Resource estimates for delivery:

Impact to the business is low, as this project is a replacement of current hardware and software. Functionally, the system is doing an identical job to the current system.

Implementing it will not have a significant impact on Identity Services resourcing though the details of this won't be determined until implementation planning gets underway.

Project Risks

The following project risks have been identified and will be actively managed by the project. Where it appears that the risk will materialises as an issue, the discussion with the business owner and further escalation action may be required to be taken. Risk contingency may be required to be used and a CR.

New Zealand Immigration			Risk Description				Target / Treated Risk		
Date Identified	Risk ID e.g. INZ Project FMIS Code Risk # - ie INZ 2048 R001	Risk Owner	Risk cause	Risk Description	Risk Impacts	Risk Type (Operational, Enterprise, Strategic, change)	Likelihood	Consequence	Inherent Risk Exposure
R1	NA	TBC	NA	Complex Vendor Relationship If the Vendors are unable to agree a satisfactory RACI for design and implementation of the technology components, then planned upgrade cannot be completed.	Low as there is only a single intersection point where the old and new capability can operate in parallel.	Strategic	Low	Low	Work with all vendors and internal stakeholders to agree RACI.
R2	NA	TBC	NA	If integrated INZ technology work stream planning is not undertaken, then other projects or work streams may develop the same or conflicting	Duplicate capabilities or conflicting solutions are developed.	Operational	Low	Low	Continue cross work stream planning take places a Align business and technical solution with

New Zealand Immigration			Risk Description				Target / Treated Risk		
Date Identified	Risk ID e.g. INZ Project FMIS Code Risk # - ie INZ 2048 R001	Risk Owner	Risk cause	Risk Description	Risk Impacts	Risk Type (Operational, Enterprise, Strategic, change)	Likelihood	Consequence	Inherent Risk Exposure
				capabilities.					ICT INZ Strategic Architecture Ensure formal INZ governance processes are adhered to
R3	NA	TBC	NA	If sufficient funding is not available then the maintenance may not complete all the individual work items.	Project will end without completing all requirements. This will further increase the INZ backlog and technical debt.	Strategic	Low	Medium	Ensure funding is secured through investment rounds Planning to ensure off ramps and phases are utilised to logically group like capability. Prioritise the individual work items and

New Zealand Immigration			Risk Description				Target / Treated Risk		
Date Identified	Risk ID e.g. INZ Project FMIS Code Risk # - ie INZ 2048 R001	Risk Owner	Risk cause	Risk Description	Risk Impacts	Risk Type (Operational, Enterprise, Strategic, change)	Likelihood	Consequence	Inherent Risk Exposure
									associated activities.
R4	NA	TBC	NA	If resources are insufficient to deliver all INZ projects and Programmes, then the Maintenance work stream may be prioritised behind other project, and the Maintenance may not be fully completed	Implementation is delayed and benefit realisation is deferred.	Operational	Low	Medium	Ensure formal INZ governance processes are adhered too.
R5	NA	TBC	New commercials	If commercial agreements with vendors result in unresolved commercial issues this may prevent progression of some of the work items.	Solution won't meet all requirements or Implementation is delayed and benefit realisation is deferred	Operational	Low	Medium	Work early and closely with vendors to iron out potential commercial roadblocks.

New Zealand Immigration			Risk Description				Target / Treated Risk		
Date Identified	Risk ID <i>e.g. INZ Project FMIS Code Risk # - ie INZ 2048 R001</i>	Risk Owner	Risk cause	Risk Description	Risk Impacts	Risk Type (Operational, Enterprise, Strategic, change)	Likelihood	Consequence	Inherent Risk Exposure
R6	NA	TBC	NA	If the vendor development capabilities are not ready when required then the INZ environments may not have the capacity required to support the INZ pipeline to its current planned schedule.	Work items may be delayed, and need to be reprioritised	Operational	High	Medium	Ensure formal INZ governance processes are adhered to. Investigate alternate options for providing sufficient capacity and capability across streams
R7	NA	TBC	NA	The INZ architecture is complex and tightly integrated so if a change made in one area then there may be an unforeseen negative impact on another area	Development, test and implementation timeframes are extended. Low as this is a new stand alone capability	Change	Low	Low	Planning to ensure off ramps and phases are utilised to logically group dependent capability. Align business and technical solution with

New Zealand Immigration			Risk Description				Target / Treated Risk		
<i>Date Identified</i>	<i>Risk ID</i> <i>e.g. INZ Project</i> <i>FMIS Code Risk # -</i> <i>ie INZ 2048 R001</i>	<i>Risk Owner</i>	<i>Risk cause</i>	<i>Risk Description</i>	<i>Risk Impacts</i>	<i>Risk Type</i> <i>(Operational,</i> <i>Enterprise,</i> <i>Strategic, change)</i>	<i>Likelihood</i>	<i>Consequence</i>	<i>Inherent Risk Exposure</i>
					with single intersection point.				ICT INZ Strategic Architecture Prioritise the individual work items and associated activities.

A link to the Project Risk Register can be found in the Reference Documents section at the beginning of this document. Risks are also entered in to project server.

Governance, stakeholders, communications and the project team

Governance

This initiative comes under the Immigration NZ governance model which is managed by INZ PMO. The project will follow INZ governance requirements as they have been set out and comply with INZ project management processes.

Stakeholders

The following have been identified as key stakeholders in this project:

Position	Stakeholder Name	Organisation	Interest
Sponsor:	s 9(2)(a)	MBIE	Approval of project
Business Owner:	Stephen Vaughan	MBIE	Approval of project
Business Project Manager:	s 9(2)(a)	MBIE	Project delivers as agreed
Senior ICT Project Manager:	s 9(2)(a)	MBIE	Ensure delivery of project
Service Owner:	s 9(2)(a)	MBIE	Solution aligns to business needs
Project Reference Group Members:	Stephen Vaughan, s 9(2)(a)	MBIE	Oversight of project
SME's:	s 9(2)(a)	MBIE	Solution meets operational needs
Business Change Manager:	s 9(2)(a)	MBIE	Change is appropriately managed
Senior Business Analyst:	s 9(2)(a)	MBIE	Analysis and support
Senior Solutions Architects:	s 9(2)(a)	MBIE	Technical solution aligns to INZ architecture roadmap
Procurement Manager / ICT Commercial:	s 9(2)(a)	MBIE	Commercials aligns to MBIE's policy
MBIE ICT CGI Delivery:	s 9(2)(a)	MBIE	Solution aligns to INZ strategy

Senior ICT Project Manager	All	s 9(2)(a)	Management of deliverables
Senior Business Analyst	All		Analysis and support
Lead Business SME	All		Business impacts
Senior Solution Architect	All		Technical solution
Procurement Manager / ICT Commercial	NA		Commercials with vendors

Project roles and responsibilities (as documented by the INZ Portfolio) have been discussed with the relevant stakeholders. The INZ Portfolio project management roles and responsibilities can be found under Cross Stage templates: S 6(c) and used by the project manager for agreement.

9. Change Management

Change Management Scope

Initial analysis has indicated low to no impact on the business. The complexity is low as this project is the replacement of an existing solution; and there are no changes to business processes. The change management approach will be tailored for the project and will align to the needs for the business.

Given the change is limited to a small number of staff in Immigration; it will be managed by undertaking the following activities:

- Communication
- On-site user learning training – TBA.
- Update Standard Operating Procedures – Technical Writer.

A change management plan is not required for this project; however INZs defining the business change document will be completed to support any change management activities needed for successful delivery

Business Impact

Immigration staff can enrol biometric and biographic details of a person at various points in the Immigration lifecycle - at the border, when processing refugee claimants, administering deportees or in the field when performing compliance checks.

The current equipment and systems used for enrolling a person are restrictive, dated, unwieldy, cumbersome, and inefficient, particularly within fieldwork.

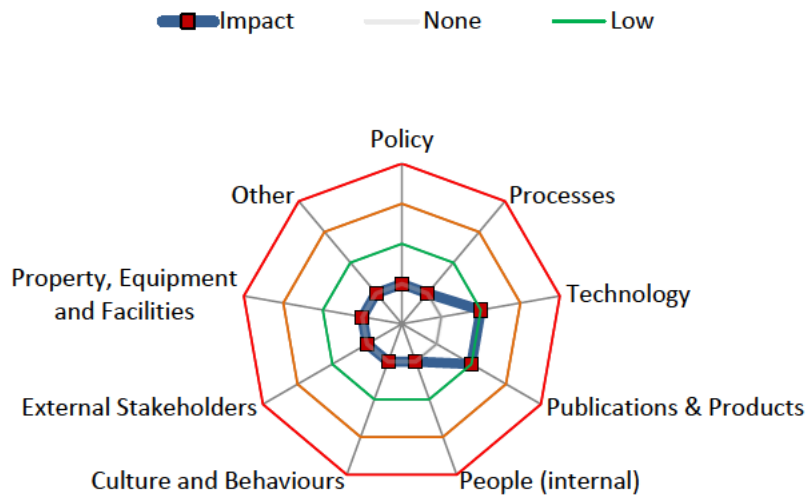
This project will:

- Replace current hardware (e.g. camera, fingerprint scanner) used in the enrolment stations;
- Replace the current enrolment software.

There are no changes to:

- Business processes – process for enrolment remains unchanged.
- Culture and behaviour – staff will continue to enrol identities as per existing process.
- External stakeholders – no external stakeholders are involved in the enrolment process.
- Property, equipment and facilities – no change to properties.
- Policy – no change to existing policies.

IDme Rescaling In-Person Enrolment Project Summary View of Business Impact Assessment



Communications

Key messages will be distributed to the project stakeholders using a variety of mechanisms and channels, this will be in more detail in the defining the change document.

What is the message?	Who is delivering the message?	What is the channel?	Stakeholder Group	Frequency
We are using NEC to upgrade In-person Enrolment to improve its performance and make it easier to administer	The communications approach will be outlined in the defining the change document. This work will take place once the business case has been approved	TBD	Compliance, Risk & Intelligence Services	Pre and Post go live
NEC will be providing a managed hardware service for In-person Enrolment. Help Desk calls will escalate to them.		TBD	Compliance, Risk & Intelligence Services	Pre and Post go live

On site user learning and Update Standard Operating Procedures

There will be a need to update and provide support to staff. The detail of this will be reflected in the defining the change document.

Planning for project closure and Close Stage

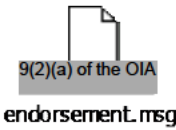
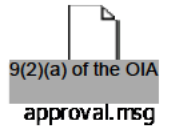
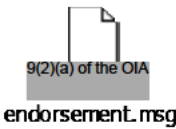
During Deployment, the project manager completes the project close activities:

Schedule for project closure:

Task Name	Duration	Start	Finish
Planning for Project Close	5 days	Thu 1/08/19	Fri 7/08/19
Lessons Learned completed	2 days	Thu 1/08/19	Fri 2/08/19
Risks updated and residual risks transferred to the business	1 day	Thu 1/08/19	Thu 1/08/19
On-going support costs transferred to relevant cc	1 day	Thu 1/08/19	Thu 1/08/19
Benefits review completed and benefits to date realised	3 days	Thu 1/08/19	Mon 5/08/19
Assets transferred (Finance)	1 day	Mon 5/08/19	Mon 5/08/19
Financials completed - Actuals	1 day	Mon 5/08/19	Mon 5/08/19
Resources released	1 day	Mon 5/08/19	Mon 5/08/19
Project Close Report completed	3 days	Mon 5/08/19	Wed 7/08/19
End Stage Report complete	1 day	Wed 7/08/19	Wed 7/08/19
Gate 5 & Stage 5 - Project Close			
Close Report socialised with stakeholders and feedback incorporated	3 days	Thu 8/08/19	Mon 12/08/19
INZ PPM Reviewer paper review & feedback incorporated	5 days	Mon 12/08/19	Fri 16/08/19
INZ Benefits paper review & feedback incorporated	5 days	Mon 12/08/19	Fri 16/08/19
Business Change & Integration paper review & feedback incorporated	5 days	Mon 12/08/19	Fri 16/08/19
Financial Branch Management paper review & feedback incorporated	5 days	Mon 12/08/19	Fri 16/08/19
INZ Finance Business Partner paper review and endorsement complete	5 days	Mon 12/08/19	Fri 16/08/19
INZ Business Systems paper review and endorsement	5 days	Mon 12/08/19	Fri 16/08/19
Business Owner paper review and endorsement	5 days	Mon 12/08/19	Fri 16/08/19
Sponsor paper review and endorsement	5 days	Mon 12/08/19	Fri 16/08/19
INZ Business Reference Group meeting for endorsement	1 day	Mon 19/08/19	Mon 19/08/19
INZ BCB meeting	1 day	Mon 16/09/19	Mon 16/09/19
Project Close Report – approved	1 day	Mon 16/09/19	Mon 16/09/19
BCB approval to close the project received	1 day	Mon 16/09/19	Mon 16/09/19

10. Appendix 1

Reviewed by

Function	Role	Content reviewed	Comments ; Caveats and Date Caveat to be / or actioned by	Date	Name and Signature
ICT Release and Environment Manager (M)	ICT Environment Contentions	Schedule	s 9(2)(a)	14/03/19	
Business Change, Integration and Deployment (M)	Business Change Reviewer	Business impacts, stakeholders, deployment communications		20/03/19	
INZ Finance (M)	Financial Reviewer	All financial content		13/03/19	
INZ Portfolio Management Office (M)	Governance, Process and Quality Assurance	All			Embed snapshot of email approval
Peer review (O,R)	Peer review	All		14/03/19	

Consulted¹⁶ with

Function	Role	Content reviewed	Date	Name
Key stakeholders ¹⁷	Review relevant section	Content relevant to the stakeholder interest		

¹⁶ People who have been consulted are not necessarily document Reviewers.

¹⁷ Key stakeholders refers to the wider project stakeholder community (in addition to the business owner and project sponsor). They include those identified through the Project Brief and those identified by the business owner. It is expected that they will have been engaged for input into the Business Case. The list of stakeholders who have been engaged should be listed in the 'Consulted with' table. The stakeholders may have contributed to the development of the Business Case, but not necessarily have a role in reviewing it.

11. Appendix 2 – Memo IPE

MEMO

DATE 07/03/2019

TO Stephen Dunstan, s 9(2)(a)

PREPARED BY s 9(2)(a)

SUBJECT IN PERSON ENROLMENT (IPE) – RATIONALE AND BENEFITS

PURPOSE To support progression of the In Person Enrolment business case

PROBLEMS

In Person Enrolment has been in production since the IDme go-live in June 2016. Problems with the current solution have resulted in capturing only bare minimum biometric or 6(c) of the OIA inefficiency; wasted time and resources; unresponsive and complex support model; outdated technology; and reputational damage.

The following are real-life cases to demonstrate the problems:

- 6(c) of the OIA
- Inefficiency: 6(c) of the OIA ; is bulky and impractical for in field use. Setting up an enrolment station in field is finicky and unforgiving; and devices must be connected and turned on in a specific order. An experienced staff takes 40 minutes to prepare and setup an enrolment workstation in the field and more if there are issues.
- Capture consistency and viability: Compliance Officers have resorted to taking face images on standalone cameras (e.g. Smart Phones) and uploading the photos manually into IDme; resulting in problems where images are not templatable and hence cannot be used for matching; or being uploaded to the incorrect identity.
- Problems with devices: High failure rate with passport scanners means information is manually entered and prone to errors. Fingerprint scanners are too bulky for in the field work; and not able to capture good quality fingerprints.

- **Manual workarounds:** Documents captured are not being saved in the correct folder; which RQB have to manually move to the designated folder so as to be correctly associated with the client. RQB clients which are enrolled offline have to be manually uploaded into IDme. Upload of identities is limited to manually selecting and uploading ten identities every ten minutes; which is a 3½ hour process for a typical mission profile.

BENEFITS OF IMPLEMENTING IPE

- Alignment with INZ future state architecture and project delivery.
- Technology environment is self-reinforcing to deliver strategic objectives of both protection and facilitation.
- More robust and reliable capture of biometric data (face and fingerprint) contributing to both INZ risk management (IDme) and 6(c) of the OIA
- Enhanced capability across CRIS and SPA teams and functions through provisioning of more portable, robust and reliable biometric capture, search and check as well as biometric enrolment in the field.
- Improved and more reliable biometric enrolment tools at the border.
- Support model is simplified and improved; with a single local based vendor solution.
- Ease of use encourages increased capture of quality and consistent biometric.
- Accommodate different use cases; and provide a wide range of devices.

WHY NOW AND NOT LATER

- Mitigate further risks caused by the current solution. In Person Enrolment maybe a small footprint but foregoing quality biometric is a huge risk for New Zealand.
- The current solution is high maintenance and off-putting; hence INZ staff has resorted to stop using some of the devices.
- Support projects currently in-flight as part of the enhanced risk and assurance; especially in discovery insights and providing foundational building blocks for: Biometric Enrolment Enhancement; Automated Visa Assessment and biometric capture through External Channels.
- Opportunity to enforce consistency in the biometric data capture across INZ systems especially in the ETA project and IDME Primary Workstream with NEC as the single vendor.
- s 6(c)
- s 6(c)

Project Change Request (CR) – Cover Sheet

3644 – Biometric Capability Update

Project Change Request #	3644 - CR01		
Project FMIS Code & Name	3644 – Biometric Capability Update		
Project Sponsor	Stephen Dunstan	Business Owner	9(2)(a) of the OIA
INZ Branch	Enablement	Project Manager	9(2)(a) of the OIA
Priority Rating	Medium	Cost Centre	2146
Document & version submitted	Project Change Request V1	Date submitted	25/05/20
Capex Investment Bid	\$831,705	Opex Investment Bid	\$0
Approved/Baseline Business Case Capex	\$10,458,858	Approved / Baseline Business Case Opex	\$46,272
		Cost Centre	2146

Short description of what is required and why		
This Change Request seeks to increase the BCU budget by \$831k from funds transferred from the 3315 – Photo Quality Check (PQC) and 3303 Windows Server Upgrade projects. This residual budget transfer was approved by BCB on 12 May 2020 upon closure of the projects, and is detailed in the Windows Server Upgrade ^{s 9(2)(a)} and Photo Quality Check ^{s 9(2)(a)}. These projects are part of the INZ Maintenance programme of work. The reasons outlined for the transfer of the remaining CAPEX are: - The PQC project included removing the tight coupling between the facial image checker and the Immigration Online platform, so that visa applications could be submitted when IDme was unavailable. Due to technical complexities in IGMS this benefit has only been partially met. The BCU project will remove this complexity within its work and can then ensure that users are able to submit visa applications using Immigration Online, even if IDme is unavailable; completing delivery of PQC benefit Ben05 and scope item Sc17. - The Windows Server Upgrade scope included migration of production and test IGMS environments to Windows Server ^{s 9(2)(a)} and SQL ^{s 9(2)(a)}. Three of four phases have been successfully completed. The fourth phase was deferred as the design and analysis undertaken for the Biometric Capability Update (BCU) project indicated that all of these servers would be replaced shortly after the proposed upgrade; making the software upgrade unnecessary. These servers will be decommissioned by Biometric Capability Update project Residual project funding from these two closed projects will be moved to the Biometric Capability project to ensure successful delivery of these scope items.		
<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 30%;">ARG / ARB dates & commentary</td> <td>N/A</td> </tr> </table>	ARG / ARB dates & commentary	N/A
ARG / ARB dates & commentary	N/A	

DA date & commentary	N/A
BRG date & commentary	N/A
BCB date & commentary	TBC

Additional Funding Requested & Changes to Budget			
Additional Capex Requested for this CR	\$831,705	Additional Opex Requested for this CR	Nil
Revised Total Project Capex including all CR and earlier stages	\$12,208,677	Revised Total Project Opex including all CRs and earlier stages	Unchanged
Variance = Investment Bid Capex +/- Total Approved + Requested Capex	\$831,705	Variance = Investment Bid Opex +/- Total Approved + Requested Opex	new Opex baseline requesting approval Unchanged
		Cost Centre	2146
Funding Source(s) & breakdown (if applicable)	N/A	Contingency as per % of Risk Assessments	N/A

Baselined Completion date	October 2020
Revised Completion date	Work continues on a revised baseline delivery date for BCU. The delivery date does not impact this transfer, and approval will be sought in a subsequent, separate CR

Project Recommendations	Comments/Caveats
Approve this this change request to transfer residual projects budget from 3315 and 3303 to the Biometric Capability Update project at project closure.	
Approve this this change request to transfer 3303 phase 4 scope items, and the related Ben05 to the Biometric Capability Update project.	
Approve this this change request to transfer scope item "3315 - Sc17" to the Biometric Capability Update project.	

IN CONFIDENCE

3644

Biometric Capability Update Project Change Request 1

Version 1

Date 25/05/2020

1. Document control

Version history

Date	Version	Author	Description of change
18/05/2020	0.1	Project Manager	For Peer Review
22/05/2020	0.2	Project Manager	Second draft post peer reviews
22/05//2020	0.3	Project Manager	Draft to stakeholders for review
25/05/2020	1.0	Project manager	For Endorsement

Document information

This document is designed for projects requesting changes to approved business cases requiring INZ Governance approval. Although Change Requests are typically raised during the Manage – Deploy stage of the project, this document can also be used during the Start Up – Requirements (Planning) stage while developing the Project Brief. Once this Change Request is approved, the project will be re-baselined to the latest changes.

Endorsed by

In accordance with INZ Gating and Stage standards and processes, the following INZ governance authorities have been provided with this document for Endorsement.

Function	Role	Date	Signature
Stephen Dunstan General Manager Enablement Project Sponsor (M) ¹	Endorse – All		
s 9(2)(a) Business Owner (M) & INZ Business Systems Owner (M)	Endorse – All	25/05/2020	 RE Reciprocal CR for funds transfer from P
s 9(2)(a) MBIE Finance Business Partner (M)	Endorse - Financials	25/05/2020	 RE Reciprocal CR for funds transfer from P

**Evidence that the named person(s) or group(s) listed above have endorsed this document is embedded as emails alternatively there is reference to the minutes and date of the meeting in lieu of an email signature.*

Reviewed by

The following people have reviewed this document:

¹ M = Mandatory, O = Optional, R = Recommended

Function	Role	Content reviewed	Date	Signature
INZ Portfolio Management Office (M)	Governance, Process and Quality Assurance	All		
s 9(2)(a) INZ Maintenance Work Steam Project Manager	Project Manager	All		 RE 3644 BCU short form CR01 0v2 doc I

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2. Changes Requesting Approval

Triggers for this Change Request:

This Change Request seeks approval to transfer scope and benefit items from Windows OS and SQL database upgrade project and PQC project to the Biometric Capability Update (3644) project.

To achieve this it seeks to receive the residual budget from the two projects to enable delivery of these items. This will ensure full project delivery in the most economical way.

Both the PQC, Server Upgrade and BCU projects are part of the INZ Maintenance work stream programme.

T

Scope

The project seeks approval to move

- a) 3315 - PQC - scope item 17 'Decommissioning of current solutions' to BCU. Due to technical complexity within the IGMS ESB, the existing QTF face image checker is still active within the IGMS backend. QTF will be decommissioned as part of BCU.
- b) 3303 – Server Upgrade Project IGMS biometric engine, associated database and other management, servers will be replaced and decommissioned by the BCU project. BCU will replace and decommission the 104 servers currently allocated for biometric matching across the production and test environments, originally scoped as Phase 4 for this project.

Benefit

PQC:

The project seeks approval to transfer PQC benefit Ben05 - 'Eliminate a source of tight coupling with Immigration Online that prevents application submission when IDMe is unavailable' to the BCU project.

6(c) of the OIA



Server Upgrade:

The IGMS biometric engine, associated database and other management, servers will be replaced and decommissioned by the BCU project. BCU will replace and decommission the 104 servers currently allocated for biometric matching across the production and test environments, originally scoped as Windows Server Upgrade Phase 4.

Funding

Residual project funding at project closure will be moved to the Biometric Capability project to ensure successful delivery of PQC Sc17 PQCBen05, and Server Upgrade Stage 4. This CAPEX transfer totals \$831,705

Summary table – Current approved baseline

Current approved baseline, Requested change/Revised baseline and Impact Assessments

	Original approved baseline (as per Business Case or Project Brief)		Requested changes to last approved baseline / Revised baseline		Impact Assessment (if this Change Request is not approved)
Time	21/08/2019	21/10/2020	Nil		
Go Live	TBC		Nil		
Funding	Total Project Capex baseline including all CRs and earlier stages to date	Total Project Opex baseline including all CRs and earlier stages to date	Revised CAPEX baseline from transferred funds	Revised Total Project Opex including all CRs and earlier stages – new Opex baseline requesting approval	3315 PQC and 3303 Windows Server Upgrade completion of all deliverable will be compromised
	\$10,458,858	\$46,272	\$831,705	Nil	
Scope			BCU Will deliver PQC Sc17 to the BCU project to complete delivery		BCU Will deliver PQC Sc17 to complete delivery
			BCU will deliver 3303 – Win Server Upgrade project Stage 4		All IDme Servers will be operational on the latest operating system and database at the completion of BCU
Benefits			Transfer Ben05 to BCU project		BCU will complete delivery 3315 – PQC Benefit 05

If approved, the 'Revised baseline' will become the new approved project baseline.

Current approved baseline for funding

Current approved baseline for funding/costs including out years and depreciation

Current approved funding – baseline (including any approved Change Requests to date):

- Opex of \$46,272
- Capex of \$10,458,858

Summary of capital and operational costs including out years							
	Current Year 2019/20	Year 1 2020/21	Year 2 2021/22	Year 3 2022/23	Year 4 2023/24	Year 5 2024/25	Total
Total project delivery capex expenditure	\$9,540,744	\$918,114	\$-	\$-	\$-	\$-	\$10,458,858
Total project delivery opex expenditure	\$-	\$46,272	\$-	\$-	\$-	\$-	\$46,272
Estimated on-going business opex (excluding depreciation)	\$-	\$-	\$-	\$-	\$-	\$-	\$-
Estimated on-going ICT opex (excluding depreciation)	s 9(2)(b)(ii)						
Whole of Life costs (capex + opex + on-going costs ²)	\$9,540,744	\$2,513,283	\$1,858,676	\$1,858,676	\$1,858,676	\$1,858,676	\$19,488,731
Ongoing tangible financial benefits ³	\$-	\$3,319,499	\$3,883,575	\$3,914,482	\$3,949,438	\$3,988,976	\$19,055,971

Revised baseline of costs

Revised baseline of costs for this Change Request (including out years and depreciation)

No additional funding is required as part of this change request. CAPEX Transferred from the PQC Project and Server upgrade has already been approved through relevant CRs and Governance, and

totals : \$831,705

Summary of capital and operational costs including out years							
	Current Year 2019/20	Year 1 2020/21	Year 2 2021/22	Year 3 2022/23	Year 4 2023/24	Year 5 2024/25	Total
Total project delivery capex expenditure	\$9,540,744	\$1,749,819	\$-	\$-	\$-	\$-	\$12,208,677
Total project delivery opex expenditure	\$-	\$46,272	\$-	\$-	\$-	\$-	\$46,272
Estimated on-going business opex (excluding depreciation)	\$-	\$-	\$-	\$-	\$-	\$-	\$-
Estimated on-going ICT opex (excluding depreciation)	s 9(2)(b)(ii)						
Whole of Life costs (capex + opex + on-going costs ⁴)	\$9,540,744	\$3,344,988	\$1,858,676	\$1,858,676	\$1,858,676	\$1,858,676	\$22,833,719
Ongoing tangible financial benefits ⁵	\$-	\$3,319,499	\$3,883,575	\$3,914,482	\$3,949,438	\$3,988,976	\$19,055,971

Project Change Request (CR) – Cover Sheet

Project Change Request #	02		
Project FMIS Code & Name	3644 – Biometric Capability Update		
Project Sponsor	Stephen Dunstan	Business Owner	9(2)(a) of the OIA
INZ Branch	Enablement	Project Manager	9(2)(a) of the OIA
Priority Rating	High	Cost Centre	2181
Document & version submitted	BCU CR02 – Version 1.2	Date submitted	03/07/2020
Capex Investment Bid	\$5.8m FY20/21	Opex Investment Bid	Nil
Approved/Baseline Business Case Capex	\$11,290,563 (post CR01)	Approved / Baseline Business Case Opex	\$46,727
CAPEX Funding Source	INZ	Project Cost Centre	2146

Purpose

The purpose of this CR is to request a change to the scope, budget and deliverables of the Biometric Capability Upgrade (BCU) project to enable: realization of additional benefits identified during the design phase – primarily achieved through the removal of support currently provided by Datacom, incorporate the In Person Enrolment project to reduce delivery overhead cost of both projects, and reduce integration risk.

Overview of the proposed change

The proposed improvement to the solution design (endorsed by ARB) requires additional effort, reflected in additional CAPEX and time. For every \$1 of additional CAPEX invested the improved design is forecast to return over \$3 in additional operational savings over the first 7 years of operation, and ongoing operational cost savings > \$2m pa beyond that. The table below further details the improvement to benefits and NPV (from **-\$2.3m** to **+\$1.0m**).

The proposed merge of IPE and BCU projects incurs no additional cost, but delivers the benefit of rationalizing project management, financial management, governance and reporting, reducing the additional CAPEX funding requested.

	Original Business Case (BCU)	Improvements proposed in this CR
Benefits	- Reduce identity related risks for New Zealand - Assurance of quality biometrics - Encourage reuse and consistency - Simplify technology and improve performance - Wider Government benefits	All original business case benefits plus: - Further reduce solution complexity - Reduce support complexity - Reduce cost of ongoing operation - Flexible platform to meet the evolving demands of Immigration and future border - Rationalizing project management, financial management, governance and reporting.
Net Cash Flow***	Net Cash Flow: +\$0.4m	Potential Net Cash Flow: +\$9.5m
NPV	NPV: -\$2.3m	NPV*: +\$1.0m

9(2)(b)(ii) of the OIA

** Incremental improvements to those proposed in the original business case

*** NCF – total benefits less total costs over 7yrs

The proposed improvements** to the solution design (outlined in this CR) include:

- Replacement of bespoke Datacom code with industry proven “off the shelf” NEC tools.
- Reduction of complexity and ongoing business and technical issues associated with maintaining identity information in sync between AMS and IGMS.
- Removal of S 6(c) solutions (and supporting vendors).

The proposed simplification** of solution support (outlined in this CR) includes removal of the following current IDme related vendors from the support model: K2, InRule, Daon¹ and Datacom.

The estimated financial impacts outlined in this CR have been recalculated taking into account the impact to (post COVID19) Ministry growth projections of zero growth until 2022 and include:

- Additional CAPEX of \$5.8m, which includes \$1.9m draw down of the BCU and IPE Project Contingency
- Additional operational savings of up to \$2.3m per annum.

The impact of this CR on the BCU schedule is:

- Move Go-live date from July 2020 to February 2021
- Move project closure date from September 2020 to May 2021

As an “enabling” project, the successful delivery of BCU remains a key dependency for the following projects.

Project	Dependency ²	Assessment of delay impact
ADA	The Automated Decision Assist project depends on reusing BCU delivered APIs. Vendor resource requirements (Datacom)	Minor impact – reduced slack between dependent milestones but no delays identified.
BEE	The Biometric Enrolment project cannot be implemented without enabling BCU capabilities	No impact - schedule yet to be confirmed.
ECF	The External Channel Foundations project is depends on reusing BCU delivered APIs.	No impact - schedule yet to be confirmed.
EDP	The Employer Direct Project depends on reusing BCU delivered APIs.	No impact - High level schedule has been confirmed and is in the RFP documents for the new platform
IPE	The In-Person Enrolment solution cannot be implemented without enabling BCU capabilities	No impact - BCU and IPE go-live schedules are already aligned.
NZeTA	Improving the NZeTA mobile app to read passport e-chips depends on BCU capabilities.	No impact - schedule yet to be confirmed.

The most significant risks³ associated with the change proposed in this CR are:

- Temporary reprioritization of INZ activities and operations in response to future COVID19 incidents negatively impacts all non-essential projects and/or BCU vendors.
- Future shifts in the timelines of other projects or BAU initiatives generates test environment contention. This is currently being mitigated through ongoing inter-project engagement to identify and resolve conflicts as they arise.

¹ Removal of Daon as a support vendor also requires the IPE project to complete as planned.

² BCU dependencies are further elaborated in Project Server here:

S 6(c)

³ BCU risks are further elaborated in Project Server here:

S 6(c)

Recommendation

Discoveries during the detailed design phase of the BCU project have uncovered an opportunity to substantially increase the overall savings delivered by the project by \$5.9m* over 7 years, including recovering all invested CAPEX. It is recommended to invest an additional \$5.8m CAPEX to realize these benefits⁴, accept a 6 month go-live delay (required to complete the additional work), and merge the IPE and BCU projects together in order to improve delivery alignment and integration, as well as rationalize project management, financial management, governance and reporting.

⁴ This includes drawdown of both the BCU and IPE project contingency to zero.

** Savings from the reduction in Datacom IDme support are estimated to be in excess of \$2m per year. However, for this Change Request, the project recommends using a conservative estimate of 70% of savings being realised. This provides greater confidence in benefit realisation calculations.*

*** Incremental improvements to those proposed in the original business case*

ARG / ARB dates & commentary	Design approved ARB 22 April 2020
DA date & commentary	N/A
BRG date & commentary	25 th June 2020

Additional Funding Requested & Changes to Budget			
Additional Capex Requested for this CR	\$5.8m	Additional Opex Requested for this CR	N/A
Revised Total Project Capex including all CR and earlier stages	This is the forecast spend	Revised Total Project Opex including all CRs and earlier stages	N/A
Variance = Investment Bid Capex +/- Total Approved + Requested Capex	\$5.8m	Variance = Investment Bid Opex +/- Total Approved + Requested Opex	N/A
		Cost Centre	2146
Funding Source(s) & breakdown (if applicable)	INZ CAPEX	Contingency as per % of Risk Assessments	Reduced requirement for Contingency from 15% of the business case to zero of the forecast spend.
Baselined Completion date	07/09/2020		
Revised Completion date	17/05/2021 (project closure date)		

Project Recommendations	Comments/Caveats
Approval of this change request	This CR will be approved by the MBIE Investment Board/Chief Financial Officer subsequent to endorsement by BCB.
Approve	- The change to the project timeline and closure milestone: - Move the implementation date to February 2021 - Move the current close date of September 2020 to May 2021 - The additional funding of: - Capex of \$5.8m (forecast spend in FY20/21) including the drawdown of the BCU and IPE contingency of \$1.9m to zero, funding from the recovery of additional operational benefits from project activities - Merge of the IPE and BCU sub-projects into a single project
Note	INZ Business As Usual Cost Centre, 2181

IN CONFIDENCE

3644

Biometric Capability Update Project Change Request CR02

Version 1.2

Date [03/07/2021](#)

1. Document control

Version history

Date	Version	Author	Description of change
04/06/2020	0.1	s 9(2)(a)	First draft
08/06/2020	0.2		Peer review feedback and finance advice
12/06/2020	0.3		Project owner review
16/06/2020	0.4		Stakeholder Review
17/06/2020	0.5		Initial Submission or PMO Review
24/06/2020	0.6		Incorporated feedback and reshaped executive summary.
26/06/2020	1.0		Incorporated feedback from BRG.
29/06/2020	1.1		Incorporated additional feedback from Project Sponsor.
03/07/2020	1.2		Incorporated additional feedback from DCE Immigration.

Document information

This document is designed for projects requesting changes to approved business cases requiring INZ Governance approval. Although Change Requests are typically raised during the Manage – Deploy stage of the project, this document can also be used during the Start Up – Requirements (Planning) stage while developing the Project Brief. Once this Change Request is approved, the project will be re-baselined to the latest changes.

Endorsed by

In accordance with INZ Gating and Stage standards and processes, the following INZ governance authorities have been provided with this document for Endorsement.

Function	Role	Date	Signature
Stephen Dunstan Project Sponsor (M) ⁵	Endorse - All		 CR02 Stephen Dunstan Endorseme
9(2)(a) of the OIA Business Owner (M)	Endorse - All	17/06/2020	 9(2)(a) of the OIA

⁵ M = Mandatory, O = Optional, R = Recommended

Function	Role	Date	Signature
s 9(2)(a)	Endorse - All	22/06/2020	 CR02 s 9(2)(a) Endorsement .msg
s 9(2)(a) MBIE Finance Business Partner (M)	Endorse - Financials		 CR02 s 9(2)(a) Endorse .sg

**Evidence that the named person(s) or group(s) listed above have endorsed this document is embedded as emails alternatively there is reference to the minutes and date of the meeting in lieu of an email signature.*

Reviewed by

The following people have reviewed this document:

Function	Role	Content reviewed	Date	Signature
s 9(2)(a)	s 9(2)(a)	All		

Consulted with

The following people have consulted during the development of this document:

Function	Role	Content reviewed	Date
9(2)(a) of the OIA	s 9(2)(a)	All	25/06/2020
9(2)(a) of the OIA	BCU Delivery Manager	All	25/06/2020
9(2)(a) of the OIA	BCU Data Migration Workstream Lead	All	26/06/2020

Reference/related documents

The following is a list of reference documentation relating to this project that will be impacted by the proposed change:

Document Name & Mako link	Version	Date Endorsed/Approved
BCU APROVED Business Case	0.9.1	22/08.2019
BCU Business Case Finance One Pager	1	05/08/2019

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2. Changes Requesting Approval

Triggers for this Change Request

This Change Request is triggered due to the improvement to the initial solution design and some impact due to CoVid. The Biometric Capability Update project seeks the following approvals:

1. Changes to BCU and IPE funding:
 - Draw down of initial BCU and IPE project contingency of \$1.9 million to zero
 - Additional Capex of \$3.9m (forecast spend in FY20/21) to be available
 - Change from baseline of \$11.3m to \$17.1 million

NOTE: All requested monies will be funded from recovery of additional benefits achieved through the improved design over the lifetime of the asset

2. Changes to the project timeline and closure milestone:
 - Move the current implementation date from July 2020 to February 2021
 - Move the current project closure date from September 2020 to May 2021

3. Merge of the IPE and BCU sub-projects into a single project

Overview

The Biometric Capacity Update project will provide:

- Improved match results with updated biometric matching algorithms and software.
- Provide the capability for the In-Person Enrol project to complete removal of redundant middleware and the supplying vendor (Daon).
- Remove technical and commercial support complexity.
- Provide better quality data, and align with the use of our current NEC photo quality check service.
- A move from offshore support to onshore local support by a Global Tier 1 provider.
- A support model that aligns to business needs.
- A more flexible and straightforward path to software upgrades and solutions for INZ's future strategies

To achieve these goals, the original scope of activities, at a high level were:

- Update the NEC software and algorithms to the latest version
- Provide the tools and capabilities to allow Biometric data to be managed and maintained
- Remove DAON as a supplier of software and decommission their elements of the solution
- Integrate the updated NEC biometric capability into the existing DATACOM IDme solution
- Consolidate biometrics, face and finger prints, into single populations (database) to streamline matching and data management
- Improve data quality by aligning with the Ministry approach for consistent Identity Data Capture and Management

Subsequent to the initial design work, detailed analysis demonstrated that the original approach to the update would not realize the capability goals, remove the system complexity, provide system transparency, and would further impact data quality.

Further design work was carried out and an improved design was agreed by INZ and ARB, which would deliver to the projects original goals and significantly increase the financial benefits.

The new design integrates the NEC solution directly with AMS instead of via Datacom's IDMe solution.

This simplifies the overall IDme landscape and enables further elements of IDme to be decommissioned, resolving the cause of multiple issues in the current capability. At a high level, the featured changes include:

- Depreciate the Management of Identities from the DATACOM IDme system.
- Simplify the data processing through the utilization of the existing AMS Identities as the primary source for all INZ client identities
- Integrate BCU, AMS, Electronic Travel Authority (ETA) s 6(c)
- Greater leverage of the Out Of The Box capabilities of the NEC systems to manage and orchestrate identity matching and capture capabilities
- Address the pipeline maintenance task to upgrade the identity resolution interface, K2, with NEC platform features.
- Increase the scope of decommissioning activities and cost recovery to include the K2, s 6(c)
- Reduce the scope of support required from DATACOM to operate the INZ systems.

To deliver this design, further work is required from a wider group of vendors, increasing the integration complexity. At the same time, significant portions of the original DATACOM IDme code are able to be decommissioned, together with the In Rule platform reducing DATACOM involvement in the implementation of the BCU solution and the overall INZ system.

Project Background

1. IDme was developed as the identity management solution for INZ as part of the Immigration Global Management System project and went live in June 2016. This utilised a combination of bespoke DATACOM code, a DAON customisable orchestration platform and NEC Search and Match solutions.
2. s 6(c) of the OIA
3. In November 2018, as part of the INZ ICT Maintenance assessment, the IDme software was identified as needing attention, together with multiple areas of the INZ ICT capability. s 6(c)
s 6(c)
Additionally the full solution did not meet the current or future business needs or the capability and capacity to meet future growth.
4. To address this the Biometric Capability Update (BCU) project began in August 2019, after approval to proceed from the INZ Business Change Board and the MBIE Investment Board. It encompassed the primary update task for the IDme matching capability, together with multiple logical maintenance tasks into a single update project.
5. Amongst the many assumptions was to remove s 6(c) Daon and replace it with s 6(c) NEC software suite that would integrate into the existing DATACOM IDme software.
6. In February 2020 it became apparent the design approach based on this assumption would not deliver the required functional, non-functional, and data quality requirements for INZ. Additionally there was a high level of risk that it would not be successful.
7. Alternate delivery options were investigated and an approach was developed to address these shortcomings. The improved solution reduced the dependency on integration with the DATACOM IDme capabilities, and leveraged the existing AMS functionality and the extended functionality of the updated NEC solution.

8. The design was collaboratively developed, now including DxC for the AMS elements, and passed through ARG, and ARB successfully, on 22 April 2020.
9. The design phase identified significant technical issues that showed that a continuation of the design proposed in the business case would:
 - increase the costs to the project beyond the requested 3.36M and elapsed project delivery
 - noting that the increase to funding could not be funded from savings the project could make
 - increase operational risk and complexity
 - not meet our ability to deliver the operational requirements
 - not meet our future change roadmap of plug and play to the new digital channels

Additional Benefit

10. The new approach includes the unpacking of significant additional complexity already in IDme. By simplifying IDme, each vendor's responsibilities are clarified, with a reduction in joint responsibility and function, and critically data. This is also reflected in the revised operational support model and the large reduction on the reliance of Datacom.
11. The simplification results in a greater reduction than previously estimated in the on-going operation cost to maintain IDme on completion of the project. These fall into two categories:
 - a. More of the DATACOM supported infrastructure will be decommissioned. These include two complete sub systems, the Business Rules System, and K2 workflow system resulting in an estimated **saving of an additional \$0.2 million per annum**
 - b. The removal of a greater portion of the DATACOM IDme responsibilities will reduce the current operational cost. It is estimated that there will be an additional operational cost **saving of \$2.1 million per annum**
12. The scheduled maintenance upgrade of K2 and Pulse would have to be completed in FY20/ 21 as a separate project, and be upgraded using alternate funding rather than now being decommissioned within the BCU project through the leverage of the NEC functionality
13. Simplification of commercial support by the removal of S 6(c) as vendors and the removal of Datacom from much of the identity management system
14. While there is extra investment required at this point the financial savings cover the increased cost of the project and make increased ongoing savings

Reason for Time Extension:

15. The timeframe of the project needs to be extended due to:
 - Delivery of the extended design phase
 - The involvement of a wider vendor group, to include DxC and Argonaut. This has necessitated more time, and cost to deliver the project
 - The involvement of a wider system integration landscape requires more testing time and activities
 - The COVID19 lock down has delayed critical activities necessary to move the project to the build phase, specifically the Part B that is required to build the necessary non production environments

Reason for Budget Extension:

16. The funding necessary to complete the project has increased due to:
 - The extended time frame required to deliver the project (burn rate)

- The extended design phase, and involvement of other vendors in development of the alternate approach including DxC and Argonaut
- Extended testing scope
- NEC Environment prototyping
- Increase in cost for NEC to deliver the newly extended scope

Summary table - Current approved baseline, Requested change/Revised baseline and Impact Assessments

	Original approved baseline (as per Business Case or Project Brief)		Revised baseline as per the last approved CR (if any)		Requested changes to last approved baseline / Revised baseline		Impact Assessment (if this Change Request is not approved)
Time	Start date 21/08/2019	Close date 21/10/2020	Close Date 21/10/2020		Close Date May 2021		The project cannot be completed against the existing time baseline
Go Live	July 2020		July 2020		February 2021		The project cannot be completed against the existing time baseline
Funding	Total Project Capex baseline including all CRs and earlier stages to date	Total Project Opex baseline including all CRs and earlier stages to date	Additional Capex requested	Revised Total Project Capex including all CRs and earlier stages – new Capex baseline requesting approval	Additional OPEX requested	Revised Total Project Opex including all CRs and earlier stages – new Opex baseline requesting approval	The project cannot: - achieve the existing functional and non-functional requirements and associated benefits - achieve the level of operational savings going forward e.g. would not reduce system and platform support cost to the level estimated in this CR. Changes needed for dependant projects would incur cost, time and effort to those projects eg: IPE ADA, EDP, BEE. A project and associated costs would be required to replace Pulse software and upgrade K2.
	\$11,290,563 + \$1,568,829 contingency NOTE: Excludes IPE	\$46,272 NOTE: excludes IPE	\$5,785,749	\$ 17,076,312 + IPE and BCU contingency drawn down to zero. Includes BCU changes funding IPE Forecast Variance	Nil	Nil	
Scope	Provide an updated Biometric Search, Match capability providing stronger identity certainty in support of INZ Operations		Provide an updated Biometric Search, Match capability providing stronger identity certainty in support of INZ Operations Alternate approach to reduce risk of delivery, and operational failure to meet requirements		n/a		The project cannot achieve the existing functional and non-functional requirements Rationalisation of support from a dual provider to a single provider model.

	Original approved baseline (as per Business Case or Project Brief)	Revised baseline as per the last approved CR (if any)	Requested changes to last approved baseline / Revised baseline	Impact Assessment (if this Change Request is not approved)
Resources	For duration of project phase: 100% Project Manager (PM) 100% Business Analysts (BA) 100% Solutions Architect (SA) 150% Testers 100% Business SME (SME) NOTE: The working assumption on the Business Case was that Administration and Management support would have been provided through the Maintenance Programme of work	n/a	Work stream & Deployment Manager - 100% 8mths & 50% 4 months Project Manager – 50% 11mths & 30% 2 mths Delivery Manager 100% 11mths Lead BA - 100% 12mths Migration BA 100% 12mths BA - 100% 7mths BA– 50% 8mths Solutions Architect 100% 7 months Project Coordinator 50% 12mths Test Manager` 100% 10mths</p> <p>6 Domain Test Analysts 50% 2mths & 100% 6mths x4, 100% 1mths x 1 and 50% 1mth x 1</p> <p>2 Functional Test Analysts - 100%</p> <p>Non Functional Test Manager 50% 8mths</p> <p>Performance Tester 100% 2mths & 50% 1mth` Defect Manager 50% 8mths	- The required resources to complete the project cannot be employed, the project halted and intellectual property potentially lost

	Original approved baseline (as per Business Case or Project Brief)	Revised baseline as per the last approved CR (if any)	Requested changes to last approved baseline / Revised baseline	Impact Assessment (if this Change Request is not approved)
Quality	Solution to meet all business and technical requirements (Functional and Non Functional) in the most efficient and effective way	n/a	Solution will meet all business and technical requirements (Functional and Non Functional). Provide significant improvement to process for staff, meet the future needs of INZ and provide significant financial savings	INZ will not reduce the reliance on Datacom Operational risk and complexity will be increased Unable to rationalise and simplify existing databases and supporting ICT infrastructure.
Privacy	Solution meets requirements identified in Privacy Impact Assessment as per Business Case	n/a	Unchanged	No impact as improved design meets requirements identified in Privacy Impact Assessment as per Business Case
Security	Solution meets MBIE ICT security requirements – Part A architecture document approved	n/a	Unchanged	No impact as improved design Solution meets MBIE ICT security requirements – Part A architecture document approved

If approved, the 'Revised baseline' will become the new approved project baseline.

Current approved baseline for funding/costs including out years and depreciation

1. Current approved funding – baseline (including any approved Change Requests to date):

- Opex of \$46,272
- Capex of \$11,290,563 including CR01

Summary of capital and operational costs including out years Post CR01										
	Current Year 2019/20	Year 1 2020/21	Year 2 2021/22	Year 3 2022/23	Year 4 2023/24	Year 5 2024/25	Year 6 2025/26	Year 7 2026/27	Year 8 2027/28	Total
Total project delivery capex expenditure	\$9,540,744	\$1,749,819	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$11,290,563
Total project delivery opex expenditure	\$-	\$46,272	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$46,272
Estimated on-going business opex (excluding depreciation)	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$0
Estimated on-going ICT opex (excluding depreciation)	s 9(2)(b)(ii)									
Whole of Life costs (capex + opex + on-going costs[1])	\$9,540,744	\$2,415,650	\$1,858,676	\$1,858,676	\$1,858,676	\$1,858,676	\$1,858,676	\$1,858,676	\$1,858,676	\$24,967,126
Ongoing tangible financial benefits	\$-	\$973,317	\$3,373,129	\$3,408,575	\$3,439,482	\$3,474,438	\$3,513,976	\$3,558,699	\$3,609,293	\$25,350,909

2. Current cost benefit analysis of monetary benefits and costs (updated with any approved Change Requests):N/A

Cost benefit analysis of monetary benefits and costs Post CR01										
	Current Year 2019/20	FY 2020/21	FY 2021/22	FY 2022/23	FY 2023/24	FY 2024/25	FY 2025/26	FY 2026/27	FY 2027/28	Total
Net cash flow (Benefits less Total Costs)	-\$9,540,744	-\$1,442,332	\$1,514,453	\$1,549,899	\$1,580,806	\$1,615,762	\$1,655,300	\$1,700,023	\$1,750,617	\$383,783
IRR	6%	6%	6%	6%	6%	6%	6%	6%	6%	6%
Net Present Value (NPV)										-\$2,261,153

Revised baseline of costs for this Change Request (including out years and depreciation)

1. Total forecast for additional funding requiring approval that will become the new baseline once this Change Request is approved:

- Opex of \$46,272 (no change)
- Requested Capex of \$5.8 million including the drawdown of BCU and IPE contingency (additional funding required) makes the project Capex to \$17.1 million

Summary of capital and operational costs including out years Post CR02										
	Current Year 2019/20	Year 1 2020/21	Year 2 2021/22	Year 3 2022/23	Year 4 2023/24	Year 5 2024/25	Year 6 2025/26	Year 7 2026/27	Year 8 2027/28	Total
Total project delivery capex expenditure	\$2,044,461	\$15,031,817	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$17,076,277
Total project delivery opex expenditure	\$-	\$46,272	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$46,272
Estimated on-going business opex (excluding depreciation)	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$0
Estimated on-going ICT opex (excluding depreciation)	s 9(2)(b)(ii)									
Whole of Life costs (capex + opex + on-going costs)	\$2,044,461	\$15,697,648	\$1,858,676	\$1,858,676	\$1,858,676	\$1,858,676	\$1,858,676	\$1,858,676	\$1,858,676	\$30,752,840
Ongoing tangible financial benefits	\$ -	\$879,581	\$4,931,068	\$5,051,572	\$5,081,111	\$5,114,522	\$5,152,314	\$5,195,067	\$5,243,432	\$36,648,667

2. Total forecast cost benefit analysis of monetary costs and benefits that will become the new baseline once this Change Request is approved:

	Cost benefit analysis of monetary benefits and costs Post CR02									
	Current Year 2019/20	FY 2020/21	FY 2021/22	FY 2022/23	FY 2023/24	FY 2024/25	FY 2025/26	FY 2026/27	FY 2027/28	Total
Net cash flow (Benefits less Total Costs)	-\$ 2,044,461	-\$14,818,066	\$3,072,392	\$3,192,896	\$3,222,435	\$3,255,846	\$3,293,638	\$3,336,391	\$3,384,756	\$ 5,895,827
IRR	6%	6%	6%	6%	6%	6%	6%	6%	6%	6%
Net Present Value (NPV)										\$982,366

Risks

Mandatory MBIE Risk Assessments and their revised ratings:

Risk Assessment	Rating (after Change Request assessment has been completed)
Treasury Risk Profile Assessment	Not Applicable
Privacy Threshold and / or Privacy Impact Assessment	No change. Project has already agreed scope of changes for the IGMS/IDme Privacy Impact Assessment
ICT Security Questionnaire (only mandatory if the project has an ICT component).	No Change

Re-assessed project risks:

Risk Owner	Risk cause	Risk Description		Target / Treated Risk		
		Risk Description	Risk Impacts	Likelihood	Impact	MBIE Risk Rating
9(2)(a) of the OIA	Future COVID19 incident(s)	Future COVID19 incidents could result in temporary reprioritization of INZ activities and operations which negatively impact all non-essential projects and/or BCU vendors.	Project delay and associated costs, as well as possible knock-on impacts on other dependent projects.	Possible	Minor	Low
9(2)(a) of the OIA	Timeline shifts for other INZ projects.	Future shifts in the timelines of other projects or BAU initiatives generates test environment contention. This is currently being mitigated through ongoing inter-project engagement to identify and resolve conflicts early.	A test environment conflict could result in a BCU project delay and associated costs, as well as possible knock-on impacts on other dependent projects.	Possible	Minor (based on the outlined mitigation)	Low

Revised project risks will be updated in MS Project Server upon approval of this CR.

Benefits

Baselined Benefits including Cr01

On-going Operational Post CR01																						
				Current Year 2019/20	Year 1 2020/21	Year 2 2021/22	Year 3 2022/23	Year 4 2023/24	Year 5 2024/25	Year 6 2025/26	Year 7 2026/27	Year 8 2027/28	TOTAL									
Financial	Start Year	No. of Years																				
	Depreciation	Y2	8	-	470,440	1,545,732	1,545,732	1,545,732	1,545,732	1,545,732	1,545,732	1,545,732	11,290,563									
Software (3163)				s 9(2)(b)(ii)																		
	NEC Support and Maintenance													8,066,667								
IaaS (3162)																						
	Servers 6(c)													4,587,968								
ITMS (3163)																						
	Ongoing Service Support			975,656																		
Total Costs Including Depreciating				-	1,089,999	3,404,408	3,404,408	3,404,408	3,404,408	3,404,408	3,404,408	3,404,408	24,920,854									
Total Costs Excluding Depreciating					619,559	1,858,676	1,858,676	1,858,676	1,858,676	1,858,676	1,858,676	1,858,676	13,630,291									
Savings																						
Support and licenses (Daon solution)					210,637	842,548	842,548	842,548	842,548	842,548	842,548	842,548	6,108,473									
Datacom Hardware (DCSG)					281,175	1,124,700	1,124,700	1,124,700	1,124,700	1,124,700	1,124,700	1,124,700	8,154,075									
Datacom ITMS					66,132	264,528	264,528	264,528	264,528	264,528	264,528	264,528	1,917,828									
Future FTE	Cost avoided	based on 12%		s9(2)(ba)(ii)																		
Efficiency	savings	Current capacity			313,333	940,000	940,000	940,000	940,000	940,000	940,000	940,000	6,893,333									
Total Savings				-	\$ 973,317	\$ 3,373,129	\$ 3,408,575	\$ 3,439,482	\$ 3,474,438	\$ 3,513,976	\$ 3,558,699	\$ 3,609,293	\$ 25,350,909									

Changes to Benefits as a result of this Change Request –

On-going Operational Post CR02														
				Current Year 2019/20	Year 1 2020/21	Year 2 2021/22	Year 3 2022/23	Year 4 2023/24	Year 5 2024/25	Year 6 2025/26	Year 7 2026/27	Year 8 2027/28	TOTAL	
Financial	Start Year	No. of Years												
	Depreciation	Y2	8	-	776,196	2,328,588	2,328,588	2,328,588	2,328,588	2,328,588	2,328,588	2,328,588	17,076,312	
Software (3163)														
	NEC Support and Maintenance			s 9(2)(b)(ii)								8,066,667		
IaaS (3162)														
	Server s 6(c)											4,587,968		
ITMS (3163)														
	Ongoing Service Support											975,656		
Total Costs Incuding Depretiation				-	1,395,755	4,187,264	4,187,264	4,187,264	4,187,264	4,187,264	4,187,264	4,187,264	30,706,603	
Total Costs Incuding Depretiation					619,559	1,858,676	1,858,676	1,858,676	1,858,676	1,858,676	1,858,676	1,858,676	13,630,291	
Savings														
Support and licenses (Daon solution)					s 9(2)(ba)(ii)									
Datacom Hardware s 6(c)														
Datacom ITMS														
Additional CR02 Hardware (InRule * 8)														
Additional CR02 Licences (InRule)														
Additional CR02 Hardware (K2 * 8)														
Additional CR02 Licences (K2)														
Additional CR02 OPEX Avoidence for DATACOM Support NOTE 2														
Future FTE	Cost avoided	based on 12%	NOTE 1											
Efficiency	savings	Current capacity			313,333	940,000	940,000	940,000	940,000	940,000	940,000	940,000	6,893,333	
BCU Savings					\$ 879,581	\$ 4,931,068	\$ 5,051,572	\$ 5,081,111	\$ 5,114,522	\$ 5,152,314	\$ 5,195,067	\$ 5,243,432	\$ 36,648,667	
IPE Savings No Additional IPE Savings					\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
Total Savings				-	\$ 879,581	\$ 4,931,068	\$ 5,051,572	\$ 5,081,111	\$ 5,114,522	\$ 5,152,314	\$ 5,195,067	\$ 5,243,432	\$ 36,648,667	

NOTES:

1. Claimed benefits from the original project based on Growth have been revised to reflect the Ministry's position to assume no new growth before Q3, 2022. This assumption is to be confirmed, and the financial information will be updated should the assumptions change.
2. Analysis indicates that the savings from the reduction in DATACOM IDme support, could be in excess of \$2 million per year. For the purposes of this Change Request, the project is only estimating a 70% return, to ensure sufficient buffer between estimates and actual

Tolerances

The table below lists the permissible deviations from the project targets than can be managed without escalating to the Business Owner/Project Sponsor. Where it is forecast that there will be a deviation beyond the agreed tolerance level a Change Request will be raised. The tolerances will apply to Cost and Time where budget figures include contingency.

Project level tolerances

Time and Cost project tolerances comply with the MBIE standard. Zero Scope Tolerance is the INZ standard and by default also includes Benefits. Risk and Quality Tolerances have been agreed with the Business Owner.

The Project Manager will inform the Business Owner and Project Sponsor as soon as it becomes apparent that tolerance will be used. Where it is forecast that there will be a deviation beyond the agreed tolerance level a Change Request will be raised. A Change Request is not required where a project delivers ahead of schedule.

Tolerance criteria		Tolerance Settings default
Time ⁶	+/- time on target completion date	3 weeks over the agreed target completion date
Cost	+/- amount of approved budget	5% over budget or 150k whichever is the less
Scope	permitted variation of the scope of a solution	Zero: All "Must have" (MVS) requirements met
Risk	limit on the aggregate value of threats; limit on any individual threat	All RED risks to have treatment plans
Quality	target range, set at the product level	No show stoppers
Benefits	target benefits defined as a range	All Must have and Should Have Requirements met

⁶ 3 weeks slippage applies to the project completion date. For a large project, 3 week slippage for a milestone may be absorbed and recovered and may not impact the overall project end date.

Appendix 1

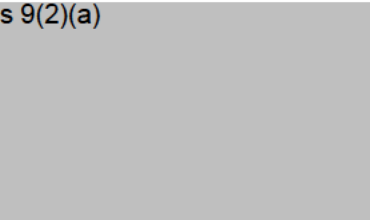
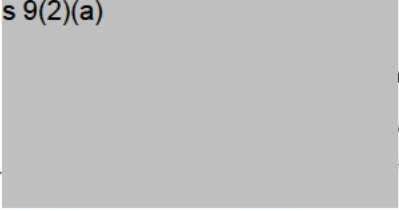
Milestone schedule

Title	Description	Baseline date to be delivered by	Revised (as per this CR) date to be delivered by
MS1	Go Live	17 July 2020	25 February 2021
MS2	Project Closure Report Approved	07 Sep 2020	17 May 2021



IMMIGRATION NEW ZEALAND
Deputy Chief Executive Sign-off Sheet

DEADLINE: 12 August 2020 Please allow a minimum turnaround of 2 days (providing relevant supporting documentation is attached)		SUBJECT / TITLE OF PAPER: Biometric Capability Update Funding Memo							
BRANCH (Please circle)	Assur.	BVO	Enable.	IDI	OTI	RMS	SEE	VC	OTHER
ACTION REQUIRED (Please circle)	APPROVAL		COMMENT		FOR INFORMATION		OTHER		
INZ	☐ Y ☒ N	Does this document have implications for other branches in INZ? If yes, please provide information in the body of the memo about what consultation has taken place with those branches.							
MBIE	☐ Y ☒ N	Does this document have implications for other groups in MBIE? If yes, please provide information in the body of the memo about what consultation has taken place with those groups.							
LEGAL	☐ Y ☒ N	Does this document have legal implications/delegations? If yes, please include a section in the body of the memo to represent Legal's position. This section should also include advice that the DCE has the correct internal/external delegations in place to lawfully approve the request.							
HR	☐ Y ☒ N	Does this document have HR implications/delegations? If yes, please include a section in the body of the memo to represent HR's position. In all cases, please include a copy of the delegations framework indicating the part that is relevant to the document being approved.							
FINANCE	☒ Y ☐ N	Does this document have financial implications/delegations? If yes, please include a section in the body of the memo to represent Finance's position. In all cases, please include a copy of the delegations framework indicating the part that is relevant to the document being approved.							
COMMS	☐ Y ☒ N	Does this document have communications implications? If yes, please include a section in the body of the memo to articulate engagement with and the Comms approach being taken.							
MBIE POLICY	☒ Y ☐ N	Is there an MBIE policy relevant to this request? Please include a copy of the relevant section of the MBIE policy. If the request does not meet policy, please provide a clear explanation with full details and proposed way forward.							

PREPARED AND CHECKED BY GM DIRECT REPORT	Correct supporting documentation has been attached, delegations are clear and documents have been quality checked, formatted, proofread and are factually accurate etc. s 9(2)(a)  Date: <u>12</u> / <u>08</u> / <u>2020</u>
ENDORSED BY: FINANCE/HR/ LEGAL/COMMS [IF NECESSARY]	Correct supporting documentation has been attached, and documents have been quality checked, formatted, proofread and are factually accurate etc. s 9(2)(a)  Date: <u>12</u> / <u>08</u> / <u>2020</u>
CHECKED BY EXECUTIVE ASSISTANT	Correct supporting documentation has been attached, and documents have been quality checked, formatted, proofread etc. s 9(2)(a)  Date: <u>12</u> / <u>08</u> / <u>2020</u>
APPROVED BY GENERAL MANAGER	Confirming all relevant and necessary information and documentation is accurate and provided for the DCE. s 9(2)(a)  Name: <u>Stephen Dunstan</u> Date: <u>12</u> / <u>08</u> / <u>2020</u>
APPROVED BY DEPUTY CHIEF EXECUTIVE	DCE sign-off. s 9(2)(a)  Name: <u>Greg Patchell</u> Date: <u>12</u> / <u>08</u> / <u>2020</u>



BIOMETRIC CAPABILITY UPDATE FUNDING MEMO

DATE	06 August 2020
TO	Greg Patchell, Deputy Chief Executive - Immigration NZ s 9(2)(a)
FROM	Stephen Dunstan, General Manager - Enablement
CONSULTATION	s 9(2)(a)
SUBJECT	BCU PROJECT SCOPE, FUNDING AND DELIVERY APPROACH

PURPOSE

The purpose of this memo is to request your approval (under temporary delegation from the MBIE Investment Board) for capital expenditure and amended project delivery details in order to reduce this financial years capital requirements and to align delivery dates with the ADEPT programme.

RECOMMENDATIONS

This memo recommends that you:

- a) **Note** that on 8 July 2020, the INZ BCB endorsed CR02 which included:
- Merging BCU and IPE projects into a single project to achieve better alignment across the two projects and to reduce management overheads.
 - Additional BCU capex of \$5.8M which delivers improved benefits, including substantive additional savings that more than compensate for the additional depreciation costs.
 - Moving deployment dates to February 2021 to reduce project delivery risks
- b) **Note** that on 21 July 2020, the BCU project was asked to consider and recommend alternative funding options to reduce the capital requirements of the BCU project in the 20/21 financial year. The resulting response included agreement to proceed with associated re-planning and renegotiation activities with key vendors and to explore alternative funding options. This memo provides a report back on those activities and seeks approval to proceed.
- c) **Note** that the re-planning activities have been successful, reducing total capital spend by \$3.3M, and deferring \$5.8M of capital spend to the 21/22 financial year while delivering a net positive cash flow of \$5.1M. The key impacts of this deferral are:
- BCU benefit (cost saving) streams can commence as planned, while deferring payments thus providing an improved cash flow profile.

Noted

Noted



- Additional \$5.3M of on-going operating costs though the adoption of s 9(2)(b)(ii) and moving to s 9(2)(b)(ii)
- BCU milestones shift to harmonise with the planned ADEPT delivery milestones.

Noted

- d) **Note** that BCU remains a prerequisite for the ADEPT programme of work. Without delivery of the BCU a significant amount¹ of regrettable spend will be necessary to deliver the ADEPT deliverables. This includes investment in DATACOM IDme technology s 9(2)(c) s 6(c) and would require at a greater expense, additional work to facilitate the future decommissioning of the IGMS system.

Noted

- e) **Note** that the Manager Finance Business Partner (INZ) has been consulted in developing this proposal and is supportive of the approach and the overall positive implications to the INZ FY 20/21 proposed capital allocations.

Noted

- f) **Note** that any additional OPEX requirements as a result of the proposed changes are cost neutral due to increased benefits and lower depreciation charges and the whole of life benefits remain comparative.

- g) **Note** that the recommended model delivers a positive net cash flow of \$5.1M over the 8 year period

+ other projects this enables that deliver further benefits

Noted

- h) **Approve** the BCU CR02 as endorsed by BCB on 8 July 2020.

Approved/Discuss

- i) **Approve** the recommended deferred payment model as detailed in this memo including the capital requirements under your current temporary delegation from the MBIE Investment Board.

Approved/Discuss

- j) **Approve** the following changes to the project timeline and closure milestones:

- Move the implementation date to May 2021
- Move the project closure date to October 2021

s 9(2)(a)

Approved/Discuss

Greg Patchell
Deputy Chief Executive - Immigration

12 August 2020

s9(2)(a)

12 August 2020

¹ This dependency is acknowledged by both BCU and ADEPT solution architects and estimated as between \$2m to \$4m regrettable spend.



BACKGROUND AND REPLANNING REPORTBACK

1. On 8 July 2020 the INZ BCB endorsed CR02 which included the following
 - Merging BCU and IPE projects into one project for efficiency gains
 - Additional BCU capex of \$5.8M to fund additional benefit enabling activities
 - Moving deployment dates to February 2021 to reduce project delivery risks

This change request required MBIE Investment Board approval in alignment with the current portfolio delegations framework.
2. On 21 July 2020 the BCU project was asked to consider and recommend funding options to reduce the capital requirements of the BCU project in the 20/21 financial year whilst still delivering on the required outcomes. The resulting recommendations included agreement to proceed with associated re-planning activities which is detailed in this report back memo.
3. The current MBIE Investment Board is no longer meeting while a new governance structure is implemented and the CFO has delegated these decision rights to the individual accountable portfolio DCE's.

DELIVERY APPROACH

4. The key changes to the delivery approach from the current baseline are:
 - Delivery date moved from February 2021 to May 2021.
 - Project closure date moved from May 2020 to October 2021.
5. The project delivery date is moved to May 2021 to align more tightly with the projected ADEPT delivery. This change in date will allow BCU to align some implementation activities (communications, training, testing, and deployment) with the ADEPT project. While there is increased efficiencies with this approach, the BCU project has endeavoured to ensure the change will be cost neutral through reducing project overheads to lower monthly burn rates.
6. Project closure activities will be finalised in October 2021 with endorsement of the Project Closure report by BCB. The extended closure date reflects decommissioning activities that are forecast to complete at the end of August 2021, and allowing time for final invoicing to be received.

FINANCIAL IMPACTS

7. The key changes to the current baseline (as per CR02) are:
 - total revised project capex budget of \$8.0M for the FY 20/21
 - total revised project capex budget of \$5.8M for the FY 21/22
 - An overall reduction in CAPEX required to deliver the project by \$3.3M
 - Increase in \$1.5M pa in ongoing operational costs to accommodate conversion of IPE to an s 9(2)(b)(ii) model, and operationalise the cost associated with annual licensing
 - Net positive cash flow of \$5.1M over the eight year period
8. As outlined in the BCU project funding options memo dated 21 July 2020, the project recommendation is to proceed with BCU project delivery in the FY 20/21, while deferring some capital payments to the FY 21/22 and utilising an s 9(2)(b)(ii) model. This reduces the project capital spend in the FY 20/21 down from \$17.1M (BCU & IPE) to \$8.0M.



9. The following table details the financial impacts:

Item for capex deferral	Forecast baseline (as per CR02)	Change proposed in this memo
IPE NEC Software SoW	\$1.3M capex in FY 20/21	Full cost transferred to opex "As a Service" (\$1.28M/annum for 5 years)
IPE NEC Hardware SoW	\$0.5M capex in FY 20/21	Full cost transferred to opex "As a Service" (part of annual cost above)
BCU NEC SoW	\$7.3M capex in FY 20/21	\$2.5M opex for Licence as a Service (LaaS) + an 8% premium (spread across 8 years) = \$337,500/annum for 8 years \$4.8M deferred capex payments + an 8% premium = total of \$5.2M spread across Q1-3 FY 21/22

10. Ancillary to the savings targeted above, there are additional features and impacts of the change in approach which include:

- a) the overall cost of the INZ team to deliver the project has been reduced slightly (\$0.1M) through optimisation of resources utilisation across the longer project timeframes, and "flattening the curve" on burn rates.
- b) the delivery risk of the February delivery date has been mitigated somewhat giving the vendor longer to meet the necessary deadlines under the proposed Statement of Work.
- c) the impact of the realignment, and reduction of CAPEX has reduced the depreciation of the assets that need funding from the benefits. Any increases in operational costs are covered by the overall savings achieved through benefit realisation and reduced depreciation and capital charges.
- d) with the deferment of a portion of the CAPEX through to FY 21/22, the benefit realisation will have already begun and can assist in funding of the deferred, and operationalised costs.
- e) the calculations for the recommended approach can be seen with the view across a full 8 years of the life of the asset, due to the timings of delivery and project closure.

11. For the purposes of comparison, all benefits are assumed realised at 100%.



CONSULTATION

12. The following individuals have been consulted
s9(2)(a)



HIGH LEVEL COMPARISON OF CHANGES FROM CR02 TO THE RECOMMENDED MODEL

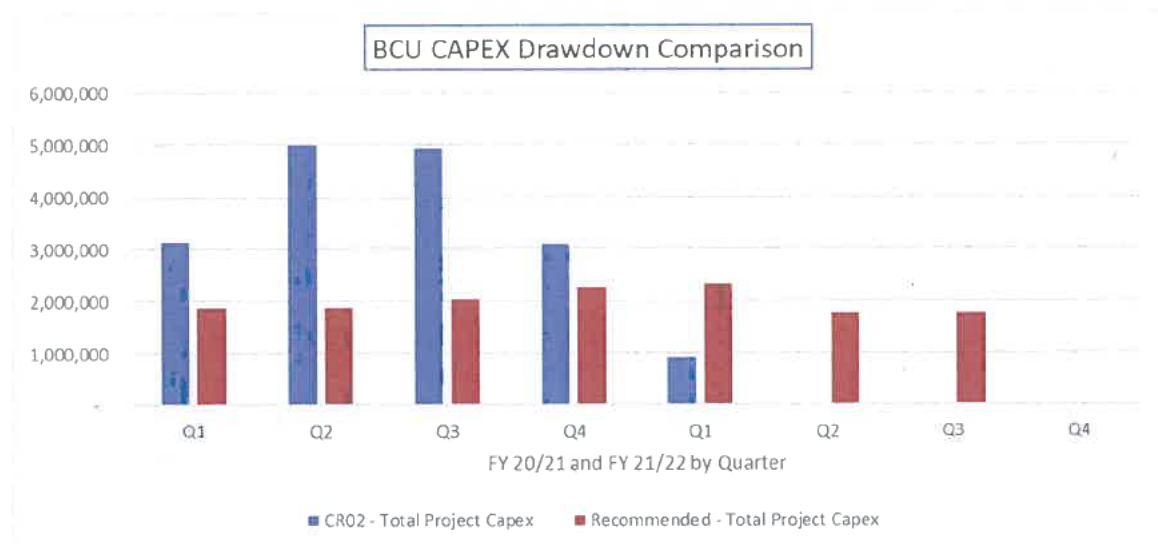
Summary of capital and operational costs including out years as per CR02 inclusive of IPE										
	Current Year 2019/20	Year 1 2020/21	Year 2 2021/22	Year 3 2022/23	Year 4 2023/24	Year 5 2024/25	Year 6 2025/26	Year 7 2026/27	Year 8 2027/28	Total
Total project delivery capex expenditure	\$ 2,217,584	\$ 17,113,733	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$ 19,331,317
Total project delivery opex expenditure	\$-	\$ 79,452	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$ 79,452
Estimated on-going business opex (excluding depreciation)	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$-
Estimated on-going ICT opex (excluding depreciation)	\$-	(b)(ii)								\$ 9(2)
Whole of Life costs (capex + opex + on-going costs)	\$ 2,217,584	\$ 17,894,258	\$ 2,124,810	\$ 2,184,810	\$ 2,184,810	\$ 2,184,810	\$ 2,184,810	\$ 2,184,810	\$ 2,184,810	\$ 25,403,512
Ongoing tangible financial benefits	\$-	\$ 1,032,821	\$ 6,245,368	\$ 6,862,891	\$ 6,862,891	\$ 6,428,842	\$ 6,466,634	\$ 6,500,247	\$ 6,517,732	\$ 46,132,107

Summary of capital and operational costs including out years Post Recommendation										
	Previous Year 2019/20	Current Year 2020/21	Year 1 2021/22	Year 2 2022/23	Year 3 2023/24	Year 4 2024/25	Year 5 2025/26	Year 6 2026/27	Year 7 2027/28	Total
Total project delivery capex expenditure	\$ 2,217,584	\$ 8,028,543	\$ 5,825,986	\$-	\$-	\$-	\$-	\$-	\$-	\$ 16,072,113
Total project delivery opex expenditure	\$-	\$ 79,452	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$ 79,452
Estimated on-going business opex (excluding depreciation)	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$-
Estimated on-going ICT opex (excluding depreciation)	\$-	\$-	\$ 3,795,660	\$ 3,795,660	\$ 3,795,660	\$ 3,795,660	\$ 3,795,660	\$ 3,795,660	\$ 3,795,660	\$ 30,365,380
Whole of Life costs (capex + opex + on-going costs)	\$ 2,217,584	\$ 8,107,995	\$ 9,621,646	\$ 3,795,660	\$ 3,795,660	\$ 3,795,660	\$ 3,795,660	\$ 3,795,660	\$ 3,795,660	\$ 46,516,845
Ongoing tangible financial benefits	\$-	\$-	\$ 6,237,824	\$ 6,345,292	\$ 6,395,431	\$ 6,428,842	\$ 6,466,634	\$ 6,500,247	\$ 6,517,732	\$ 51,573,222

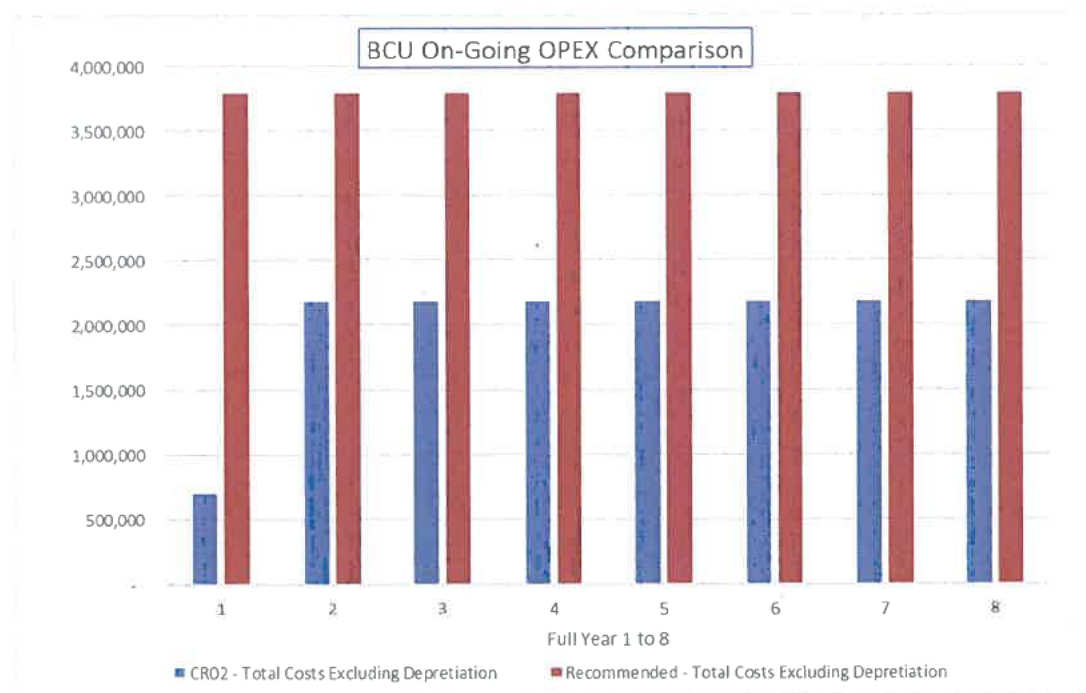


APPENDIX 1 – DETAILED BCU & IPE FINANCIAL TABLES

This graph compares the Post CR02 including IPE Draw Down, when compared to the recommended approach. In summary, the required CAPEX for FY 20/21 will be reduced by approximately \$9.0M. Overall the CAPEX required has been reduced, and deferred costs can be funded partially through OPEX benefits, starting in Year 1

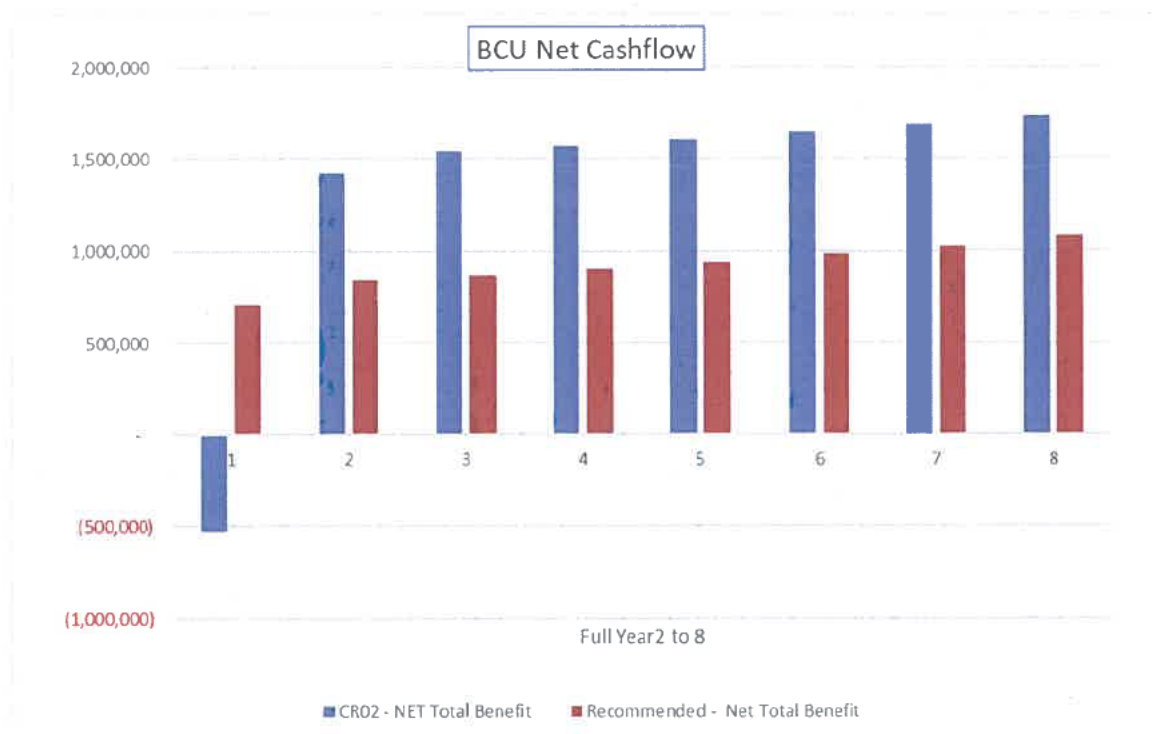


This graph compares the expected on-going OPEX commitment post CR02, to the revised value based on the recommendation. This does not include Depreciation.





This graph shows the flow of benefits to the operational cash flow. Overall the numbers are similar. This is due to the overall OPEX funding going up, but the corresponding reduction in CAPEX depreciation.



[illegible]



MEMO

Date	20 October 2021
To	The Chair – Investment and Change Delivery Committee
From	Stephen Dunstan, General Manager, Enablement, Immigration New Zealand
Prepared by	s 9(2)(a), Enablement, Immigration New Zealand
Consultation	s 9(2)(a)
SUBJECT	BIOMETRIC CAPABILITY UPDATE (BCU) PROJECT – CHANGE REQUEST 03 : APPROVAL CONDITIONS

PURPOSE

This memo provides additional information to the ICDC, requested as a result of the out-of-cycle approval of the BCU project CR03.

BACKGROUND

1. Following cancellation of the August ICDC meeting, the ICDC provided an out-of-cycle approval for **BCU Project Change Request 03** in September 2021, via the Covid-19 lock down out of cycle path in September 2021, to progress for joint ministerial approval. This conditional approval stipulated that following queries required answers:
 - Why the requested increased funding is \$1 million above what was signalled in June 2021 investment planning process?
 - Why have the project business benefits reduced from those outlined in the business case and subsequent CRs?
 - What are the causes of delay and the associated risk associated with those moving forwards?
2. The Committee also directed that an Independent Quality Assurance Review for the BCU project is conducted.

RESPONSES

3. The responses to the outstanding questions are outlined below.

Variation of \$1m to June investment planning

4. An estimate was provided to the investment planning process in order to meet the planning deadline. Once the re-plan of the project was completed, the revised amount was advised to Finance.

Benefits Reduction



-
5. All benefits remain the same, other than a reduction in cashable benefits. While the overall savings achieved have in fact increased, the cashable benefit reduction is due to the following: way these are calculated:
- The project is taking longer to complete, reducing the whole of life period over which benefits are calculated.
 - The consolidation of the dependent In-Person Enrolment (IPE) project into the BCU project changed the benefits and MBIE Finance accepted a more costly IPE solution in exchange for transfer of cost to out-years in response to INZ revenue reduction because of Covid 19 response border closure.
 - Some original business case savings are now categorized as cost avoidance, due to reduced immigration application volumes, and are no longer accounted for as cashable benefits.
 - Increased ongoing depreciation cost and the refactored IPE solution delivery component means all savings are now required to fund the ongoing cost of the updated solution.

Causes of delay

6. A number of factors have delayed the project, primarily including:
- Greater solution complexity than anticipated, has only become clear through the detailed design phase.
 - The level of requirements definition for a “configuration only” solution was under-estimated, requiring further requirements elaboration to support NEC design activity.
 - NEC, the biometric solution provider, under-estimated the amount of time required to configure and customise solution.
 - The project suffered an almost complete turnover of key MBIE ICT project management and technical personnel because of MBIE ICT shifting from a contractor to a fixed term model in 2020.
 - The project was unable to recover fully from the loss of momentum suffered because of the mandated pause during the Portfolio Covid-19 reset in the middle of 2020. This pause also compromised the project’s place in the NEC resource allocation queue, resulting in further delay to the NEC IDme design phase.
 - Collaboration with the primary delivery partner (NEC), with a US-based development team, has proven more challenging than expected.
7. These factors have now been remediated or have ongoing risk mitigation measures in place, and we are confident that delivery can occur within the revised timeframe and budget.

Independent Quality Assurance

8. An Independent Quality Assurance (IQA) review on the project was completed in June 2021 by IQANZ. The review gave the project a delivery assessment of Feasible and recommended project continuation. All recommendations from that IQA have been implemented.



IN-CONFIDENCE

Immigration New Zealand Project Change Request - Cover Sheet

Change Request #	3644 – CR003							
Project Code/Name	3644 – Biometric Capability Update (BCU) Project							
Details of Change	Extension of BCU Project timelines, associated increase in forecast costs.							
Change Impact	Time	Yes	Cost	Yes	Scope	No	Benefits	Yes
Project Sponsor:	Stephen Dunstan			Business Owner:	9(2)(a) of the OIA			
Business Unit:	Enablement			Project Manager:	9(2)(a) of the OIA			
Complexity: (Low / Medium / High)	Medium			Benefit Owner:				
Additional Capex requested in this CR:	Increased \$6,912,315 Required: \$6,912,315 project Capex, Funding Source: Departmental INZ.			Additional Opex requested in this CR	Nil			
Revised Total Project Capex: (for entire project)	\$1,385,586 FY19/20 \$6,022,500 FY20/21 \$14,743,900 FY21/22 Total: \$22,151,986			Revised Total Project Opex: (for entire project)	\$0 FY19/20 \$0 FY20/21 \$20,272 FY21/22 \$26,000 FY22/23 Total: \$46,272			
Project Finish Date: <i>(the end of the month that the Project Closure report will be submitted to the Portfolio Board)</i>	31 August 2022			Cost Centre:	2146			
				Funding Source:	INZ			
BRG date & commentary	BRG Meeting date: 08 July 2021							
Project Server	See appendix 7 for Project Server adjustments.							



IN-CONFIDENCE

Recommendations:	Decision
Note that: - Identity resolution is critical to Immigration New Zealand (INZ) visa application and risk management processes. The Biometric Capability Update (BCU) project delivers a significant upgrade to the INZ biometrics management, capture and matching solution that is the all-of-government source of identity information for non-New Zealanders. - The BCU project maintains the investment already made in the critical identity management system by delivering key outcomes that lift the current out-dated, complex and inflexible technology platforms and matching algorithms, to ones that are fit-for-purpose, up-to-date, secure, and supported. - The project Business Case was approved in August 2019. - Since the project was initiated considerable design work has been undertaken, which revealed unexpected levels of technical complexity and challenges with the management of business information flows. These meant that the original solution approach would not deliver all the outcomes defined within the business case, and was therefore no longer viable. - A revised solution approach has been developed which resolves the challenges that were found and there is now high confidence in the ability of the project to deliver the business case outcomes. - The project delivery plan and costings have been revised to reflect the implementation of the new solution. This has resulted in an extended timeframe to deliver, and increased cost. - The current approved funding for the project is \$15,239,671 CAPEX and \$46,272 OPEX. The revised delivery plan requires total funding of \$22,151,986 CAPEX with no change to the OPEX amount. This is an increase of \$6,912,315 CAPEX. - The WoLC of the project is now \$30,419,109. - The additional CAPEX funding required is available from the MBIE baseline funding. However the WoLC for the project will now exceed the MBIE Delegated Financial Authority threshold of \$20m, and will require approval of Joint Ministers to proceed.	
Endorse: The allocation of a further \$6,912,315 CAPEX from the MBIE baseline to the BCU project.	
Approve: The submission of a memo detailing the Delegated Financial Authority requirements and supporting information to Treasury for review, and subsequently to Joint Ministers, for internal funding allocation approval of \$30,419,109 WoLC.	
Approve: Subject to approval of the necessary funding, a revised project go-live date of July 2022, changed from May 2021.	



IN-CONFIDENCE

Recommendations:	Decision
Approve: Subject to approval of the necessary funding, the reduction of total savings and cost avoidance benefits from \$11,583,357 (\$1,653,579 per year) to \$7,363,743 (\$1,052,000 per year).	
Approve: Subject to approval of the necessary funding, the re-baselining of the project to reflect the changed timelines, funding and benefits.	

1. Document Control

INZ Template version 3.01 – Jun 2020

Version history

Date	Version	Author	Description of change
03/06/2021	0.1	s 9(2)(a)	Initial draft
11/06/2021	0.2		Incorporate feedback
14/06/2021	0.3		Incorporate feedback
21/06/2021	0.4		Incorporate feedback
22/06/2021	1.0		Finalised for endorsement
22/06/2021	1.1		Reviewer feedback incorporated
30/06/2021	2.0		Final for submission

Reviewed by

The following people have approved this document for submission to the INZ governance authorities:

Name & Role	Responsibility	Comments	Date	Signature
9(2)(a) of the OIA PMO Manager	Quality of the document.	Reviewed, feedback incorporated	22/06/21	 RE For Review BCU Change Request CR
9(2)(a) of the OIA Project Management Capability Lead	Quality of the document. Confirmed Resources available	Reviewed, formatting feedback incorporated	22/06/21	 9(2)(a) of the OIA feedb Revie
9(2)(a) of the OIA Business Change Lead	Business Change has been considered and a Business Change Plan is under development	Approved submission to BRG	22/06/21	 Re For Review BCU Change Request CR

Endorsed by

The following people have endorsed this document for submission to the INZ governance authorities:

Name & Role	Responsibility	Comments	Date	Signature
Stephen Dunstan Project Sponsor	Endorse - All		29/06/21	 RE For Endorsement BCU Project Change R
9(2)(a) of the OIA Project Business Owner & INZ Business Systems Owner	Endorse - All	Endorsed	24/06/21	 RE For Endorsement BCU F
9(2)(a) of the OIA INZ Product Owner	Endorse - ongoing INZ operations		29/06/21	 RE For Endorsement BCU Project Change R
9(2)(a) of the OIA Finance Business Partner	Endorse - Financials		28/06/21	 FW For Endorsement BCU Project Change i
9(2)(a) of the OIA Manager Business Prioritisation (Acting)	Endorse – Benefits assessments as functional owner in INZ	Endorsed	25/06/21	 RE BCU Project Change Request 03i

Reference documentation

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

Document title	MAKO Link	Author	Date Approved
BCU Business Case	BCU Business Case	9(2)(a) of the OIA	06/08/19
IPE Business Case	IPE Business Case		29/03/19
CR#01	CR#01		25/05/20
CR#02	CR#02		03/07/20
Subsequent Memo to CR#02	Subsequent Memo		12/08/20



Document title	MAKO Link	Author	Date Approved
Requirements: NEC IDme	Consolidated Business Requirements for NEC	9(2)(a) of the OIA	16/04/21
Requirements: NEC IPE	NEC IPE Functional Specifications	9(2)(a) of the OIA	17/11/20
Requirements: NEC IDme & IPE Non Functional	Consolidated NFR for NEC	9(2)(a) of the OIA	04/05/21
Requirements: IPE Hardware	NEC IPE Hardware Requirements	9(2)(a) of the OIA	16/10/20
Requirements: DXC	AMS Requirements	9(2)(a) of the OIA	18/05/21
Requirements: S 6(c)		9(2)(a) of the OIA	12/03/21

2. Project Overview

Background

Identity resolution is critical to INZ application and risk management processes. The Biometric Capability Update (BCU) project delivers a significant upgrade to the INZ biometrics management, capture and matching solution that is the all-of-government source of identity information for non-New Zealanders.

Alignment of the INZ Future State Architecture, Asset Management Plans and Long-Term Investment Plan means that a number of projects form the building blocks of INZ's future regulatory services. This project is one of those building blocks; its primary maintenance outcome strongly aligns the Identity Management (IDme) and In Person Enrolment (IPE) biometric solutions with future strategic direction. It addresses fundamental system limitations that would otherwise unduly constrain the future delivery of business benefit through the increasing use of biometrics.

The identity management systems – Identity Management (IDme) and In-Person Enrolment (IPE) - form a critical part of the front-line control of New Zealand's border.

At a high level, the project provides the following:

- Updated, supported and secure identity management systems;
- Substantially improved identity match results, reducing identity manual resolution rates by approximately 80%, resulting in reduced identity resolution timeframes and reduced manual resolution resourcing requirements. This directly supports the INZ Advanced Digital Employer-Led Application Processing and Targeting (ADEPT) system automation, currently under development;
- A consolidated and simplified solution, and support model, that better aligns to business needs;
- Improved solution capacity, whole-of-life sustainability, scalability and flexibility.

The Business Case for the project was approved in August 2019. And there have been two Change Requests prior to this one:

- CR#01 was approved in May 2020; and
- CR#02 was approved in July 2020.

Change Request #03

This Change Request (CR) has been prepared in support of the preferred and recommended next step option for the project - Option 3.

Option 3 requests endorsement from NZ portfolio governance groups for:

- Additional CAPEX funding of a forecasted variance of \$6.91m from internal baseline allocation;
- A change of implementation date from May 2021 to July 2022;
- A change of project closure date from October 2021 to November 2022; and
- Approval for submission of this CR, and supporting business case documents, to Treasury and the joint Ministers for internal funding allocation approval.

Summary of the Recommended Option

Summary

This request describes changes to the BCU project's delivery plans, baseline schedule, and cost, and seeks endorsement for those changes.

Preferred and recommendation option: Option 3 - Continue with a revised delivery timeline and budget

The recommended option builds on the work already completed to mitigate design and technical complexity issues affecting the BCU project's delivery, and proposes following through on the largely completed detailed design, and implementation of the new system. The revised delivery plan is based on:

- Confirmed projected delivery dates for NEC (primary vendor);
- Elaborated design requirements, that ensure INZ is getting what it needs; and.
- Confirmation that the updated NEC solution's 'out of the box' ability to deliver to that need primarily through configuration, while replacing the majority of existing third party components.

The revised plan moves the baseline go-live date from May 2021 to July 2022, with a forecast capex shortfall on current approved funding of **\$6.91M** being requested.

Background Context

The project has worked through a number of substantial design challenges, increased scope and a change of approach, all of which have impacted delivery:

- ***Revised scope and design approach***
Change request #2 approved in July 2020 significantly impacted the project. It changed the approach being followed at a design, a technical, and a business information flow level. The change request included revised capex investment and timelines, however the full extent of the changed approach and its impacts have only now, at the conclusion of the detailed design phase, become fully realised and clear.
- ***NEC Design Completion Timeframes***
This critical path activity has been constrained by an under-estimation of the complexity of the identity system design, 9(2)(b)(ii) of the OIA and gaps in NEC's understanding of INZ's business requirements. Detailed design is now nearing completion.
- ***Loss of Key Project Management and Architectural Resource***
An almost complete turnover of key MBIE ICT project management and technical personnel in the BCU project resulted from MBIE ICT shifting from a contractor to a fixed term model in 2020. The project is now fully resourced.
- ***Covid-19 Response Impact***
The project has been unable to recover fully from the loss of momentum suffered as a result of the mandated pause during the Portfolio Covid-19 reset in the middle of 2020. This pause compromised the project's place in the NEC delivery arm resource allocation queue, resulting in further delay to NEC IDme Designs. The changed IPE approach agreed during the reset meant rework was required with NEC for this work-stream.
- ***Collaboration Challenges***
Collaboration with the primary delivery partner (NEC), with a US-based development team, has proven more challenging than expected. A number of steps have been introduced including: co-locating of cross team resources, increased engagement of specialist US based technical and consultative resources, new local delivery oversight, expanded senior partner stakeholder

oversight and engagement, business awareness sessions, and product demonstrations; to better position the project for success.

- **Environment Constraints**

To mitigate environment and system change contention across the INZ BCU and ADEPT projects, the BCU project has proceeded with AMS system-related updates earlier than planned to allow the two sets of changes to be consolidated together.

Current status

The project is now in a strong position to progress. It knows considerably more today than it did when started, including:

- ✓ A clear understanding of the detailed business requirements.
- ✓ A viable technical design that integrates with older constraining parts of the technical landscape.
- ✓ A realistic delivery schedule, based on all information available today, that can be met.
- ✓ A more comprehensive understanding of the strengths and weaknesses of the key solution delivery partner (NEC), and a much improved stakeholder engagement at the senior level with this organisation.
- ✓ A deeper and better informed understanding of the core out-of-the-box capability of the key delivery partner's software product set.

As a result of the challenges the project has experienced, and the revised planning that has been completed, project costs and timelines have changed.

Options for next steps

A number of options for next steps for the project have been considered:

1. Stop the project;
2. Phase the delivery;
3. Continue to deliver the solution with revised funding and extended timeline.

Note: Options are detailed in Appendix 6

The impacts of the preferred and recommended option are:

	Preferred and Recommended Option - Impact
Cost	• Project Capex increase of \$6.91m. • Total Project Capex increased to \$22.15m (all years). • WoLC increased to \$30,419,109m. <i>Note: delegated authority level required is Joint Ministers Immigration and Finance.</i>
Timeline	• Project duration extended by 13 months. • Project go-live implementation date moved from May 2021 to July 2022. • Project closure date moved from October 2021 to November 2022.
Financial Nett Cost Savings	Savings and costs profiles have changed over time, reducing the NPV. However, this calculation does not include the identity manual resolution team FTE cost avoidance savings, which were categorised as cashable savings in the original business case. Identified annual savings are required to be retained to fund ongoing operation and increased depreciation costs and therefore are not classified as nett benefits. Note: Benefits detailed in Appendix 03

Benefits

While the benefits model remains fundamentally sound, some of the assumptions on which the cashable benefits were originally based have changed because of the work completed to date and the impact of the challenging business environment over the last year. Cashable savings are now required to support the ongoing operation of the IDme and 'In Person Enrolment' (IPE) solutions delivered by the BCU project - primarily to fund increased depreciation cost.

The delivery of the IPE solution was added to the BCU project scope as part of change request #2. This solution will be operated as a services delivery model. This solution approach was acknowledged as being significantly less cost effective overall, in exchange for phasing of cost to out-years, and a subset of the nett cost savings on which the project business case subsequently relied on to fund the ongoing cost has been removed as part of subsequent budget rounds due to INZ fiscal pressures.

3. Review of Assessments

Privacy & Security

Item	Yes / No	Comments / Link to completed document
Treasury Risk Profile Assessment	Yes	Treasury Risk Profile Assessment.
Was a <i>Privacy and Security Impact Assessment</i> required for this project?	Yes	Underway.
Business Impact Assessment	Yes	Business Change Impact Assessment.

The Project complexity has been re-assessed and continues to be recorded as Medium.

Treasury Risk Profile Assessment	The Treasury Risk Profile Assessment (RPA) rating is Medium. Given the whole-of-life cost for the project is now over the Treasury \$20 million threshold, a Risk Profile Assessment is a mandatory step within the Treasury monitoring process.
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4. Appendices

[Appendix 01 – Finances](#)

[Appendix 02 – Milestones](#)

[Appendix 03 – Benefits](#)

[Appendix 04 – Risks](#)

[Appendix 05 – Issues](#)

[Appendix 06 – Options Considered](#)

[Appendix 07 – Project Server Update Summary](#)

Appendix 01 – Finances

Revised baseline of costs for this Change Request

Project Costs (including out-years and excluding depreciation)											
	FY19/20	FY20/21	FY21/22	FY22/23	FY23/24	FY24/25	FY25/26	FY26/27	FY27/28	FY28/29	Total
CAPEX	\$1,385,586	\$6,022,500	\$14,743,900	\$	\$	\$	\$	\$	\$	\$	\$22,151,986
OPEX	\$0	\$0	\$20,272	\$26,000	\$	\$	\$	\$	\$	\$	\$46,272
Total Project Costs	\$1,385,586	\$6,022,500	\$14,764,172	\$26,000	\$0	\$0	\$0	\$0	\$0	\$0	\$22,198,258

On-going Operational Expenditure Costs											
	FY19/20	FY20/21	FY21/22	FY22/23	FY23/24	FY24/25	FY25/26	FY26/27	FY27/28	FY28/29	Total
Depreciation	\$0	\$0	\$0	\$3,164,569	\$3,164,569	\$3,164,569	\$3,164,569	\$3,164,569	\$3,164,569	\$3,164,569	\$22,151,986
Capital Charge	\$69,279	\$ 370,404	\$1,107,599	\$1,107,599	\$ 949,371	\$791,142	\$632,914	\$474,685	\$316,457	\$158,228	\$5,977,680
IT Support & Maintenance			s 9(2)(b)(ii)								\$14,357,804

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Ongoing Operational Expenditure Savings									
	FY21/22	FY22/23	FY23/24	FY24/25	FY25/26	FY26/27	FY27/28	FY28/29	Total
Benefits (FTEs)	\$1,034,000	\$1,034,000	\$1,034,000	\$1,034,000	\$1,034,000	\$1,054,680	\$1,075,774	\$1,097,289	\$7,363,743

	Whole of Life Costs <i>(Delivery and Ongoing discounted costs - excluding depreciation and capital charge)</i>										
	FY19/20	FY20/21	FY21/22	FY22/23	FY23/24	FY24/25	FY25/26	FY26/27	FY27/28	FY28/29	Total
Whole of Life Costs	\$1,385,586	\$5,681,604	\$13,140,061	\$1,767,096	\$1,612,545	\$1,521,269	\$1,435,159	\$1,360,696	\$1,290,575	\$1,224,518	\$30,419,109

Appendix 02 – Milestones

Milestone schedule

Title	Description	Baseline date (as per CR02 subsequent memo) to be delivered by	Revised (as per this CR) date to be delivered by
MS1	BCU Go-Live Implementation Completed	May 2021	July 2022
MS2	BCU Project Closure Report Approved	October 2021	November 2022

Appendix 03 - Benefits

Baselined Benefits

Benefit #	Benefit type	Benefit profile ID#	Benefit Title	Benefit Description	KPI (validated by SDI)	Unit	Current state	Achievable Target	Timeframe	Benefit Monitor(s)
Original Benefits from BCU Business Case Approved August 2019 (with no tangible financial benefits)										
Outcome: Identify risk early and reduce harm to NZ										
BCU Ben01	Reduce risk		Improve supportability (Global Tier 1 provider)	1. Number of priority calls			TBC	TBC	1 year post go live.	
BCU Ben02	Improve quality		Improvement in biometric data quality 40% weighting	30% weighting						
				1. Improvement in face match score			~9	~99	1 month post go live.	
				2. Increase in number of correct fingerprints			>1	0	1 year post go live.	
				3. Reduce volume of manual resolutions			TBC	TBCII	1 year post go live.	
BCU Ben03	Improve flexibility & scalability		Technology ease and adaptability to changes	1. Time taken to implement change through INZ ICT BAU			6 months	2 months	Receipt of prioritised change request.	

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Benefit #	Benefit type	Benefit profile ID#	Benefit Title	Benefit Description	KPI (validated by SDI)	Unit	Current state	Achievable Target	Timeframe	Benefit Monitor(s)
					2. Time taken to implement change through INZ ICT BAU		6 months	2 weeks	From go live.	
CR01 Additional Benefits transferred from 3315 PQC Project (moved into BCU scope via CR01 Approved May 2020)										
PQC Ben05			Eliminate a source of tight coupling with IGMS Immigration Online that prevents application submission when IDme is unavailable.	Note: Benefit was partially met by PQC project in that IGMS Online applicants can <u>upload</u> their facial image if IDme is unavailable but not <u>submit</u> their application. Note: This benefit will still be met by delivery of the BCU solution ie. IGMS Online submission (if still in use) will be decoupled from NEC IDme ^{s8(c)} so that applications can be submitted if IDme is unavailable.						
CR02 Additional Benefits transferred from IPE Business Case Approved Mar 2019 (moved into BCU scope via CR02 Approved July 2020)										
Outcome: Protect our border & facilitate visitors by improving the biographic and biometric enrolment										
IPE Ben01	Reduce risk		Reduce risks of not capturing biometrics Increase success rate 50% weighting	1. 6(c) of the OIA		Number of failures in past 12 months	Zero		1 year post go live	CRIS
IPE Ben02	Increase capability		Increase capability & extensibility Extensibility for mobile regulator project 30% weighting	1. Number of use cases		One	> One		1 year post go live	CRIS

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Benefit #	Benefit type	Benefit profile ID#	Benefit Title	Benefit Description	KPI (validated by SDI)	Unit	Current state	Achievable Target	Timeframe	Benefit Monitor(s)
IPE Ben03	Improve supportability		Improve supportability	Global tier 1 provider 20% weighting	1. Survey		Survey conducted	“After” implementation survey	1 year post go live	CRIS
CR02 Additional Benefits triggered by an improved design approach (added into BCU scope via CR02 Approved July 2020)										
BCU Ben04	Cost Savings		Reduce system / platform cost.	Note: Revised approach delivers: - Unpacking of significant additional complexity within IDme which clarifies each vendor’s responsibilities, and clarifies functions. - Reduced ongoing operational costs of IDme; more infrastructure than expected can be de-commissioned, 9(2)(b)(ii) of the OIA - Identified savings and cashable benefits in Ben04 are required to fund the ongoing operation and depreciation of the solution.						

BCU Benefit 04 – Cashable Cost Savings

Ben04 will be adjusted as a result of this change request (CR03), and the total savings proposed in CR02 will change, as described below.

Cashable Cost Savings Proposed in CR03

	FY 21/22	FY 22/23	FY 23/24	FY 24/25	FY 25/26	FY 26/27	FY 27/28	FY 28/29	Total
Efficiency current capacity 11 FTE	\$0	\$1,034,000	\$1,034,000	\$1,034,000	\$1,034,000	\$1,054,680	\$1,075,774	\$1,097,289	\$7,363,743
	\$0	\$1,034,000	\$1,034,000	\$1,034,000	\$1,034,000	\$1,054,680	\$1,075,774	\$1,097,289	\$7,363,743

Changes to Benefits as a result of this Change Request

BCU baseline benefits are impacted as follows:

- The difference in BCU Ben04 – Cashable Cost Savings in CR02 was \$11,583,357 (approx. \$1,653,579 per year) has now decreased to \$7,363,743 (approx. \$1,052,000 per year).

BCU Ben04 - Cost Savings realisation was previously expected to resume in year two FY21/22, this will now not be realised until year three FY22/23, reducing the savings period from 8 years to 7 years. Note the project is now forecasting out to year nine FY28/29.

- Please note:
 - Cashable benefits realised have been agreed to be used for the ongoing funding of the solution.
 - It has been clarified that these are not nett savings – all cashable and cost avoidance savings are required to fund the ongoing operation and depreciation of the updated solution.
 - Cost avoidance savings projections are based on current INZ expectations of timeframes for a return to pre-COVID visa application volumes.

Appendix 04 – Risks

The project continues to face a High Residual Risk position. Active treatments and controls are in place for these risks and are outlined in the table below. However, should one or more of these risks be realised, the potential impact on the projects ability to meet the July 2022 transition date will be compromised.

The project is at a critical stage with the primary vendor in completing the required design and requirements activity. The project schedule is heavily dependent on these activities completing on schedule with significant effort being devoted to this area.

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ID	Risk Title	Description	Inherent Risk Level	Controlled Risk Level	Treatment and Controls
7890	100% Requirements Delivery from NEC	s6(c)	High	Medium	1. Additional Business Analyst engaged to assist with BCU requirements reconciliation and elaboration 2. Ensure NEC designs, then testing, through review of their test plan, is traceable to all the requirements at a detailed level 3. Ensure the INZ Test Plan is traceable to all the Requirements at a detailed level
8144	BCU Design coverage		High	Medium	1. In parallel to Requirements reconciliation completion, project to assess any impacts of requirements gaps against Design completion and remediate as needed s9(2)(ba)(ii)
8295	Variations to Fixed Price Contracts		High	Medium	s9(2)(ba)(ii)

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ID	Risk Title	Description	Inherent Risk Level	Controlled Risk Level	Treatment and Controls
8319	NEC Out-of-the-box solutions	s9(2)(ba)(ii)	High	Medium	1. Ensure design elaboration highlights any gaps in functional capability and that an acceptable business alternative is identified. s9(2)(ba)(ii) 3. Determine if business are able and/or willing to change their business processes, or an alternative acceptable workaround is available, to compensate for the solution shortcoming.

Appendix 05 – Current Issues

ID	Issue Title	Description	Treatment	Priority	Rating
1439	s9(2)(b)(ii)		i. Sponsor escalation to NEC Managing Director. Completed. ii. Project has undertaken a detailed business requirements elaboration exercise to streamline the design process. Completed. iii. Obtained confirmed delivery dates for missed NEC milestones. Completed. iv. NEC internal retrospective process review and action plan. Completed. v. Assessed impact to overall BCU project schedule. Completed. vi. Significant work has now gone into requirements elaboration and subsequent design with NEC. The design phase is largely complete.	High	Moderate

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ID	Issue Title	Description	Treatment	Priority	Rating
1501	The BCU project did not meet the baseline May 2021 go-live date, or deliver within the current approved budget.	The BCU project cannot meet the baseline May 2021 go-live date due to slippage with the NEC IDme Design deliverables plus dates advised for NEC SIT entry. Prior estimates for BCU go-live were adjusted to September 2021 however this assumed NEC Designs completed in November 2020 s9(2)(b)(ii) Go-Live dates are also subject to integrated planning across all streams and vendors once NEC Designs are agreed as complete. The project has had to mitigate environment contention across the BCU and ADEPT projects. AMS related BCU changes have progressed early so that changes from both projects are consolidated. While mitigating the risk for ADEPT, BCU will likely have to cover re-work costs.	• Re-plan and confirm revised BCU project timelines plus any implications for budget. Underway. • Raise a project change request and submit for review/approval. Underway. • Re-baseline the project upon approval of the project change request.	High	Significant

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ID	Issue Title	Description	Treatment	Priority	Rating
1502	Loss of key resources and IP from the BCU project team.	The BCU project has lost multiple key resources and the extensive IP they hold. In particular the MBIE lead solution architect for the BCU IDme stream, due to contract tenure, and the Project Managers resigned. • January 2021- Requirements reconciliation has identified missing requirements elaboration, particularly in the NEC space. Lack of pre-existing BA knowledge has hampered the reconciliation and remediation of this issue. • January/February 2021 - Design clarification incl. the rationale for decisions is unclear particularly with the loss of SA resource in November 2020. • Lack of prior IP for requirements and design are causing significant issues for the project	• Obtain replacement Project Manager(s) and new Project Director – Completed. • Obtain replacement Solution Architect – Completed. • Obtain additional Business Analyst with pre-existing Identity knowledge. Completed. • Determine options to gain technical Identity knowledge for project. Completed. • Escalate to BCU Steering Group. Completed. • Improve detailed scope and requirements elaboration, and traceability, to provide improved mitigation of future loss. Completed. • Additional resources for: Data Work Stream Lead, Release Mgr, ORR Work Stream Lead requested. Completed.	High	Moderate
1503	s6(c)	s6(c)	• Confirmed code merge with configuration feature flags approach to manage DXC and AMS conflicts. Completed. • Agreed approach across both BCU and ADEPT with majority of initial BCU AMS code changes deployed in a disabled state along with ADEPT's first release. Completed. • Approach implemented successfully, however there may need to be retrospective changes depending on outcomes of the NEC solution design phase. TBC.	Moderate	Moderate

Appendix 06 – Options considered

This section describes the options that are available to resolve the variation, and for each option, what the effect would be on the Business Case, benefits, and risks.

Option 1 – Stop the Project

Description

This means stopping (cancelling) the project. There will be closeout activities to complete, but all other development/implementation work will cease. Work would be required to close down the project including resolution of contractual commitments with minimization of cost implications and risks.

Effect

If the project is stopped then all activities would cease now. Project resources would be released and Vendors asked to cease work for prior approved SoW. Any actual work undertaken by Vendors will need to be invoiced and paid. The key benefits would not be achieved: reduced biometric manual resolution rates as prerequisites for ADEPT and substantively reduced identity team staffing requirements post Covid-19, supported platforms; reduced solution complexity and operating cost; improved adaptability; only the online component of IGMS could be decommissioned. These would still need to be addressed subsequently. Project Capex cost to date would need to be fully expensed as an Opex cost.

Impact on	Impact of Stopping the Project
Scope	No scope will be delivered by the BCU project.
Cost	Final invoices for last activities under approved Vendor SoWs will need to be received and paid. Purchase orders would be cancelled to release any remaining commitments for Vendor SoW. Future project expenditure would equate to closeout activities only. BCU project Capex costs may need to be written off. Total Capex spend and impairment would be approx. \$10m
Schedule	Project will stop now.
Benefits	Benefits will not be achieved.
Asset Management	No new or improved assets will be created.

Impact on	Impact of Stopping the Project
Risk	Risks relating to current state IGMS IDme and IPE will not be resolved as outlined above, including IDme and IPE platforms out of vendor support, very high identity manual resolution rates, flexibility to accommodate future biometrics-based initiatives.
Business Change	There will be no change to existing IGMS IDme and IPE business systems and/or processes.

Option 2 – Phased Delivery

Description

Alternative options have not yet been investigated by the project. Assuming any alternative option would equate to reduced BCU project scope and/or reduced forecast costs, possible options could include:

1. Reversion back to the original BCU and IPE project scope, namely updating both the IDme Daon and NEC biometric matching engine and updating the IPE Daon Enrol solution with NEC centric solutions. These NEC solutions would integrate with the existing IGMS IDme solution.
2. Then if desired, an additional project could be initiated to deliver the second phase namely replacement of bespoke Datacom code, K2 and InRule (in totality this equates to IGMS IDme) with NEC off the shelf tools, re-work of phase I delivery to accommodate the new technical platform delivery model, and enable decommissioning of the IGMS system.

Effect

If the project scope is reduced or phased, while this will significantly impact the overall approach, requirements, design and build in some areas (such as AMS) that has already occurred, this should be simpler to deliver and earlier work undertaken by the project can be leveraged. A reassessment to determine technical do-ability of a reduced or phased scope would be required, and while the delivery of certain key benefits might be brought forward there is a high level of risk that rework would be required and the delivery timeframes and costs for both phases would increase substantively as a result and the current issues and risks would still need to be addressed.

	Impact of this change if approved
Scope	Possible reduction or deferral of scope.

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	Impact of this change if approved
Cost	Possible cost reduction for delivery of reduced scope in the first phase, but likely substantial overall cost increase for delivery of two separate phases.
Schedule	Schedule impact would need to be assessed.
Benefits	Possible loss of cost savings benefit if second phase did not proceed.
Asset Management	Some assets will be improved, while decommissioning of other assets may be removed or deferred.
Risk	Delivery risks and issues related to BCU project delivery may be reduced in the first phase, however other technical risks may be introduced, and the overall risk profile across both phases would remain the same. Supportability, sustainability and flexibility risks relating to current state IGMS IDme and IPE may not be addressed.
Business Change	Possible reduction or deferral of business change impact.

Option 3 – Recommended Option

Description

Continue to deliver existing BCU project scope with additional timeframe and funding requested via this change request.

Proposed Change and Impact

As per this Change Request CR#03



Appendix 07: Project Server Update Summary

Change Request #	3644 - CR#03a							
Project Code/Name	3644 – Biometric Capability Update (BCU) Project							
Details of Change	Extension of BCU Project timelines, associated increase in forecast costs.							
Change Impact	Time	Yes	Cost	Yes	Scope	No	Benefits	No
Project Sponsor:	Stephen Dunstan			Business Owner:		9(2)(a) of the OIA		
Business Unit:	Enablement			Project Director:		9(2)(a) of the OIA		
Complexity: (Low / Medium / High)	Medium			Benefit Owner:		9(2)(a) of the OIA		
Additional Capex requested in this CR:	Increased \$6,912,315			Additional Opex requested in this CR		Nil		
Revised Total Project Capex: (for entire project)	\$22,151,986			Revised Total Project Opex: (for entire project)		\$46,272		
Project Server adjustments	FY 20/21 Capex remains \$6,022,500 FY 21/22 increase Capex from \$7,831,586 by \$6,912,315 to \$14,743,900 This accounts for FY21/22 Carry Forward Total Capex increased from \$15,239,671 to \$22,151,986					Reduce 20/21 Opex from \$46,272 to \$0. Increase 21/22 from \$0 \$20,272 and increase 22/23 Opex from \$0 to \$26,000. Total Opex \$46,272		
Project Finish Date:	31 November 2022			Cost Centre:		2146		
				Funding Source:		INZ - Departmental		



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Immigration New Zealand Project Change Request - Cover Sheet

Change Request #	3644 – CR04							
Project Code/Name	3644 – Biometric Capability Update (BCU) Project							
Details of Change	Extension of BCU Project timelines, associated increase in forecast costs. Total project cost has increased \$3,801,140, Total capex has decreased by \$863,972, total opex has increased by \$4,665,111							
Change Impact	Time	Yes	Cost	Yes	Scope	No	Benefits	Yes
Project Sponsor:	Stephen Dunstan			Business Owner:		Richard Owen		
Business Unit:	Enablement			Project Manager:		9(2)(a) of the OIA		
Complexity: (Low / Medium / High)	Medium			Benefit Owner:				
Additional Capex requested in this CR:	Decreased \$863,971			Additional Opex requested in this CR		Increased \$4,665,111		
Revised Total Project Capex: (for entire project)	\$1,385,586 FY19/20 \$6,022,500 FY20/21 \$1,691,150 FY21/22 \$9,474,404 FY22/23 \$2,714,376 FY32/24 Total: \$21,288,016			Revised Total Project Opex: (for entire project)		\$0 FY19/20 \$ 744,550 FY20/21 \$1,454,390 FY21/22 \$1,911,039 FY22/23 \$ 601,734 FY23/24 Total: \$4,711,383		
Project Finish Date: <i>(the end of the month that the Project Closure report will be submitted to the Portfolio Board)</i>	31 November 2023			Cost Centre:		2146		
				WoLC		Increased \$1,514,749 Total \$31,933,858		
				Funding Source:		Departmental - Immigration		
BRG date & commentary	Meeting date: August 2022							
Project Server	See appendix 7 for Project Server adjustments.							



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Recommendations:	Decision
Note that: s6(a) • The BCU project maintains the investment already made in the critical identity management system by delivering key outcomes that lift the current out-dated, complex, and inflexible technology platforms and matching algorithms, to ones that are fit-for-purpose, up-to-date, secure, and supported. • The project Business Case was approved in August 2019. • NEC New Zealand Limited were selected directly as a specialist vendor via a procurement exemption to supply and implement the MBIE solution. • NEC are recognised as best of breed and consistently score at the top of independent testing for biometric authentication. • During the design phase it was identified that a revision of approach was required to deliver the outcomes identified in the business case. This necessitated increased timeframes for the project and incremental costs. In late 2021 ICDC endorsed and Joint Ministers approved an increase of the total project capex to \$22.15m. • An independent quality assurance (IQA) review of the project was completed in June 2021, with several recommendations which have all been implemented. Note, another IQA is being scheduled for this project. • In late 2021 it became apparent that the primary vendor, NEC, was not going to meet contractual commitments as scheduled and a critical path milestone was missed. NEC performance has been under escalation with their executives in Japan, North America and locally in New Zealand since. NEC acknowledges that their non-performance has impacted the delivery of this project, and there are associated increased costs to MBIE • A revised delivery plan has been prepared taking into consideration the supplier's commitment to revised dates. This further extends the delivery timeframe and increases costs. • A strong focus on cost containment during Q3/4 FY21/22, and one-off financial adjustments aligned with new Treasury Financial Guidelines have enabled the cost variance against approved funding for a 12-month extension to be kept to a minimum. • Project funding has also been substantively impacted by the new DDI charging model effective 1 July 2022. • Opex costs in FY22/23 could be partially from what was budget for depreciation of circa \$1.4m.	



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Recommendations:	Decision
s6(c)	
• The current approved funding for the project is \$22,151,986 CAPEX and \$46,272 OPEX. • The WoLC of the project is now \$31,933,858.	
Note: The Immigration Minister will be updated on the projects progress, including the increase in WoLC.	
Approve: The required additional Opex budget of \$4,665,111, will need to be funded by Immigration.	
Approve: Subject to approval of the necessary funding, a revised project go-live date of August 2023, changed from July 2022, and revised project closure date of November 2023, changed from November 2022.	
Approve: Subject to approval of the necessary funding, the re-baselining of the project to reflect the changed timelines and funding.	



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Funding Information		FY 19/20	FY 20/21	FY 21/22	FY 22/23	FY 23/24	TOTAL
Previously Approved Funding	CAPEX	1,385,585	6,022,500	6,024,000	8,719,901	0	22,151,986
	OPEX		46,272				46,272
Baseline Total Funding Requirement	CAPEX						
	OPEX						
Revised Total Funding Requirement	CAPEX	1,385,585	6,022,500	1,691,150	9,474,404	2,714,376	21,288,015
	OPEX		744,220	1,454,390	1,911,039	601,734	4,711,383
Funding Requested in this Submission	CAPEX	0	0	- 4,332,850	754,503	2,714,376	-863,971
	OPEX		697,948	1,454,390	1,911,039	601,734	4,665,111
Funding Source: CAPEX	Funding Source: OPEX	Associated Memo Account	ICDC Approval Needed?	Baseline WoLC \$0		Revised WoLC \$0	
MBIE	CC 2146 Departmental	Immigration	Yes	\$30,419,109		\$31,933,858	

1. Document Control

INZ Template version 3.01 – Jun 2020

Version history

Date	Version	Author	Description of change
15/07/2022	0.1	s 9(2)(a)	Initial draft
4/08/2022	0.2		Incorporate feedback
18/08/2022	0.5		Incorporate financial feedback
19/08/2022	1.0		Final
02/09/2022	2.0		Updated financial sections

Endorsed by

The following people have endorsed this document for submission to the INZ governance authorities:

Name & Role	Responsibility	Comments	Date	Signature
Stephen Dunstan Project Sponsor	Endorse - All		23/08/22	 Endorsed Sponsor.msg
9(2)(a) of the OIA Head of Digital & Programmes – Immigration NZ Digital, Data & Insights	Endorse - All		19/08/22	 Endorsed DDI Delivery.msg
Richard Owen Business Owner	Endorse All		22/08/22	 Endorsed Business Owner.msg
9(2)(a) of the OIA Project Systems Business Owner	Endorse - All		19/08/22	 Endorsed Systems Business Owner.msg
9(2)(a) of the OIA Finance Business Partner	Endorse - Financials		19/08/22	 Endorsed Finance.msg

Reference documentation

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

Document title	MAKO Link	Author	Date Approved
BCU Business Case	BCU Business Case	s 9(2)(a)	06/08/19
IPE Business Case	IPE Business Case		29/03/19
CR#01	CR#01		25/05/20
CR#02	CR#02		03/07/20
Subsequent Memo to CR#02	Subsequent Memo		12/08/20
CR#03	CR#03		22/11/21
Requirements: NEC IDme	Consolidated Business Requirements for NEC		16/04/21
Requirements: NEC IPE	NEC IPE Functional Specifications		17/11/20
Requirements: NEC IDme & IPE Non Functional	Consolidated NFR for NEC		04/05/21
Requirements: IPE Hardware	NEC IPE Hardware Requirements		16/10/20
Requirements: DXC	AMS Requirements		18/05/21
Requirements: S 6(c)			12/03/21

2. Project Overview

Background

Identity resolution is critical to INZ application and risk management processes. The Biometric Capability Update (BCU) project delivers a significant upgrade to the INZ biometrics management, capture and matching solution that is the all-of-government source of identity information for non-New Zealanders.

Alignment of the INZ Future State Architecture, Asset Management Plans and Long-Term Investment Plan means that a number of projects form the building blocks of INZ's future regulatory services. This project is one of those building blocks; its primary maintenance outcome strongly aligns the Identity Management (IDme) and In Person Enrolment (IPE) biometric solutions with future strategic direction. It addresses fundamental system limitations that would otherwise unduly constrain the future delivery of business benefit through the increasing use of biometrics.

The identity management systems – Identity Management (IDme) and In-Person Enrolment (IPE) - form a critical part of the front-line control of New Zealand's border.

At a high level, the project provides the following:

- Updated, supported and secure identity management systems;
- Substantially improved identity match results, reducing identity manual resolution rates by approximately 80%, resulting in reduced identity resolution timeframes and reduced manual resolution resourcing requirements. This directly supports the INZ Advanced Digital Employer-Led Application Processing and Targeting (ADEPT) system automation, recently deployed;
- A consolidated and simplified solution, and support model, that better aligns to business needs;
- Improved solution capacity, whole-of-life sustainability, scalability and flexibility.

The Business Case for the project was approved in August 2019.

Specialist Supplier

NEC are recognised as best of breed and consistently score at the top of independent testing for biometric authentication. They have over 1000 solutions implemented across 70 countries.

NEC New Zealand Limited were selected directly as a specialist supplier of biometrics via a procurement exemption to supply and implement an update to Immigration New Zealand's (INZ) Identity Management system and were contracted through a Statement of Work in July 2020.

Delivery Delay Context

The project had previously worked through a number of substantial design challenges, increased scope, a change of approach, and a number of challenges related to delivery delay and quality issues associated with the key vendor. A revised delivery plan that addressed these challenges was approved via CR#3.

Of key significance following approval of CR#3, was the key vendor missing a critical path milestone in late 2021. Revised timeframes from the vendor to achieve this milestone have now slipped to nine months. This slippage has had a significant further impact on the project delivery schedule and subsequently approved funding.

The key vendor, NEC, has struggled to understand the complex and tightly integrated nature of the design and subsequently their required deliverables. They initially underestimated the work effort required and did not structure or approach the project effectively or efficiently. New resources and

changed delivery structures are starting to improve that situation, however delay and quality issues remain under escalation with senior stakeholders within the NEC organization at a global level.

Previously Approved Project Variations

There have been three previous project Change Requests:

- CR#01 was approved in May 2020,
This CR added the stand along IPE project scope of work to the BCU project scope. There was a funding transfer that was never received, and the delivery timeline was revised out.
- CR#02 was approved in July 2020;
This CR approved a significantly changed technical scope by bringing the NEC solution components out from within the current Identity Management system to be stand-alone and integrated with wider INZ system components/ applications. It also approved a revised financial model, at a time when INZ funding was negatively impacted by Covid restrictions – IPE was changed to be an As a Service model, and the delivery timeline was revised out with associated additional capex funding to support, and
- CR#03 was approved in Nov 2021.
This CR approved a revised delivery timeline and additional capex funding to complete the project based on the delivery schedule in place. Predominantly this restored funding removed as a result of the CR02 response as a result of border closure revenue impacts.

Independent Quality Assurance

The project engaged an independent specialist to assess its structures, procedures, controls, planning and governance in mid-2021. An overall assessment rating of “Feasible” was recorded with a number of recommendations made and all implemented.

A second IQA with a focus on project controls and preparedness for solution software deployment phases is currently scheduled for completion in September 2022.

Current Status

The project is at a pivotal point with the majority of integration changes on related systems having been made, new infrastructure designed and built, biometric and biographical data tuning underway, new Azure interface management capability being designed and built, new biographic data application designed and built, and data migrations between related systems progressed.

In parallel revised security and privacy assessments have been undertaken and IPE hardware confirmed and ordered.

Significant effort has gone into NEC detailed design, subsequent build and configuration over recent months. Deployments of solution packages into local NEC test environments have enabled NEC to showcase to stakeholder’s aspects of the MBIE solution on a working system. These showcase sessions, providing early visibility of the functional capability, will be repeated in the lead up to the full NEC solution deployment into the first MBIE test environment at the end of August (critical path milestones previously missed Nov ’21)

NEC have reviewed and revised their overall approach to the project. This has resulted in a new delivery structure being introduced, an increase in local and offshore resourcing, and a revised governance structure and oversight. Challenges in ensuring optimal performance from the key

vendor, NEC, remains, however. NEC NZ are dependent on NEC America for resource and product knowledge. MBIE has little visibility or influence on that internal NEC relationship, which appears challenging at times.

The integrated project delivery has been re-planned based on the revised milestone dates advised by NEC and re-validated with all vendors as achievable. The next critical path milestone is the deployment of the first NEC software package into the new infrastructure in the MBIE Systems Integration Test (SIT) environment at the end of August '22.

Project governance is strong with the Steering Group meeting bi-weekly. Additional expertise has been added to this group as the project has transitioned to delivery control under the new DDI structure. A clear and active escalation pathway from project delivery through to stakeholders exists and results in immediate action on issues when required.

The revised delivery schedule has been validated by NEC, however the risk of change remains until such time a finalised and aligned NEC end-to-end schedule has been provided, which will allow us to verify dependency alignment with the MBIE plan as well as other solution delivery partners.

Project stakeholders have assurance from NEC that they will deliver to the revised schedule as a result of assurance provided by the NEC CEO.

Change Request #04

This Change Request (CR) has been prepared in support of the preferred and recommended next step option for the project - Option 3.

Option 3 requests endorsement from NZ portfolio governance groups for:

- A reallocation of capital vs operating funding for delivery that involves configuration and Software as a Service in line with new Treasury guidelines;
- \$744,220 of Capex from FY20/21 was written off, reducing total capex, and will be recognised as an opex costs.
- Internal capital drawn down from MBIE is \$22.03m, and includes \$21.29m project capex cost and the \$0.74m SaaS write-off.
- Additional OPEX funding 4.67m will be funded from;
 - Previous - FY20/21 \$744,220 from the SaaS appropriation.
 - Previous - FY21/22 \$1,454,390 from Immigration.
 - New - FY22/23 \$1,911,039 from cost centre 2146 in DDI, this is allocated to Immigration.
 - New – FY23/24 \$601,734 from cost centre 2146 in DDI, this is allocated to Immigration.
- A change of implementation date from July 2022 to August 2023;
- A change of project closure date from November 2022 to November 2023. Post-production go-live tasks include one month's support, decommissioning of redundant components and project closure tasks including preparing and submission for approval of the project closure report, and;
- Approval for submission of this CR to Treasury and the joint Ministers for internal funding allocation approval.

Summary of the Recommended Option

Summary

This request describes changes to the BCU project's delivery plans, baseline schedule, and cost, and seeks endorsement for those changes.

Preferred and recommended option: Option 3 - Continue with a revised delivery timeline and budget

The recommended option has the highest chance of achieving the biometric, biographic and other technical updates needed for this critical business capability, and of delivering the business benefits desired. It further builds on the significant work already completed by the project to date, including the configuration and development of the central NEC component. The revised delivery plan is based on:

- Assurance from NEC executive management they will deliver to the revised delivery schedule.
- Revised and confirmed projected delivery dates from NEC (primary vendor);
- Revised overall project approach, resourcing and governance in place at NEC;
- Related integrated system changes largely completed and ready for deployment to the first MBIE system integration test environment (SIT); and
- NEC reporting that solution development work is nearing completion and currently being system tested, with defect numbers tracking down.

The revised plan moves the baseline go-live date from July 2022 to August 2023.

The impacts of the preferred and recommended option are:

	Preferred and Recommended Option - Impact
Cost	• Total project cost has increased \$3,801,140. • Total capex has decreased by \$863,972, total opex has increased by \$4,665,111. • Total Capex of \$21,288,016. • Total Opex of \$4,711,383. • WoLC increased to \$31,933,858
Timeline	• Project duration extended by 13 months. • Project go-live implementation date moved from July 2022 to August 2023. • Project closure date moved from November 2022 to November 2023.

	Preferred and Recommended Option - Impact
Financial Nett Cost Savings	As reported elsewhere savings and costs profiles have changed over time, reducing the NPV. However, this calculation does not include the identity manual resolution team FTE cost avoidance savings, which were categorised as cashable savings in the original business case. Although these cost avoidance savings remain valid, the delayed delivery timeframe also delays the realisation of the savings. Identified annual savings are required to be retained to fund ongoing operation and increased depreciation costs and therefore are not classified as nett financial benefits. Note: Benefits detailed in Appendix 03

Benefits

While the benefits model remains fundamentally sound, some of the assumptions on which the cashable benefits were originally based have changed because of the work completed to date and the impact of the challenging business environment over the last year. Cashable savings are now required to support the ongoing operation of the IDme and 'In Person Enrolment' (IPE) solutions delivered by the BCU project - primarily to fund increased depreciation cost.

The delivery of the IPE solution was added to the BCU project scope as part of change request #2. This solution will be operated as a services delivery model. This solution approach was acknowledged as being significantly less cost effective overall, in exchange for phasing of cost to out-years, and a subset of the nett cost savings on which the project business case subsequently relied on to fund the ongoing cost has been removed as part of subsequent budget rounds due to INZ fiscal pressures.

Options for next steps

A number of options for next steps for the project have been considered:

1. Stop the project;
2. Phase the delivery;
3. Continue to deliver the solution with revised funding and extended timeline.

Note: Options and assessed viability/impacts are detailed in Appendix 6

3. Review of Assessments

Privacy & Security

Item	Yes / No	Comments / Link to completed document
Treasury Risk Profile Assessment	Yes	Treasury Risk Profile Assessment.
Was a <i>Privacy and Security Impact Assessment</i> required for this project?	Yes	Security Risk Impact Assessment
Business Impact Assessment	Yes	Business Change Impact Assessment.

The Project complexity has been re-assessed and continues to be recorded as Medium.

Treasury Risk Profile Assessment	The Treasury Risk Profile Assessment (RPA) rating is Medium. Given the whole-of-life cost for the project is now over the Treasury \$20 million threshold, a Risk Profile Assessment is a mandatory step within the Treasury monitoring process.
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4. Appendices

[Appendix 01 – Finances](#)

[Appendix 02 – Milestones](#)

[Appendix 03 – Benefits](#)

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[Appendix 06 – Options Considered](#)

[Appendix 07 – Project Server Update Summary](#)

Appendix 01 – Finances

Revised baseline of costs for this Change Request

Project Cost (including out-years and excluding depreciation)											
	FY19/20	FY20/21	FY21/22	FY22/23	FY23/24	FY24/25	FY25/26	FY26/27	FY27/28	FY28/29	Total
CAPEX	\$1,385,586	\$6,022,500	\$1,691,150	\$9,474,404	\$2,714,376	\$	\$	\$	\$	\$	\$21,288,015
OPEX	\$0	\$744,220	\$1,454,390	\$1,911,039	\$601,734	\$	\$	\$	\$	\$	\$4,711,383
Total Project Costs	\$1,385,586	\$6,766,720	\$3,145,540	\$11,385,443	\$3,316,110	\$0	\$0	\$0	\$0	\$0	\$25,999,399

Ongoing Operational Expenditure Costs											
	FY19/20	FY20/21	FY21/22	FY22/23	FY23/24	FY24/25	FY25/26	FY26/27	FY27/28	FY28/29	Total
Depreciation					\$2,483,602	\$4,257,603	\$4,257,603	\$4,257,603	\$4,257,603	\$1,774,001	\$21,288,015
Capital Charge	\$69,279	\$ 370,404	\$1,107,599	\$1,107,599	\$ 949,371	\$791,142	\$632,914	\$474,685	\$316,457	\$158,228	\$5,977,678
Incremental IT Support & Maintenance - NEC Model					1,590,000	2,720,000	2,140,000	1,720,000	1,720,000	720,000	\$10,610,000

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Note: Annual NEC Maintenance Fee of \$2,467,617 is based on Pricing Band B (max 7.5M image templates) and is higher than previously forecast.

Note: Delivery delay till FY23/24 reduces forecast Maintenance costs from seven to six years.

Note: NEC Support costs are not yet known and not included.

Ongoing Operational Expenditure Savings									
	FY23/24	FY24/25	FY25/26	FY26/27	FY27/28	FY28/29	FY29/30	FY30/31	Total
Benefits (FTEs)	\$1,034,000	\$1,034,000	\$1,034,000	\$1,034,000	\$1,034,000	\$1,054,680	\$1,075,774	\$1,097,289	\$8,397,743

	Whole of Life Costs <i>(Delivery and Ongoing discounted costs - excluding depreciation and capital charge)</i>										
	FY19/20	FY20/21	FY21/22	FY22/23	FY23/24	FY24/25	FY25/26	FY26/27	FY27/28	FY28/29	Total
Whole of Life Costs	\$1,385,586	\$6,766,720	\$2,967,490	\$10,133,003	\$4,119,265	\$2,154,495	\$1,599,132	\$1,212,532	\$1,143,898	\$451,737	\$31,933,858

Appendix 02 – Milestones

Milestone schedule (Future)

Title	Description	Baseline date (as per CR03) to be delivered by	Revised (as per this CR) date to be delivered by
MS1	s6(c)	November 2021	November 2022
MS2		February 2022	February 2023
MS3		November 2021	August 2022
MS4		September 2021	February 2022
MS5		October 2021	August 2022
MS6		November 2021	September 2022
MS7		November 2021	September 2022
MS8		January 2022	March 2023
MS9		January 2022	December 2022
MS10		March 2022	April 2023
MS11		May 2022	June 2023
MS12		July 2022	August 2023
MS13		July 2022	August 2023
MS14		July 2022	August 2023
MS15		January 2022	February 2023

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Title	Description	Baseline date (as per CR03) to be delivered by	Revised (as per this CR) date to be delivered by
MS16	s6(c)	May 2022	June 2023
MS17		June 2022	July 2023
MS18		July 2022	September 2023
MS19		August 2022	September 2023
MS20		October 2022	November 2023
MS21		November 2022	December 2023

Appendix 03 - Benefits

Baselined Benefits

Benefit #	Benefit type	Benefit profile ID#	Benefit Title	Benefit Description	KPI (validated by SDI)	Unit	Current state	Achievable Target	Timeframe	Benefit Monitor(s)
Original Benefits from BCU Business Case Approved August 2019 (with no tangible financial benefits)										
Outcome: Identify risk early and reduce harm to NZ										
BCU Ben01	Reduce risk		Improve supportability (Global Tier 1 provider)	1. Number of priority calls		TBC	TBC	1 year post go live.		
			30% weighting							

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Benefit #	Benefit type	Benefit profile ID#	Benefit Title	Benefit Description	KPI (validated by SDI)	Unit	Current state	Achievable Target	Timeframe	Benefit Monitor(s)
BCU Ben02	Improve quality		Improvement in biometric data quality 40% weighting	1. Improvement in face match score		~9	~99	1 month post go live.		
				2. Increase in number of correct fingerprints		>1	0	1 year post go live.		
				3. Reduce volume of manual resolutions		TBC	TBC	1 year post go live.		
BCU Ben03	Improve flexibility & scalability		Technology ease and adaptability to changes 30% weighting	1. Time taken to implement change through INZ ICT BAU		6 months	2 months	Receipt of prioritised change request.		
				2. Time taken to implement change through INZ ICT BAU		6 months	2 weeks	From go live.		
CR01 Additional Benefits transferred from 3315 PQC Project (moved into BCU scope via CR01 Approved May 2020)										
PQC Ben05			Eliminate a source of tight coupling with IGMS Immigration Online that prevents application	Note: Benefit was partially met by PQC project in that IGMS Online applicants can <u>upload</u> their facial image if IDme is unavailable but not <u>submit</u> their application. Note: This benefit will still be met by delivery of the BCU solution ie. IGMS Online submission (if still in use) will be decoupled from NEC IDme  so that applications can be submitted if IDme is unavailable.						

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Benefit #	Benefit type	Benefit profile ID#	Benefit Title	Benefit Description	KPI (validated by SDI)	Unit	Current state	Achievable Target	Timeframe	Benefit Monitor(s)
			submission when IDme is unavailable.							
CR02 Additional Benefits transferred from IPE Business Case Approved Mar 2019 (moved into BCU scope via CR02 Approved July 2020)										
Outcome: Protect our border & facilitate visitors by improving the biographic and biometric enrolment										
IPE Ben01	Reduce risk		Reduce risks of not capturing biometrics Increase success rate 50% weighting	1. Number of times we failed to enrol a person because of system issues		Number of failures in past 12 months	Zero		1 year post go live	CRIS
IPE Ben02	Increase capability		Increase capability & extensibility Extensibility for mobile regulator project 30% weighting	1. Number of use cases		One	> One		1 year post go live	CRIS
IPE Ben03	Improve supportability		Improve supportability Global tier 1 provider 20% weighting	1. Survey		Survey conducted	“After” implementation survey		1 year post go live	CRIS
CR02 Additional Benefits triggered by an improved design approach (added into BCU scope via CR02 Approved July 2020)										
BCU Ben04	Cost Savings		Reduce system / platform cost. Savings from reduction in Datacom IDme support,	Note: Revised approach delivers: Unpacking of significant additional complexity within IDme which clarifies each vendor’s responsibilities and clarifies functions.						

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Benefit #	Benefit type	Benefit profile ID#	Benefit Title	Benefit Description	KPI (validated by SDI)	Unit	Current state	Achievable Target	Timeframe	Benefit Monitor(s)
			removal of s 6(c) solutions.	Future identity manual resolutions team FTE cost avoidance upon return of application volumes to pre-COVID levels.	- Reduced ongoing operational costs of IDme; more infrastructure than expected can be de-commissioned, s 9(2)(b)(ii) - Identified savings and cashable benefits in Ben04 are required to fund the ongoing operation and depreciation of the solution.					
CR03 Adjusted Benefits (CR03 Approved Nov 2021)										
BCU Ben04	Cost Savings		Reduce system / platform cost.	Savings from reduction in Datacom IDme support, removal of s 6(c) solutions. Future identity manual resolutions team FTE cost avoidance upon return of application volumes to pre-COVID levels.	Note: Revised approach delivers: - Cashable Cost Savings in CR02 was \$11,583,357 (approx. \$1,653,579 per year) has now decreased to \$7,363,743 (approx. \$1,052,000 per year). - Cost Savings realisation was previously expected to resume in year two FY21/22, this will now not be realised until year three FY22/23, reducing the savings period from 8 years to 7 years - the project is now forecasting out to year nine FY28/29 - Cashable benefits realised have been agreed to be used for the ongoing funding of the solution - It has been clarified that these are not nett savings – all cashable and cost avoidance savings are required to fund the ongoing operation and depreciation of the updated solution. - Cost avoidance savings projections are based on current INZ expectations of timeframes for a return to pre-COVID visa application volumes.					

Cashable Cost Savings Approved in CR03

	FY 21/22	FY 22/23	FY 23/24	FY 24/25	FY 25/26	FY 26/27	FY 27/28	FY 28/29	Total
Efficiency current capacity 11 FTE	\$0	\$1,034,000	\$1,034,000	\$1,034,000	\$1,034,000	\$1,054,680	\$1,075,774	\$1,097,289	\$7,363,743
	\$0	\$1,034,000	\$1,034,000	\$1,034,000	\$1,034,000	\$1,054,680	\$1,075,774	\$1,097,289	\$7,363,743

Changes to Benefits as a result of this Change Request (CR04)

BCU baseline benefits are impacted as follows:

- Cashable Cost Savings not now realised until FY23/24.

	FY23/24	FY24/25	FY25/26	FY26/27	FY27/28	FY28/29	FY29/30	FY30/31	Total
Efficiency current capacity 11 FTE	\$1,034,000	\$1,034,000	\$1,034,000	\$1,034,000	\$1,034,000	\$1,054,680	\$1,075,774	\$1,097,289	\$7,363,743
	\$1,034,000	\$1,034,000	\$1,034,000	\$1,034,000	\$1,034,000	\$1,054,680	\$1,075,774	\$1,097,289	\$7,363,743

Cashable cost savings are required to fund the ongoing operation and depreciation of the updated solution.

Appendix 04 – Current key Risks

s6(c) . Active treatments and controls are in place for these risks and are outlined in the table below. However, should one or more of these risks be realised, the potential impact on the projects ability to meet the August 2023 transition date will be compromised.

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The project is at a critical stage with the primary vendor on schedule to deploy the configured and developed solution to the first MBIE support environment in 8 weeks. The project schedule is heavily dependent on this milestone being achieved with significant effort being devoted to ensuring a fit-for-purpose solution is deployed in line with revised schedule timing.

ID	Risk Title	Description	Inherent Risk Level	Controlled Risk Level	Treatment and Controls
R63	NEC Readiness for SIT Entry	s6(c)	High	Medium	1. Exemption for NEC outstanding designs prior to SIT entry (end Aug 2022). 2. Showcase scheduled for 21 July to show early visibility of the NEC solution. 3. Escalation through Steering Group. 4. Continued offer of MBIE resources to assist with design. 5. A plan from NEC around SDD designs. 6. MBIE has requested visibility and review of NEC test defects leading up to SIT entry.
R65	NEC Delivery		High	Medium	1. Escalations through Steering Group. 2. Stronger engagement with legal & commercial teams. 3. Ongoing senior stakeholder engagement. 4. Continued active communication with the vendor and requests for status updates on progress from NEC.

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ID	Risk Title	Description	Inherent Risk Level	Controlled Risk Level	Treatment and Controls
R10	100% Requirements Delivery from NEC	s6(c) s9(2)(b)(ii)	High	Medium	1. Additional NEC Business Analyst engaged to assist with BCU Requirements reconciliation and elaboration 2. Ensure NEC testing, through review of their test plan, is traceable to all the requirements at a detailed level. 3. Ensure the INZ Test Plan is trackable to all the requirements at a detailed level. Request early demo, and provide early demo prior to SIT entry. 4. Ensure NEC provides ability for BCU Project team to have enough visibility to accurately track progress on requirements and key milestones.

Appendix 05 – Current key Issues

ID	Issue Title	Description	Treatment	Priority
1857	No End-to-End NEC Delivery Schedule	s9(2)(ba)(ii)	- Outline importance to NEC Stakeholders - Review progress at delivery level with NEC PM - Agenda Action item for NEC at Steering Grp meeting	High

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ID	Issue Title	Description	Treatment	Priority
1773	s6(c)			High
116	Insufficient approved funding to deliver the project	There is currently insufficient approved funding beyond July 2022, and even with the funds that can be carried-over into the 22/23 FY, this will result in a shortfall at the tail-end of completing the project.	- Escalated to Project Director / Steering Group - Draft Change Request to remedy shortfall and seek funding being prepared	High

Appendix 06 – Options considered

This section describes the options that have been considered to resolve the variation, and for each option, what the effect would be on the Business Case, benefits, and risks.

Option 1 – Stop the Project

Description

This means stopping (cancelling) the project. There will be closeout activities to complete, but all other development/implementation work will cease. Work would be required to close down the project including resolution of contractual commitments with minimization of cost implications and risks.

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Effect

If the project is stopped then all activities would cease now. Project resources would be released, and Vendors asked to cease work for prior approved SoW. All actual work undertaken by Vendors will need to be invoiced and paid. The key benefits would not be achieved: reduced biometric manual resolution rates anticipated by other INZ programmes of work e.g. ADEPT and substantively reduced identity team staffing requirements post Covid-19, supported platforms; reduced solution complexity and operating cost; improved adaptability; only the online component of IGMS could be decommissioned. These would still need to be addressed subsequently. Project Capex cost to date would need to be fully expensed as an Opex cost.

Impact on	Impact of Stopping the Project
Scope	No scope will be delivered by the BCU project.
Cost	Final invoices for last activities under approved Vendor SoWs will need to be received and paid. Purchase orders would be cancelled to release any remaining commitments for Vendor SoW. Future project expenditure would equate to closeout activities only. BCU project Capex costs may need to be written off. Total Capex spend and impairment would be approx. \$10M
Schedule	Project will stop now.
Benefits	Benefits will not be achieved.
Asset Management	No new or improved assets will be created.
Risk	s6(c)
Business Change	There will be no change to existing IGMS IDme and IPE business systems and/or processes.

Option 2 – Phased Delivery

Description

s 6(c)

The approach would equate to reduced BCU project scope and/or reduced forecast costs. Phasing would be:

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1. Phase 1: Reversion back to the original BCU and IPE project scope, namely updating both the IDme Daon and NEC biometric matching engine and updating the IPE Daon Enrol solution with NEC centric solutions. These NEC solutions would integrate with the existing IGMS IDme solution.
2. Phase 2: Then if desired, an additional project could be initiated to deliver the second phase namely replacement of bespoke Datacom code, K2 and InRule (in totality this equates to IGMS IDme) with NEC off the shelf tools. Effectively the current BCU scope. This phase would require a re-work of phase 1 delivery to accommodate the new technical platform delivery model and enable decommissioning of the IGMS system.

Effect

If the project scope is reduced or phased, while this will significantly impact the overall approach, requirements, design and build in some areas (such as AMS) that has already occurred, this should be simpler to deliver, and earlier work undertaken by the project can be leveraged. A detailed reassessment to determine technical do-ability of a reduced or phased scope would be required. Although there are no technical constraints currently identified, project change request two highlighted technical issues with this original scope, which have been unable to be validated by the current project, and while the delivery of certain key benefits might be brought forward there is a high level of risk that rework would be required and the delivery timeframes and costs for both phases would increase substantively as a result and the current issues and risks would still need to be addressed. In addition, the Daon solution is unable to scale, so a phased update at this level provides only limited business benefit; better biometric matching results, but does not address the wider IDme issues.

	Impact of this change if approved
Scope	Possible reduction or deferral of scope.
Cost	Possible cost reduction for delivery of reduced scope in the first phase, but likely substantial overall cost increase for delivery of two separate phases. Able to deliver possible loss of cost savings benefit if second phase did not proceed.
Schedule	Schedule impact estimated at six months for phase 1. Phase 2 would be dependent on the phase two approach selected, but longer.
Benefits	Updated biometric matching achievable assuming no technical constraints encountered.

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	Impact of this change if approved
	Other benefits dependant on phase two approach scope and approval to proceed.
Asset Management	Some assets will be improved, while decommissioning of other assets likely to removed or deferred.
Risk	Delivery risks and issues related to BCU project delivery may be reduced in the first phase, however other technical risks may be introduced, and the overall risk profile across both phases would remain the same. Supportability, sustainability and flexibility risks relating to current state IGMS IDme and IPE would not be addressed until phase two was implemented.
Business Change	Possible reduction or deferral of business change impact.

Option 3 – Recommended Option

Description

Continue to deliver existing BCU project scope with additional timeframe and funding requested via this change request.

Although management of the key vendor remains challenging, the solution design has largely been configured and developed by them and is currently on schedule for deployment to the first MBIE support environment in 8 weeks. Assuming this critical path milestone is achieved, confidence in the ability of the key vendor to align with the revised delivery schedule will have increased. The revised delivery schedule timelines are achievable if that alignment is retained.

Proposed Change and Impact

As per this Change Request - CR#04



Appendix 07: Project Server Update Summary

Change Request #	3644 - CR#04							
Project Code/Name	3644 – Biometric Capability Update (BCU) Project							
Details of Change	Extension of BCU Project timelines, associated increase in forecast costs.							
Change Impact	Time	Yes	Cost	Yes	Scope	No	Benefits	No
Project Sponsor:	Stephen Dunstan			Business Owner:		9(2)(a) of the OIA		
Business Unit:	Enablement			Project Director:		9(2)(a) of the OIA		
Complexity: (Low / Medium / High)	Medium			Benefit Owner:		9(2)(a) of the OIA		
Additional Capex requested in this CR:	Decreased \$863,971			Additional Opex requested in this CR		Increased \$4,665,111		
Revised Total Project Capex: (for entire project)	\$21,288,016			Revised Total Project Opex: (for entire project)		\$4,711,383		
Project Server adjustments	\$1,385,586 FY19/20 \$6,022,500 FY20/21 \$1,691,150 FY21/22 \$9,474,404 FY22/23 \$2,714,376 FY23/24 Total: \$21,288,016					\$0 FY19/20 \$744,200 FY20/21 \$1,454,390 FY21/22 \$1,911,039 FY22/23 \$601,734 FY23/24 Total: \$4,711,383		
				Whole of Life Cost		Increased \$1,514,749 Total \$31,933,858		
Project Finish Date:	31 November 2023			Cost Centre:		2146		
				Funding Source:		INZ - Departmental		



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3644

Biometric Capability Upgrade

Change Request Playbook

Document Control

Version history

Date	Version	Author	Description of change
31 May 2023	0.1	s9(2)(a)	Create first draft

Endorsed by

The following people have endorsed this document:

Name	Role	Date	Signature
Richard Owen	Project Sponsor		
	Business Owner		
s9(2)(a)	Cost Centre Owner (if different to Sponsor/Business Owner)		
	s9(2)(a)		
	Procurement and Commercial		
	PMO Quality, Benefits and Assurance		
	Business Strategy and Alignment (Head of Digital and Programmes)		
	Technology Strategy Alignment		
s9(2)(a)			

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The endorsers of the Change Request Playbook are the same as the endorsers of the Change Request. Evidence that the named person(s) listed above have reviewed this document is necessary. This can either be a physical signature or a link to an email saved in MAKO providing evidence of endorsement.

Reviewed by

The following people have reviewed this document:

Name	Role	Date	Signature
s9(2)(a)	Portfolio Management Office Manager	Dd mmm yyyy	Insert
		Dd mmm yyyy	Insert
		Dd mmm yyyy	Insert

Purpose of the Document

This is a mandatory supporting document for a change request on a medium of high complexity project. This document provides the detail to support the A3 change request.

Reference Documentation

The following table includes a reference documentation to support this document.

Document	MAKO Link
BCU Business Case	BCU Business Case
IPE Business Case	IPE Business Case
Change Request 01	CR#01
Change Request 02	CR#02
Subsequent Memo to Change Request 02	Subsequent Memo

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Change Request 03	3644 BCU Project Change Request 03
Change Request 04	3644 BCU Project Change Request 04
Requirements: NEC IDme	Consolidated Business Requirements for NEC
Requirements: NEC IPE	NEC IPE Functional Specifications
Requirements: NEC IDme & IPE Non-Functional	Consolidated NFR for NEC
Requirements: IPE Hardware	NEC IPE Hardware Requirements
Requirements: DXC	AMS Requirements
Requirements: s 6(c)	s 6(c)
BCU Benefits Map	BCU Benefits Map

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1 Project Change Overview

1.1 Background

A project Change Request is required when a Project requires an adjustment of the project baseline (e.g. costs, timescales, scope, benefits). This is produced to advise the governance forums that the Project will deviate from the approved project margins unless remedial action is taken, and to provide options analysis for a governance decision on the best way forward (including both 'do nothing' and 'stop the project'). The request must include the description of the change, the consequences, options and recommendations for the budget and schedule and the reason for any deviation. The Project Manager advises the appropriate governance forums of the situation and seeks endorsement/approval. Considerations – If the project is part of a Programme of work, the circumstances of the variation should be co-ordinated at programme level.

Clearly articulate the reason for the Change Request, which aspects of the Project it covers, and provide an overview of the situation.

This Project Change Request describes the time delays encountered by the project due to the extended duration of:

1. Data migration,
2. Completion of design artefacts; and,
3. Meeting security requirements.

The project is seeking additional time, and funding, to account for compounding effect these delays which see the implementation date move from August 2023 to November 2023 and the Closure Report moving from November 2023 to February 2024.

1.2 Summary of the Recommendation Option

Summarise here what you are advising the governance forums approve (ie. the preferred option) and any other approvals or recommendations you are seeking.

1.2.1 Description

Describe the relevant part of the last approved baseline and what variation is forecast. Describe the root cause that led to this change. The reasons for the forecast variation must be clearly stated and analysed. Give details, if appropriate.

1.2.2 Consequences

Use the table below to show the consequences of the forecast variation. Describe in terms of the effects on costs, timescales, quality, scope, risk, and benefits. List both negatives and positives (including any dis-benefits). Include any implications for the Business Case. The impact on the overall project plan must have been calculated.

Area impacted	Proposed change to baseline
Cost	• Total project cost has increased \$x,xxx,xxx. • Total capex has increased by \$xxx,xxx total opex has increased by \$xxx,xxx. • Total Capex of \$xx,xxx,xxx. • Total Opex of \$x,xxx,xxx. • WoLC increased to \$xx,xxx,xxx.
Scope	No change to scope
Schedule	• Project duration extended by 3 months. • Project go-live implementation date moved from August 2023 to November 2023. • Project closure date moved from November 2023 to February 2024.
Benefits	No change to benefits
Other as relevant	

1.3 Change Request Register

If this is the first change request delete the table and insert, "This is the first Change Request for this project"

CR #	Date Approved	Impact on Scope/Cost/Time/Benefits
		<i>What was the reason for the change? Give a short (one or two sentences) overview of the change(s) made.</i> • <i>change of scope – what scope was added/removed?</i> • <i>change in funding – how much and what type of funding was added/removed?</i> • <i>change in time – what changes were made to the project's schedule?</i> • <i>change in benefits – revised/removed/new/delayed realisation date</i>
		<i>Add more rows as necessary</i>



2 Financial Summary

The following table summarises the financial history and details for this proposed change:

	Project Brief	Original Business Case	Change Request 1	Change Request 2	Change Request 3	Change Request 4	Change Request 5	Total Cost	Total Variance*
Date approved									
Project Opex	\$0	\$46,272	\$0	\$0	\$0	\$4,665,111	-\$395,001	\$4,316,382	\$4,270,110
Project Capex	\$0	\$10,458,858	\$831,705	\$5,785,749	\$5,075,674	-\$863,971	-\$117,231	\$21,170,784	\$10,711,926
Total Project Cost	\$0.00	\$10,505,130	\$831,705	\$5,785,749	\$5,075,674	\$3,801,140	(\$512,232)	\$25,487,166	\$14,982,036

*Variance between Total Cost (approved baseline plus proposed total cost) and original Business Case

Previous Whole of Life Cost	\$31,933,858
Revised Whole of Life Cost	\$31,398,591



3 Options considered

What are the options for proceeding and what would be the effect(s)? Describe each option considered.

A minimum of four options should be given (do nothing, the preferred option, alternatives to the preferred (if any), or stop the project) to show that sufficient thought has gone into considering all possibilities. Each option must include the risks for that option (note: these will primarily be risks to the benefits of the project, however may include others as relevant (eg – reputational damage, loss in trust or integrity, etc)).

Repeat the option sections below as many times as required.

This section describes the options that are available to resolve the variation, and for each option, what the effect would be on the Business Case, benefits and risks.

3.1 Option 1 – Do Nothing

Note: This is NOT the same as ‘Stop the Project’. Doing nothing would mean carrying on without implementing the change.

3.1.1 Description

Describe the option

3.1.2 Effect

Describe the effect and consequences of the option in the Table below.

	Impact of this Option
Scope	
Cost	
Schedule	
Benefits	
Quality	



	Impact of this Option
Risk	<i>If.....then</i>
Business Change	

3.2 Option 2 – Stop the Project

3.2.1 Description

This means stopping (cancelling) the project. There will be closeout activities to complete, but all other development/implementation work will cease. Work would be required to close the project including resolution of contractual commitments with minimization of cost implications and risks.

3.2.2 Effect

If the project is stopped then all activities would cease now. Project resources would be released, and Vendors asked to cease work for prior approved SoWs. All actual work undertaken by Vendors will need to be invoiced and paid. The key benefits would not be achieved: reduced biometric manual resolution rates anticipated by other INZ programmes of work e.g. ADEPT and substantively reduced identity team staffing requirements post Covid-19, supported platforms; reduced solution complexity and operating cost; improved adaptability; only the online component of IGMS could be decommissioned. These would still need to be addressed subsequently. Project Capex cost to date would need to be fully expensed as an Opex cost.

Impact on	Impact of this Option
Scope	No scope will be delivered by the BCU project.
Cost	Final invoices for last activities under approved Vendor SoWs will need to be received and paid. Purchase orders would be cancelled to release any remaining commitments for Vendor SoWs. Future project expenditure would equate to closeout activities only. BCU project Capex costs may need to be written off. Total Capex spend and impairment would be approx. (TBC) \$10M.
Schedule	Project will stop now.
Benefits	Benefits will not be achieved.



Impact on	Impact of this Option
Quality	
Risk	If the current state IGMS IDme and IPE is not be resolved as outlined above, s 6(c) leading to high operating costs and a lack of flexibility to accommodate future biometrics-based initiatives.
Business Change	There will be no change to existing IGMS IDme and IPE business systems and/or processes.

3.3 Option 3 – <Another Option> (If applicable)

3.3.1 Description

Describe the option

3.3.2 Effect

Describe the effect and consequences of the option in the Table below.

Impact on	Impact of this Option
Scope	
Cost	
Schedule	
Benefits	
Quality	
Risk	<i>If.....then</i>
Business Change	



3.4 Recommended Option

The format of this section should be used for the recommended option only regardless of what it is. Options which are not recommended should appear in the abbreviated format above. Do not repeat options in both formats.

3.4.1 Description

Describe the relevant part of the last approved baseline and what variation is forecast. Describe the root cause that led to this change. The reasons for the forecast variation must be clearly stated and analysed. Give details, if appropriate.

3.4.2 Proposed Change and Impact

Use the table below to show the proposed change and the impact of the forecast variation. Describe in terms of the effects on costs, time, quality, scope, risk, and benefits. List both negatives and positives (including any dis-benefits). Include any implications for the Business Case. The impact on the overall project plan must have been calculated.



	Baseline	Change required (if applicable)	Impact of the Change if approved/applicable
Scope	<i>Information from the approved Business Cases and Change requests</i>	<i>Describe the proposed change to scope</i>	<i>Describe the impact of the proposed change to scope</i>
Cost	<i>Information from the approved Business Cases and Change requests</i>	<i>Additional funding being requested</i>	<i>Describe the impact of the proposed change to cost</i>
Schedule	<i>Information from the approved Business Cases and Change requests</i>	<i>Describe the changes to the schedule and key Milestones</i>	<i>Describe the impact of the proposed change to Project Schedule</i>
Benefits	<i>Information from the approved Business Cases and Change requests</i>	<i>List changes to the approved benefits relevant to this CR (including dis-benefits)</i>	<i>Describe the impact of the proposed change to the Benefits</i>
Asset Management	<i>Information from the approved Business Cases and Change requests</i>	<i>List changes to assets</i>	<i>What will be the effect on the asset? Will you be creating a new asset, or extending the life of the existing asset? What plans are there for decommissioning any old asset(s)</i>
Resources	<i>Information from the approved Business Cases and Change requests</i>	<i>What additional resources will be required (e.g. additional people, or the same people for longer) as a result of this change, or what resources could be released?</i>	<i>What impact will this change have on the resources of the project or of Service Transformation's ability to resource other initiatives?</i>
Quality	<i>Information from the approved Business Cases, Change requests and Project Initiation Document and Quality Register/Plan as appropriate</i>	<i>List any Changes to quality</i>	<i>Describe any Changes to the Quality Management and impact on outputs/deliverables</i>



Risk	<i>Information from the approved Business Cases, Change requests and Project Server</i>	<i>What risk(s) does this option pose? What risk(s) is this option treating?</i>	<i>What additional risk does this change have on the project or to the business?</i>
Business Change	<i>Information from the approved Business Cases and Change requests</i>	<i>Are there any impacts to Business Change? Has a Business Change Assessment been made?</i>	<i>What is the impact on the business of this change? What plans are there to address any change?</i>



4 Detailed Financial Breakdown – Recommended Option

The excel sheet for the financial breakdown below is available [here](#).

The excel sheet should be completed in conjunction with your Finance Business Partner.

Copy and paste the 'Business Case' sheet here.



5 Review of Assessments

5.1 Privacy & Security

Item	Yes / No	Comments / Link to completed document
Was a Privacy and Security Impact Assessment required for this project?	Yes	Security Risk Impact Assessment
Include the Business Change Impact Assessment if applicable	Yes	Business Change Impact Assessment.

Treasury RPA	A Treasury Risk Profile Assessment (RPA) has not been undertaken as the change in scope is not significant and does not warrant a reassessment. The Treasury Risk Profile Assessment returned an outcome of MEDIUM. Treasury Risk Profile Assessment.
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6 Appendix A – Proposed Benefits Table

The Benefits Map is available here. [<Link>](#).

The table below includes benefits associated with the Recommended Option in this Change Request should this be Approved.

Benefit #	Benefit Type	Benefit Name	Benefit Description	Measure	Baseline Measure	Target Measure	Timeframe
1							
2							
3							
4							

7 Appendix B

[Optional section] Add in appendices if required, else delete this section. This can be used for revised project financials, project variations, expanded evaluation of options, additional information in support of the recommendation, etc.



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3644

Biometric Capability Update (BCU)

Change Request 06 Playbook



Document Control

Version history

Date	Version	Author	Description of change
19/03/2024	0.1	BCU Project Manager	Create first draft
05/04/2024	0.2	BCU Project Manager	Updates to Section 1.2

Endorsed by

The following people have endorsed this document:

Name	Role	Date	Signature
s9(2)(a)			
Aaron Toatelegese	Technology Strategy Alignment	04/04/2024	Aaron Toatelegese Endorsement
N/A	Workstream Manager		
BCU Steering Group	Project Steering Group	Meeting on 09/04/2024	TBC



Purpose of the Document

This is a mandatory supporting document for a change request on a medium of high complexity project. This document provides the detail to support the A3 change request.

Reference Documentation

The following table includes a reference documentation to support this document.

Document	MAKO Link
BCU Business Case	BCU Business Case
IPE Business Case	IPE Business Case
Change Request 01	3644 BCU Project Change Request 01
Change Request 02	3644 BCU Project Change Request 02
Subsequent Memo to Change Request 02	Subsequent Memo
Change Request 03	3644 BCU Project Change Request 03
Change Request 04	3644 BCU Project Change Request 04
Change Request 05	3644 BCU Project Change Request 05
BCU Benefits Plan	3644 BCU Benefits Plan
IPE Benefits Plan	3586 IPE Benefits Plan



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1 Project Change Overview

1.1 Background

This Project Change Request (CR) has been prepared by the Project Manager to advise the Delivery Governance Board (DGB) and Finance Investment & Change Committee (FICC) of a variation to the previous baseline approved for CR05.

The request describes the need for change and seeks approval to increase the timeframe and budget, along with returning to the original BCU scope and delivering IPE under its own project. These two deliverables are the Biometric Capability Update (BCU) and the In Person Enrolment (IPE) solutions.

The BCU project also needs to see Cabinet approval to increase the Whole of Life Cost (WoLC) threshold from \$35 million to \$40 million. This increased WOLC threshold does not include the costs for delivery of the IPE solution.

This Project Change Request describes the time delays encountered by the project due to:

- The project being paused for 4 weeks in November 2023 as directed by Governance while WoLC were being reviewed and alternative options were considered.
- Delays in deploying the solution into SIT to commence testing; and
- SIT Priority One test scripts taking longer than planned to complete due to the number of defects found, the lengthy time to resolve these and infrastructure issues in the environment.

1.2 Summary of the Recommended Option

The project is seeking approval of the preferred option to continue the project. Additional time, and funding is required, to make allowance for the compounding effect of the delays.

The recommended option also seeks approval to return the BCU project to its original scope and have IPE delivered under its own project, which supports:

- The commercials constructed to deliver the two individual projects will be separated.
- Ensures the scope of each project is well understood and managed. IPE was never in the original scope for the BCU project, and this change simply returns the BCU project to its original and reflects the need that IPE should be run as its own project.
- The WOLC of \$39.9m is for BCU only and IPE is likely to be \$10.1m. The Cabinet paper will advise there are two costs, one for BCU and the other for IPE. MBIE will be seeking approval in the Cabinet paper for the BCU project only as the WoLC will be above the current approved threshold. The Cabinet paper will not seek approval for WOLC cost of IPE, as it is below the Cabinet threshold and will be a separate project.
- Effort/Resources/Cost can be attributed/apportioned correctly to the right deliverable and effort can be directed at an organisational level to the correct delivery priorities.
- IPE assets (physical hardware) will have a different depreciation schedule to BCU assets.
- Separation will allow for best practice, having individual projects for each deliverable
- Voice of customer is considered for each project deliverables and any additional IPE requirements do not impact on the BCU project budget and vice versa.
- Efficiencies to ensure time sheeting is to the correct project code



- Ensures any legal/commercial issues are separated and don't impact on other aspects of the system.

Returning BCU to its original scope and delivering IPE under its own project should not have a material impact on the total delivery resources required as the two projects will still be managed under the same programme of work and governance structure and will utilise some shared resources where it makes sense who are already engaged or hold SME across the two solutions. The projects will be governed by the BCU Steering Group to maintain efficiencies.

Any approval regarding the WoLC for BCU made by DGB is subject to Cabinet approval to increase the WoLC threshold. IPE is subject to MBIE project delivery framework.

1.2.1 Description

Change Request 5 was approved in June 2023, which moved the implementation date from August 2023 to November 2023 and the Closure Report from November 23 to February 2024. It also requested an increase of funding of \$511,460 Capex and \$4,531 Opex.

Since CR 5 was approved, the project has encountered additional issues with the delivery and has missed several milestones. The key missed milestones were the deployment of the solution into MBIEs SIT environment taking 8 weeks longer than planned and the Priority One test scripts not being completed in the System Integration Test (SIT) environment in the planned timeframe due the number of defects found (currently 6 weeks longer than planned).

The project will undertake two Independent Quality Assurance (IQA) reviews as advised to the Minister of Immigration before the project is implemented. The first IQA at the end of April to understand the 'Delivery Certainty' of the project for the proposed Go Live in October 2024 and the second in September to confirm 'Go Live Readiness'.

Additional assurance may be required by the Minister prior to seeking approval from Cabinet to increase the WoLC.

1.2.2 Consequences

Area impacted	Proposed change to baseline
Cost	BCU& IPE Total project cost has increased to \$49,139,173 ○ Total capex has increased by \$14,811,652 ○ Total Opex has increased by \$8,019,894 Returning to original deliverables under two separate projects, the financial breakdowns detailed below: BCU • BCU Total project delivery cost \$40,611,906 ○ Total capex \$33,332,080 ○ Total opex \$7,279,826 • WoLC for BCU \$39,867,762



Area impacted	Proposed change to baseline
	IPE - IPE Total project cost \$8,527,267 - Total capex \$3,274,516 - Total opex \$5,252,751 - WoLC for IPE \$10,077,492 IPE project funding will be transferred to Project Code 3586. Currently the prioritised Investment Plan contains the combined costs for BCU and IPE.
Scope	BCU project scope returned to its original scope and IPE will be delivered as part of Project 3586
Schedule	- Project duration extended by 12 months. - Project go-live implementation date moved from November 23 to October 2024. - Project closure date moved from February 2024 to January 2025.
Benefits	Benefits have been split for the two projects: - BCU - IPE

1.3 Change Request Register

CR #	Date Approved	Impact on Scope/Cost/Time/Benefits
CR1	May 2020	Reason for change: Add the following projects into scope: 3315 – Photo Quality Check (PQC) 3303 – Decommissioning activities associated with the IGMS Upgrade Server Project Change in funding: Transfer of \$0.83 million Capex from 3315 Addition of \$0.92 million Capex Total of \$1.75 million Capex and \$0 Opex Change in time: No change to delivery timeframes. Go Live July 2020 with project closure in September 2020



CR #	Date Approved	Impact on Scope/Cost/Time/Benefits
		Change to WoLC: An increase of \$3.24 million to WoLC to a total of \$22.82 million. Change to Benefits: Transfer benefit from 3315 – “Eliminate a source of tight coupling with Immigration online that prevents application submission when IDMe is unavailable”. Transfer benefit from 3305 – decommission 104 servers used for biometric matching across test and production environments.
CR2	July 2020	Reason for change: Add the following project into scope: • 3586 – In Person Enrolment (IPE) Change in funding: Addition of \$5.8 million Capex and \$0 Opex Change in time: Go Live date moved from September 2020 to May 2021. Project closure moved from September 2020 to May 2021. Change to WoLC: An increase of \$7.98 million to a total of \$30.75 million. Change to Benefits: New benefits added: • Reduce support complexity by support being provided by one vendor. • Reduce costs of ongoing operations, saving \$2.3 million per annum. • Introduction of flexible platform to meet evolving needs of INZ.
CR3	July 2021	Reason for change: Increased complexity and challenges found during the design process led to additional time to complete the project. It was identified that the solution would have to be heavily customised to meet BCU’s requirements. Change in funding:



CR #	Date Approved	Impact on Scope/Cost/Time/Benefits
		Addition of \$6.91 million Capex and \$0 Opex Change in time: Go Live date moved from May 2021 to July 2022. Project closure moved from May 2021 to November 2022. Change to WoLC: A decrease in WoLC from \$30.8 million to \$30.4 million. Change to Benefits: New benefit added: Reduction in cost saving realisation from \$1.65 million to \$1 million per year.
CR4	August 2022	Reason for change: § 9(2)(b)(ii) Change in funding: Reduction of \$863,971 Capex and increase of \$4.67 million Opex Change in time: Go Live date moved from July 2022 to August 2023 Project closure moved from November 2022 to November 2023. Change to WoLC: An increase in WoLC from \$30.4 million to \$31.9 million Change to Benefits: Delay for benefit realisation
CR5	June 2023	Reason for change: § 9(2)(b)(ii) Change in funding: Increase of \$511,460 Capex and \$4,531 Opex Change in time:



CR #	Date Approved	Impact on Scope/Cost/Time/Benefits
		Go Live date moved from August 2023 to November 2023 Project closure date from November 2023 to February 2024. Change to WoLC: No change in WoLC (\$31.9 million) Change to Benefits: Delay for benefit realisation



2 Financial Summary

The following tables summarise the financial history and details for this proposed change:

2.1 Project Financials – BCU & IPE combined

The following table summarises the financial history and details for this proposed change:

	Original Business Case	Change Request 1	Change Request 2	Change Request 3	Change Request 4	Change Request 5	Change Request 6 (this CR)	Total Cost	Total Variance*
Date approved	Aug 2019	May 2020	July 2020	July 2021	Nov 2021	June 2023	April 2024		
Project Capex	\$10,458,858	\$831,705	\$5,785,749	\$6,912,315 -\$1,836,641**	-\$863,971	\$506,929	\$14,811,652	\$36,606,596	\$26,147,738
Project Opex	\$46,272	\$0	\$0	\$0	\$4,665,111	-\$198,700**	\$8,019,894	\$12,532,577	\$12,486,305
Total Project Cost	\$10,505,130	\$11,336,835	\$17,122,584	\$22,198,258	\$25,999,398	\$26,132,597	\$49,139,173	\$49,139,173	\$38,634,043

*Variance between Total Cost (approved baseline plus proposed total cost) and original Business Case **Capex removed from carry forward for FY20/21 ** Actual Opex returned was \$198,700 rather \$373,730 as noted in CR5)



The recommendation is that the project is split, allowing the Steering Group to monitor the BCU and IPE solutions independently. The financial breakdown of these two projects are:

2.2 BCU Financials

	Previously approved funding	Request funding in this CR	Total
Project Capex	\$21,794,944	\$11,537,136	\$33,332,080
Project Opex	\$1,337,552	\$5,942,274	\$7,279,826
Total Project Delivery Expenditure	\$23,132,496	\$17,479,410	\$40,611,906

2.3 IPE Financials

	Previously approved funding	Request funding in this CR	Total
Project Capex	\$0	\$3,274,516	\$3,274,516
Project Opex	\$3,175,131	\$2,077,620	\$5,252,751
Total Project Delivery Expenditure	\$3,175,131	\$5,352,136	\$8,527,267



2.4 Whole of Life Cost

CR5 (BCU&IPE) Whole of Life Cost	\$31,949,202
Revised BCU Whole of Life Cost	\$39,867,762
Revised IPE Whole of Life Cost	\$10,077,492



3 Options considered.

This section describes the options that are available to resolve the variation, and for each option, what the effect would be on the Business Case, benefits and risks.

3.1 Option 1 – Do Nothing

3.1.1 Description

Continue to run a combined project, with BCU and IPE both being delivered under project 3644.

3.1.2 Effect

	Impact of this Option
Scope	No change in scope but still includes IPE
Cost	No change in costs but the project would exceed its agreed funding as set out in Change Request 5.
Schedule	No change in schedule but the project would not be aligned to the approved milestones as set out in Change Request 5.
Benefits	Benefit realisation would be delayed by 12 months.
Quality	No change in quality.
Risk	If the project continues then it will proceed outside of the agreed tolerance for schedule, funding and benefits.
Business Change	No change to the business.

3.2 Option 2 – Stop the Project

3.2.1 Description

Stop the project and continue with current solution.

3.2.2 Effect

Impact on	Impact of this Option
Scope	The old algorithm for face matching will remain. No new scope would be delivered.
Cost	Potential financial penalties in relation to vendors is estimated to be approximately s9(2)(ba)(ii). Potential liability and exposure to costs from vendors, including the key vendor, could include costs for the deliverables as per agreed milestones in relevant vendor MSA termination clauses. The key vendor may also try and claim for all losses (included sunk losses). This key vendor has indicated the sunk cost to be up s9(2)(ba)(ii)



Impact on	Impact of this Option
	In addition, the estimated impairment of Work in Progress (WIP), if the project was stopped, is estimated to be \$22 million.
Schedule	N/A
Benefits	Benefits would not be realised.
Quality	N/A
Risk	If the project were stopped then INZ would remain on the current system. s6(c)
Business Change	Business will potentially have more outages due to the current fragile system.

3.3 Recommended Option

3.3.1 Description

The project is in the delivery phase and the solution is currently being tested in MBIE's System Integration Testing (SIT) environment. Since the last Change Request (CR 5) the project has encountered many issues such as:

- Delays in deploying the solution into SIT to commence testing.
- Project being put on pause in November 2023 for 4 weeks as directed by Governance while WoLC was being reviewed and other options explored.
- SIT Priority One test scripts taking longer than planned to complete due to the number of defects found, the lengthy time to resolve these along with infrastructure issues.

As the project has progressed, the estimate to complete the project has increased, not only in the time required to complete the project but the funding to support this. It has also been noted that it would be beneficial to return the BCU project to its original scope which excludes the IPE component and deliver this under its own project deliverable. This will allow the BCU Steering Group to govern these projects independently, enabling them to monitor any changes in scope or budget per deliverable and make the appropriate trade off decisions.



3.3.2 Proposed Change and Impact

	Baseline	Change required (if applicable)	Impact of the change if approved/applicable
Scope	Delivery of the BCU solution.	Return BCU to its original scope and have separate delivery of the two solutions: BCU – 3644 IPE - 3586	The BCU project will return to its original scope and IPE will be delivered as part of project 3586
Cost	Approved Funding of: OPEX - \$4,337,653 CAPEX - \$21,748,672	Additional funding required: BCU • CAPEX FY23/24: \$4,590,784 • CAPEX FY24/25: \$6,946,352 • OPEX FY23/24: \$133,256 • OPEX FY24/25: \$5,809,018 IPE • CAPEX FY23/24: \$573,265 • CAPEX FY24/25: \$2,701,251 • OPEX FY23/24: \$348,512 • OPEX FY24/25: \$1,729,108	The Finance team will need to journal the following actuals from previous FY from BCU 2644 to IPE 3586 • OPEX FY20/21 - \$744,220 • OPEX FY21/22 - \$1,021,231 • OPEX FY22/23 - \$1,409,680
Schedule	Go Live: November 2023 Project Closure: February 2024.	New Go Live scheduled for October 2024 Project Closure scheduled for January 2025	The project schedule will be updated to reflect the new Go Live and Project Closure dates.
Benefits	Benefits were to start to be realised in November 2023	Delay in benefit realization to commence at the end of October 2024. Benefits to be reallocated to correct project depending on if they relate to BCU or IPE.	Shift benefit start date to 30 October 2024. The delay in benefit date sees the business carry a higher operational cost for 12 months.



	Baseline	Change required (if applicable)	Impact of the change if approved/applicable
Asset Management	Assets to be delivered in November 2023	Delay in the delivery of the assets. Two assets will now be delivered in October 2024 – The BCU and IPE Solutions.	Delay in delivery of the two system assets and commencement of depreciation by 12 months.
Resources	Resources were planned to work on the project until February 2024.	Extension of key resources including contract staff who have a 2-year anniversary in the coming months.	Extension of key resources including contract staff to support additional timeline.
Quality	All test scripts are completed in SIT	The focus of the project will be on Priority 1 and 2 test scripts in the SIT environment. If time allows, priority 3 test scripts will be completed. Non-functional requirements will not be impacted.	Due to the fixed Go Live date, there may be an impact on the number of test scripts executed and the number of defects remediated. Defects that are not fixed prior to Go Live will be part of an agreed remediation plan and will be fixed post Go Live.
Risk		• Loss of IP will delay the project if staff can't be retained. • Potential delays if critical and high bugs are not remediated in a timely manner. • Potential delays if critical or high security vulnerabilities are not remediated in a timely manner. • If Data migration in UAT is longer than 9 weeks then all data migration will take longer, and the project will be delayed. • If a solution for disaster recovery set up and testing must be done in production, then the project will be delayed.	The risks are being actively monitored by the Project Steering Group. There is a possibility that a further change request required if several of these risks are realised. The project will report back to the DGB, at the earliest possible time, should any the risks be realised and their impacts have been evaluated.



	Baseline	Change required (if applicable)	Impact of the change if approved/applicable
		• If vendor performance relating the release cadence and quality does not meet MBIE expectations, then project timeframes may not be met. • If Commercial support agreements are not approved to meet the ORR timeline, and within financial tolerances, then the project will be delayed and may be more expensive. • If the project goes longer than the implementation date, then the project will cost more to deliver. • If Cabinet does not approve the WoLC threshold to \$40million for BCU the project may be cancelled.	
Business Change	The business change activities are to support the transition of the new system and any process change.	Change activities will commence later than originally planned.	No change in the Change Management activities



4 Detailed Financial Breakdown – Recommended Option

4.1 BCU

The breakdown by funding year for BCU is detailed below

Operating costs (\$m)	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25 & out years	Total
Project Costs	\$1,385,585	\$6,022,500	\$2,124,309	\$7,988,189	\$10,335,953	\$12,755,370	\$40,611,906
Operating costs						\$10,000,000	\$10,000,000
Depreciation						\$33,332,080	\$33,332,080
Capital Charge	\$69,279	\$370,404	\$454,962	\$839,465	\$1,319,286	\$5,833,114	\$8,886,510

The forecast expenditure of the BCU project by year is illustrated in the table below:

Financial Summary	Financial Years						
	FY 19/20	FY 20/21	FY 21/22	FY 22/23	FY 23/24	FY 24/25	Total
Capital expenditure	\$1,385,585	\$6,022,500	\$1,691,150	\$7,690,061	\$9,596,432	\$6,946,352	\$33,332,080
Operating expenditure			\$433,159	\$298,128	\$739,521	\$5,809,018	\$7,279,826
Total Project Delivery Expenditure	\$1,385,585	\$6,022,500	\$2,124,309	\$7,988,189	\$10,335,953	\$12,755,370	\$40,611,906
Ongoing Cost (Excl. Depreciation)						\$10,000,000	\$10,000,000
Whole of Life costs*							\$39,867,762

* Delivery Cost + Ongoing Cost, excluding Depreciation, 6% discount rate



4.2 IPE

The breakdown by funding year for IPE is detailed below:

Operating costs (\$m)	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25 & out years	Total
Project Costs	\$0	\$744,220	\$1,021,231	\$1,409,680	\$921,777	\$4,430,359	\$8,527,267
Operating costs	\$0					\$5,000,000	\$5,000,000
Depreciation	\$0					\$3,274,517	\$3,274,517
Capital Charge	\$0	\$0	\$0	\$0	\$28,663	\$573,040	\$601,703

The forecast expenditure of the IPE project by year is illustrated in the table below.

Financial Summary	Financial Years						Total
	FY 19/20	FY 20/21	FY 21/22	FY 22/23	FY 23/24	FY 24/25	
Capital expenditure	\$0	\$0	\$0	\$0	\$573,265	\$2,701,251	\$3,274,517
Operating expenditure		\$744,220	\$1,021,231	\$1,409,680	\$348,512	\$1,729,108	\$5,252,751
Total Project Delivery Expenditure	\$0	\$744,220	\$1,021,231	\$1,409,680	\$921,777	\$4,430,360	\$8,527,268
Ongoing Cost (<i>Excl. Depreciation</i>)						\$5,000,000	\$5,000,000
Whole of Life costs*							\$10,077,492

* Delivery Cost + Ongoing Cost, excluding Depreciation, 6% discount rate



5 Review of Assessments

5.1 Privacy & Security

Item	Yes / No	Comments / Link to completed document
Was a Privacy and Security Impact Assessment required for this project?	Yes	Security Risk Impact Assessment
Business Change Impact Assessment	Yes	Business Change Impact Assessment.
Treasury Risk Profile Assessment	Yes	Treasury Risk Profile Assessment.

Treasury RPA	The Treasury Risk Profile Assessment (RPA) rating is Medium. Given the whole-of-life cost for the project is now over the Treasury \$35 million threshold, a Risk Profile Assessment is a mandatory step within the Treasury monitoring process.
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6 Appendix A – Proposed Benefits Table

6.1 BCU Benefits

The updated Benefits Map is available [here](#).

The table below includes benefits associated with the Recommended Option in this Change Request for BCU and this should be approved.

Benefit #	Benefit Status	Benefit Type	Benefit Name	Benefit Description	Measure	Baseline Measure	Target Measure	Timeframe
TBC	New	Reduce Risk	s 6(c)					From Go live
TBC	New	Reduce Risk	Business risk reduction	Improvements to biometric and biographic automated matching	Increase in fraud cases identified	s 6(c)		2 years from Go live
B01147	Retain with updated measure	Efficiency	Improve flexibility and scalability	User interface to enable configuration changes	Time taken to implement configuration changes	>1 month	2 weeks	From Go live
B01149	Retain with updated targets	Efficiency	Reduce the number of manual resolutions by staff	Improved matching will reduce the number of manual resolutions required	Reduction in processing times	977,161 face comparisons a year (8018 hours) 252,939 manual links	781,729 face comparisons a year (4614 hours)	2 years post Go Live.



Benefit #	Benefit Status	Benefit Type	Benefit Name	Benefit Description	Measure	Baseline Measure	Target Measure	Timeframe
						a year (5335 hours)	0 manual links a year	
B01144	Remove	Cost avoidance	Reduce System / Platform Cost	Savings from reduction in Datacom IDMe support, removal of S 6(c) solutions. Future identity manual resolutions team FTE cost avoidance upon return of application volumes to pre-COVID levels.	Cost savings	N/A	\$1m per year	
B01145	Remove	Cost savings	Reduce FTE headcount	Reduction in FTE required during peak demands				
B01146	Remove	Technical risk reduction	Remove technology risk to system availability	Improve supportability				
B01148	Remove	Improved services: External	Improve quality of data and ability to access	Improvement in biometric data quality				



6.2 IPE Benefits

The updated Benefits Map is available here. <insert link>.

The table below includes benefits associated with the Recommended Option in this Change Request for IPE and this should be approved.

Benefit #	Benefit Status	Benefit Type	Benefit Name	Benefit Description	Measure	Baseline Measure	Target Measure	Timeframe
TBC	New	Improved internal services	Improved usability of the enrolment solution		Weight and size of mobile kit	>22kg	<7kg	From Go Live
B01455	Remove	Reduce Risk	s 6(c)			>1	0	1year post Go Live
B01550	Remove	Improved services: Internal	Improved supportability		Improvement in user survey results	Standard support	As a Service	1 year post Go Live



IN-CONFIDENCE

3644

Biometric Capability Update (BCU)

Change Request 06 Playbook



Document Control

Version history

Date	Version	Author	Description of change
25/11/2024	0.1	BCU Senior Project Manager	Create first draft
26/11/2024	0.2		Incorporate feedback from s9(2)(a) of the OIA , s9(2)(a) of the OIA
3/12/2024	0.3		Incorporate feedback from EPMO

Endorsed by

The following people have endorsed this document:

Name	Role	Date	Signature
Richard Owen	Project Sponsor	4/12/2024	Endorsed
s9(2)(a)		4/12/2024	Endorsed
		4/12/2024	Endorsed
		10/12/2024	Endorsed
		4/12/2024	Endorsed
		3/12/2024	Endorsed
		4/12/2024	Endorsed
Aaron Toatelegese	Technology Strategy Alignment	5/12/2024	Endorsed
s 9(2)(a)		5/12/2024	Endorsed
BCU Steering Group	Project Steering Group		



Purpose of the Document

This is a mandatory supporting document for a change request on a medium or high complexity project. This document provides the detail to support the A3 change request.

Reference Documentation

The following table includes reference documentation to support this document.

Document	MAKO Link
BCU Business Case	BCU Business Case
IPE Business Case	IPE Business Case
BCU Change Request 01	3644 BCU Project Change Request 01
BCU Change Request 02 (Merges BCU and IPE projects)	3644 BCU Project Change Request 02
Subsequent Memo to Change Request 02	Subsequent Memo
Combined BCU & IPE Change Request 03	3644 BCU Project Change Request 03
Combined BCU & IPE Change Request 04	3644 BCU Project Change Request 04
Combined BCU & IPE Change Request 05	3644 BCU Project Change Request 05
BCU Benefits Plan	3644 BCU Benefits Plan
IPE Benefits Plan	3586 IPE Benefits Plan



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1 Project Change Overview

1.1 Background

This Project Change Request (CR) advises the Delivery Governance Board (DGB) of a variation to the previously revised go live date and additional budget, that was approved under Change Request 05.

This CR (CR06) was originally submitted in April 2024 for endorsement by DGB and the Finance Investment and Change Committee (FICC). It was to be submitted to Cabinet as the Whole of Life (WoLC) cost exceeded the \$35 million threshold which requires Cabinet approval. In addition, there was still a significant risk to the timeframe for go-live and further planning was completed to avoid submitting multiple variations to Cabinet. During this planning it transpired that with robust financial controls the WoLC would be under \$35 million and consequently the CR was not submitted to Cabinet.

The risk to the timeframe has since materialised and necessitated a further extension of the go-live date. The CR is now resubmitted to DGB for approval.

The request describes the need for change and seeks approval to increase the timeframe and budget, along with returning to the original BCU scope and delivering IPE as a separate project.

The time delays encountered by the project are due to:

- The project being paused for 4 weeks in November 2023 as directed by Governance while the WoLC was being reviewed and alternative options were considered.
- Delays in deploying the solution into SIT to commence testing.
- SIT Priority One test scripts taking longer than planned to complete due to the number of defects found, the lengthy time to resolve these and infrastructure issues in the environment.
- Delays in finalising a production release candidate.
- Impact of delays on downstream critical path deliverables like commercials.

Budget delays are due to:

- Increased vendors cost to deliver the Minimum Viable Product (MVP) release candidate.
- Increased internal cost to test the solution and support the project.

1.2 Project Options and Recommendations

When the previous version of CR 6 was submitted in April 2024, 3 options were provided for consideration. These were:

1. Do Nothing
2. Stop the project
3. Separate the BCU and IPE projects, seek additional funding and revise the Go live date.

The project is seeking approval of option 3, to continue the project, seek additional funding and revise the Go live date.



Approval is sought to return the BCU project to its original scope and deliver IPE as a separate project, which supports:

- The commercials constructed to deliver the two individual projects being separated.
- The scope of each project being well understood and managed. IPE was never in the original scope for the BCU project, and this change simply returns the BCU project to its original and reflects the need that IPE is managed as a separate project.
- Effort/Resources/Cost attributed/apportioned correctly to the right deliverable and effort can be directed at an organisational level to the correct delivery priorities.
- IPE assets (physical hardware) having different depreciation schedule to BCU assets.
- Separation that will allow for best practice, having individual projects for each deliverable.
- The Voice of the customer being considered for each project deliverables and any additional IPE requirements do not impact on the BCU project budget and vice versa.
- Efficiencies to ensure time sheeting is attributed to the correct project code.
- The separation of any legal/commercial issues specific to either the BCU or IPE solution.

Returning BCU to its original scope and delivering IPE under its own project will not have a material impact on the total delivery resources required as the two projects will still be managed under the same programme of work and governance structure, and will utilise some shared resources where it makes sense who are already engaged or hold SME across the two solutions. The two projects will be governed by the BCU Steering Group to maintain efficiencies.

1.2.1 Description

Change Request 5 was approved in June 2023, which moved the implementation date from August 2023 to November 2023 and the Closure Report from November 23 to February 2024. It also requested an increase of funding of \$511,460 Capex and \$4,531 Opex.

Since CR5 was approved, the project has encountered additional issues with the delivery and has missed several milestones. The key missed milestones were the deployment of the solution into MBIE's SIT environment taking over 8 weeks longer than planned and the Priority One test scripts not being completed in the System Integration Test (SIT) environment in the planned timeframe due the number of defects found.

The project undertook two Independent Quality Assurance (IQA) reviews between April to July 2024. The review by David Williams Consulting, with a report in May 2024 to understand the 'Delivery Certainty' of the project for the proposed go-live in October 2024 had two objectives:

- Provide assurance to the Sponsor, and Project Steering Group, that the project is positioned to meet the go-live milestone within time and revised proposed budget (including proposed contingency) and to the expected level of quality.
- Provide assurance that the overall project governance and management environment (roles, responsibilities, capability, capacity, approach, processes, standards and controls) have been maintained and are of sufficient rigour to support successful delivery of the project.

An Ernst and Young IQA with a report in May 2024 was completed on advice from the Minister of Immigration to provide independent advice and to the Minister on the status of the project.

The recommendations of both reviews were implemented to optimise the project's ability to successfully deliver based on an October 2024 go-live date.



1.2.2 Consequences

The consequence of this change is explained in the table below:

Area impacted	Proposed change to baseline
Cost	Combined BCU& IPE Total project cost has increased by: ○ Capex \$13,322,515 ○ Opex \$ 3,222,839 Returning to original deliverables under two separate projects, the financial breakdowns detailed below: BCU • BCU Total project delivery cost \$34,325,714 ○ Total capex \$32,086,735 ○ Total opex \$2,238,979 • WoLC for BCU \$34,999,440 IPE • IPE Total project cost \$8,527,267 ○ Total capex \$3,030,724 ○ Total opex \$5,496,543 • WoLC for IPE \$10,030,276 IPE project funding has been transferred to Project Code 3586 and the prioritised Investment Plan shows the costs for BCU and IPE separately.
Scope	BCU project scope return to its original intention without IPE. BCU will deliver an MVP solution. Defects which are not critical for go-live will be descoped for a follow up project which will be funded with operational funding from cost centre 1803. At the time of submitting this CR, there are 28 defects to be resolved post Go-live. IPE scope will be delivered under Project 3586.
Schedule	• Project duration extended by 16 months from February 2024 to June 2025. • BCU and IPE go-live implementation date will be moved from October 2024 to April 2025 (TBC). • Project closure date for BCU and IPE will be moved from January 2025 to June 2025.
Benefits	Benefits have been split for the two projects, BCU and IPE. Benefits will be delayed.



1.3 Change Request Register

CR #	Date Approved	Impact on Scope/Cost/Time/Benefits
CR1	May 2020	Reason for change: Add the following projects into scope: • 3315 – Photo Quality Check (PQC). • 3303 – Decommissioning activities associated with the IGMS Upgrade Server Project. Change in funding: Transfer of \$0.83 million Capex from 3315. Addition of \$0.92 million Capex. Total of \$1.75 million Capex and \$0 Opex. Change in time: No change to delivery timeframes. Go-live July 2020 with project closure in September 2020. Change to WoLC: An increase of \$3.24 million to WoLC to a total of \$22.82 million. Change to Benefits: Transfer benefit from 3315 – “Eliminate a source of tight coupling with Immigration online that prevents application submission when IDme is unavailable”. Transfer benefit from 3305 – decommission 104 servers used for biometric matching across test and production environments.
CR2	July 2020	Reason for change: Add the following project into scope: • 3586 – In Person Enrolment (IPE) Change in funding: Addition of \$5.8 million Capex and \$0 Opex. Change in time: Go-live date moved from September 2020 to May 2021. Project closure moved from September 2020 to May 2021. Change to WoLC:



CR #	Date Approved	Impact on Scope/Cost/Time/Benefits
		An increase of \$7.98 million to a total of \$30.75 million. Change to Benefits: New benefits added: • Reduce support complexity by support being provided by one vendor. • Reduce costs of ongoing operations, saving \$2.3 million per annum. • Introduction of flexible platform to meet evolving needs of INZ.
CR3	July 2021	Reason for change: Increased complexity and challenges found during the design process led to additional time to complete the project. It was identified that the solution would have to be heavily customised to meet BCU's requirements. Change in funding: Addition of \$6.91 million Capex and \$0 Opex. Change in time: Go-live date moved from May 2021 to July 2022. Project closure moved from May 2021 to November 2022. Change to WoLC: A decrease in WoLC from \$30.8 million to \$30.4 million. Change to Benefits: New benefit added: • Reduction in cost saving realisation from \$1.65 million to \$1 million per year.
CR4	August 2022	Reason for change: s9(2)(b)(ii) Change in funding: Reduction of \$863,971 Capex and increase of \$4.67 million Opex. Change in time:



CR #	Date Approved	Impact on Scope/Cost/Time/Benefits
		Go-live date moved from July 2022 to August 2023 Project closure moved from November 2022 to November 2023. Change to WoLC: An increase in WoLC from \$30.4 million to \$31.9 million Change to Benefits: Delay for benefit realisation
CR5	June 2023	Reason for change: s9(2)(b)(ii) Change in funding: Increase of \$511,460 Capex and \$4,531 Opex Change in time: Go-live date moved from August 2023 to November 2023 Project closure date from November 2023 to February 2024. Change to WoLC: No change in WoLC (\$31.9 million) Change to Benefits: Delay for benefit realisation



2 Financial Summary

The recommendation is that the project is split, allowing the Steering Group to monitor the BCU and IPE solutions independently. The financial breakdown of these two projects are:

2.1 BCU Financials

	Previously approved funding	Request funding in this CR	Total
Project Capex	\$21,794,944	\$10,291,791	\$32,086,735
Project Opex	\$1,337,552	\$901,427	\$2,238,979
Total Project Delivery Expenditure	\$23,132,496	\$11,193,218	\$34,325,714

2.2 IPE Financials

	Previously approved funding	Request funding in this CR	Total
Project Capex	\$0	\$3,030,724	\$3,274,516
Project Opex	\$3,175,131	\$2,321,412	\$5,496,543
Total Project Delivery Expenditure	\$3,175,131	\$5,352,136	\$8,527,267



2.3 Whole of Life Cost

CR5 (BCU & IPE) Whole of Life Cost	\$31,949,202
Revised BCU Whole of Life Cost	\$34,999,440
Revised IPE Whole of Life Cost	\$10,030,276



3 Options considered

This section describes the options that were previously outlined in the original CR 6 that was submitted to DGB in April 2024 to resolve the variation, and for each option, what the effect would be on the Business Case, benefits, and risks.

3.1 Option 1 – Do Nothing

3.1.1 Description

Continue to run a combined project, with BCU and IPE both being delivered under project 3644.

3.1.2 Effect

	Impact of this Option
Scope	No change in scope but still includes IPE.
Cost	A cost increase can't be avoided. Under a do nothing option the project will overspend and exceed budget tolerance margins.
Schedule	A change in schedule can't be avoided. Under a do nothing option the project will exceed milestone tolerance margins.
Benefits	Benefit realisation will not be affected other than being delayed.
Quality	No change in quality.
Risk	If the project continues then it will proceed outside of the agreed tolerance for schedule, funding and benefits.
Business Change	Business will be affected by uncertainty about timeframes and will not be able to plan effectively. Business implementation of the solution will be affected.

3.2 Option 2 – Stop the Project

3.2.1 Description

Stop the project and continue with current solution.

3.2.2 Effect

Impact on	Impact of this Option
Scope	The legacy algorithm for face matching will remain. No new functionality would be delivered.
Cost	Potential financial penalties in relation to vendors is estimated to be approximately \$12 million. The lead vendor may also try and claim for all losses, including sunk cost and future revenue loss. In addition, the estimated impairment of Work in Progress (WIP), if the project was stopped, is estimated to be \$30 million plus.



Impact on	Impact of this Option
Schedule	N/A
Benefits	Benefits would not be realised.
Quality	N/A
Risk	If the project were stopped then INZ would remain on the current system. The current technology is fragile, S 6(c)
Business Change	Business will potentially have more outages due to the current fragile system.

3.3 Recommended Option – Separate the projects, seek additional funding and Revise the Go live date

3.3.1 Description

The project is in the delivery phase and the solution is currently being tested in MBIE's SIT environment. Since the proposed Change Request (CR6) that was noted by DGB in April 2024, the project has encountered ongoing issues:

- The cadence with the lead vendor for fixing defects is frequently below target.
- The number of outstanding system defects kept steadily growing as new defects were uncovered at a higher rate than they were fixed. In August 2024 the defects numbers started to plateau and since late September 2024 the outstanding defects have been slowly decreasing.
- Testing made slow progress as defects had to be retested months after they were raised which caused context switching for testers. Creating test data multiple times was time consuming took capacity away from testing.
- The test team were also involved in testing across different non-production environments at the same time. Each new environment posed new infrastructure issues.

In order to support the previously planned October 2024 go-live date the project needed to achieve a stable production release candidate by September 2024. The issues described above made the achievement of go-live in October 2024 impossible, and by the end of September it was estimated that five more release cycles of two weeks each were needed to deliver a release candidate MVP.

Other deliverables were also delayed because of limited capacity with the lead vendor who could not prioritise other work while focussing on the MVP solution.

MBIE's Chief Executive made a decision on 20 September 2024 to postpone the go-live date to the first half of 2025. This allows the project to finish the production release candidate by December 2024 and finish the remaining deliverables required for go-live early in 2025.



3.3.2 Proposed Change and Impact

A breakdown of the proposed change and impact is described in the table below:

Impacts	Baseline	Change required (if applicable)	Impact of the change if approved/applicable
Scope	Delivery of the BCU solution.	Return BCU to its original scope and separate the project for the delivery of the two solutions. Descope some defects for a follow-up project funded from Business as Usual (BAU) cost centre 1803 within 3 months after go-live.	The BCU project will return to its original scope and deliver a Minimum Viable Product for the IDme2 solution. IPE will be a separate project to deliver a new In Person Enrolment solution. BCU and IPE will each have its own project code and budget, Project Online instance, and relevant project artefacts. The projects will share a governance group, but separate status reports will be provided for each project. BCU – 3644 IPE – 3586
Cost	Approved Funding of: OPEX - \$,4,512,683 CAPEX - \$21,794,944	Additional funding required: BCU • CAPEX FY23/24: \$2,891,792 • CAPEX FY24/25: \$7,400,000 • OPEX FY23/24: \$126,427 • OPEX FY24/25: \$775,000 IPE • CAPEX FY23/24: \$573,265	The Finance team will journal the following actuals from previous FY from BCU 2644 to IPE 3586 • OPEX FY20/21 - \$744,220 • OPEX FY21/22 - \$1,021,231 • OPEX FY22/23 - \$1,409,680



Impacts	Baseline	Change required (if applicable)	Impact of the change if approved/applicable
		- CAPEX FY24/25: \$2,457,459 - OPEX FY23/24: \$348,512 - OPEX FY24/25: \$1,972,900	
Schedule	Go-live: November 2023 Project Closure: February 2024.	New go-live scheduled for April 2025. Project Closure extended to June 2025.	The project will be able to mostly complete the MVP production candidate by the end of the 2024 calendar year and focus on productionising the solution as well as operational readiness in the first quarter of 2025.
Benefits	Benefits were to start to be realised in November 2023.	Delay in benefit realization to commence in the second quarter of 2025. Benefits to be reallocated to correct project depending on if they relate to BCU or IPE.	Benefits will be delayed, and technical risk of the current system will remain for longer.
Asset Management	Assets to be delivered in November 2023.	Delay in the delivery of the assets. Two assets will now be delivered in April 2025 – The BCU and IPE Solutions.	Delay in delivery of the two system assets and commencement of depreciation by 16 months.
Resources	Resources were planned to work on the project until February 2024.	Require resources up to June 2025. Extension required of key resources including contract staff who are passing their 2-year anniversary.	Extension of key resources including contract staff to support additional timeline.
Quality	All test scripts are completed in SIT.	All priority 1 – 3 test scripts will be run. Fixed list of descoped, defects are available to inform a follow up project funded separately from cost centre 1803.	Increased quality from comprehensive testing. Visibility of quality aspects with agreed list of descoped defects.
Risk	Loss of IP will delay the project if staff can't be retained.	Loss of IP will delay the project if staff can't be retained.	The risks are being actively monitored by the Project Steering Group.



Impacts	Baseline	Change required (if applicable)	Impact of the change if approved/applicable
	• Potential delays if critical and high bugs are not remediated in a timely manner. • Potential delays if critical or high security vulnerabilities are not remediated in a timely manner. • If vendor performance relating the release cadence and quality does not meet MBIE expectations, then project timeframes may not be met. • If Commercial support agreements are not approved to meet the Operational Readiness Review timeline, and within financial tolerances, then the project will be delayed and may require additional funding.	• Potential delays if critical and high bugs are not remediated in a timely manner. • Potential delays if critical or high security vulnerabilities are not remediated in a timely manner. • If Data migration in UAT is longer than 9 weeks then all data migration will take longer, and the project will be delayed. • Given the increased timeframe the likelihood of risks is reduced, resulting in a reduced overall risk profile. • There is a risk that the \$35 million WoLC threshold will be exceeded. If this eventuates, Cabinet approval will be requested. • If the cost of a follow-up project to remediate descoped defects is higher than available operational budget in cost centre 1803, some functional or security gaps may remain in the solution.	There is a possibility that a further change request required if several of these risks are realised. If the financial forecast exceeds \$35 million and Cabinet approval is required, the project will be in a more complete state, reducing the likelihood that the project could be cancelled.
Business Change	The business change activities are to support the transition of the new system and any process change.	Change activities will commence later than originally planned.	No change in the Change Management activities.



4 Detailed Financial Breakdown – Recommended Option (3)

4.1 BCU

The breakdown by funding year for BCU is detailed below:

Operating costs (\$m)	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25 & out years	Total
Project Costs	\$1,385,585	\$6,022,500	\$2,124,309	\$7,988,189	\$8,630,132	\$8,175,000	\$34,325,714
Operating costs						\$10,000,000	\$10,000,000
Depreciation						\$32,086,735	\$32,086,735
Capital Charge	\$69,279	\$370,404	\$454,962	\$839,465	\$1,234,337	\$5,615,179	\$8,583,625

The forecast expenditure of the BCU project by year is illustrated in the table below:

Financial Summary	Financial Years						Total
	FY 19/20	FY 20/21	FY 21/22	FY 22/23	FY 23/24	FY 24/25	
Capital expenditure	\$1,385,585	\$6,022,500	\$1,691,150	\$7,690,061	\$7,897,440	\$7,400,000	\$ \$32,086,735
Operating expenditure			\$433,159	\$298,128	\$732,692	\$775,000	\$ \$2,238,979
Total Project Delivery Expenditure	\$1,385,585	\$6,022,500	\$2,124,309	\$7,988,189	\$8,630,132	\$8,175,000	\$34,325,714



Financial Summary	Financial Years						
	FY 19/20	FY 20/21	FY 21/22	FY 22/23	FY 23/24	FY 24/25	Total
Ongoing Cost (Excl. Depreciation)						\$10,000,000	\$10,000,000
Whole of Life costs*							\$34,999,440

* Delivery Cost + Ongoing Cost, excluding Depreciation, 6% discount rate

4.2 IPE

The breakdown by funding year for IPE is detailed below:

Operating costs (\$m)	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25 & out years	Total
Project Costs	\$0	\$744,220	\$1,021,231	\$1,409,680	\$921,777	\$4,430,359	\$8,527,267
Operating costs	\$0					\$5,000,000	\$5,000,000
Depreciation	\$0					\$3,274,517	\$3,274,517
Capital Charge	\$0	\$0	\$0	\$0	\$28,663	\$57530,377	\$599,040

The forecast expenditure of the IPE project by year is illustrated in the table below:

Financial Summary	Financial Years						
	FY 19/20	FY 20/21	FY 21/22	FY 22/23	FY 23/24	FY 24/25	Total
Capital expenditure	\$0	\$0	\$0	\$0	\$573,265	\$2,457,459	\$3,030,724



Financial Summary	Financial Years						
	FY 19/20	FY 20/21	FY 21/22	FY 22/23	FY 23/24	FY 24/25	Total
Operating expenditure		\$744,220	\$1,021,231	\$1,409,680	\$348,512	\$1,972,900	\$5,496,543
Total Project Delivery Expenditure	\$0	\$744,220	\$1,021,231	\$1,409,680	\$921,777	\$4,430,359	\$8,527,268
Ongoing Cost (<i>Excl. Depreciation</i>)						\$5,000,000	\$5,000,000
Whole of Life costs*							\$10,030,276

* Delivery Cost + Ongoing Cost, excluding Depreciation, 6% discount rate



5 Review of Assessments

5.1 Privacy & Security

Item	Yes / No	Comments / Link to completed document
Was a Privacy and Security Impact Assessment required for this project?	Yes	Security Risk Impact Assessment
Business Change Impact Assessment.	Yes	Business Change Impact Assessment.
Treasury Risk Profile Assessment.	Yes	Treasury Risk Profile Assessment.

Treasury RPA	The Treasury Risk Profile Assessment (RPA) rating is Medium. BCU Treasury Risk Profile Assessment. IPE Treasury Risk Profile Assessment to be confirmed if separation of projects is approved.
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6 Appendix A – Proposed Benefits Table

6.1 BCU Benefits

The updated Benefits Map is available [here](#).

The table below includes benefits associated with the Recommended Option in this Change Request for BCU and this should be approved.

Benefit #	Benefit Status	Benefit Type	Benefit Name	Benefit Description	Measure	Baseline Measure	Target Measure	Timeframe
TBC	New	Reduce Risk	s 6(c)					From Go live
TBC	New	Reduce Risk	Business risk reduction.	Improvements to biometric and biographic automated matching.	s 6(c)			2 years from Go live
B01147	Retain with updated measure.	Efficiency	Improve flexibility and scalability.	User interface to enable configuration changes.	Time taken to implement configuration changes	>1 month	2 weeks	From Go live
B01149	Retain with updated targets.	Efficiency	Reduce the number of manual resolutions by staff.	Improved matching will reduce the number of manual resolutions required.	Reduction in processing times.	977,161 face comparisons a year (8018 hours) 252,939 manual links	781,729 face comparisons a year (4614 hours)	2 years post go-live.



Benefit #	Benefit Status	Benefit Type	Benefit Name	Benefit Description	Measure	Baseline Measure	Target Measure	Timeframe
						a year (5335 hours)	0 manual links a year	
B01144	Remove	Cost avoidance	Reduce System / Platform Cost.	Savings from reduction in Datacom IDme support, removal of s6(c) solutions. Future identity manual resolutions team FTE cost avoidance upon return of application volumes to pre-COVID levels.	Cost savings.	N/A	\$1m per year	
B01145	Remove	Cost savings.	Reduce FTE headcount.	Reduction in FTE required during peak demands.				
B01146	Remove	Technical risk reduction.	Remove technology risk to system availability.	Improve supportability.				
B01148	Remove	Improved services: External.	Improve quality of data and ability to access.	Improvement in biometric data quality.				



6.2 IPE Benefits

The updated Benefits Map is available [here](#).

The table below includes benefits associated with the Recommended Option in this Change Request for IPE and this should be approved.

Benefit #	Benefit Status	Benefit Type	Benefit Name	Benefit Description	Measure	Baseline Measure	Target Measure	Timeframe
TBC	New	Improved internal services.	Improved usability of the enrolment solution.		Weight and size of mobile kit.	>22kg	<7kg	From go-live
B01455	Remove	Reduce Risk.	Reduce Risk of not capturing biometrics.		Increased success rate of enrolments.	>1	0	1year post go-live
B01550	Remove	Improved services: Internal.	Improved supportability.		Improvement in user survey results.	Standard support.	As a Service.	1 year post go-live



MEMO TO THE DELIVERY GOVERNANCE BOARD

Subject	Report back to Delivery Governance Board – 3644 Biometrics Capability Upgrade
Meeting date	11 April 2023
Approved by	Richard Owen, General Manager Verification and Compliance, INZ
Endorsed by	N/A
Presenters	Robyn Moriarty, General Manager Partnerships & Programmes, DDI s 9(2)(a)

Item purpose and summary

At the March 2023 DGB the project was requested to report back to DGB to provide an overview of project status, risk mitigation, and plan to green (AP092).

Recommendations

It is recommended that the Board / Committee:

- **Note** the report back memo.

Current Status

1. Current state including change request history
 - a) The project is in delivery mode and is due to enter System Integration Testing.
 - b) Current project budget – CR 4 (include WOLC) is \$31,933,858, Go Live 31st August 2023
 - c) Steering committee governance structure and project manager changed in January 2023.

2. The reasons why the project is red
 - a) The project has missed major internal milestones and has been experiencing delivery slippage since the last Change Request, CR4, November 2022.
 - b) Recent analysis of current and future growth to Biographic Identity information is indicating associated licencing costs will likely have a major impact to the WOLC.
 - c) Concern that Security Testing currently being completed will indicate medium to high vulnerabilities that will need to be resolved.
 - d) Project deviation from standard MBIE project delivery approach is adding quality and timeline risks to the project.
3. The materiality of the issue(s)
 - a) Loss of key resources and IP has led to gaps in the understanding of project scope to be scheduled and delivered.
 - b) Security vulnerabilities identified by the vendor has required a phase security testing approach to be adopted which is adding risk and delivery slippage to the project.
 - c) Limited availability to NEC resources and quality product documentation has delayed the completion of Part B design, which is causing quality and delivery slippage risk to the project.
 - d) Technical delays to SIT Data Migration has cause delivery slippage to SIT testing commencing.
 - e) Data migration taking longer than expected is driving the project critical path with associated rework, quality, and delivery risks.
4. The materiality of your project being at risk
 - a) Agreed Go Live milestone being missed.
 - b) Additional WOLC identified may lead to a budget revision.
 - c) Delayed timelines will probably lead to a revised Go Live during the peak Immigration business window.
5. Potential system, financial. Security and reputational risks
 - a) Compression of the project schedule to meet the Go Live date may lead to reduced solution quality and delivery timeline risk.
 - b) Potential WOLC increases may require Cabinet Approval.
 - c) Due to public visibility of the project, changes to project cost and timelines may hurt MBIE's reputation.

1. WOLC costs

- Unfinalised SoWs and commercial agreements with NEC are raising concerns that the WOLC and project costs may lead to the project exceeding the agreed budget
- Of particular concern are NEC licences associated with production face image storage, last week the project and immigration identified that face images will exceed 9 million, this has increased since the project was first initiated and a review of production data last year
- Immigration Identity are currently investigating options to reduce the number of face images that need to be retained in production, this investigation may lead to a reduction that doesn't impact WOLC, however this is unlikely to reduce future licensing cost as the volume of face images grows over the next five years.

2. CR4, 30th of August 2023, Go Live

- NEC and MBIE are reviewing changes to the project schedule timeline resulting from long NEC data migration durations evidenced during the SIT data migration.
- Based on the duration to complete NEC data migration through UAT, pre-production, production environments, and infrastructure builds needing to support Data migration a revised Go Live date for the project would be the 6th of November 2023.
- The MBIE project has been working with NEC to identify where the schedule can be fast-tracked, compressed, or re-sequenced.
- The project and steering committee the modified schedule and are concerned that bring the timeline back to the 30th of August 2023, a new CR is likely to be raised with a revised Go Live date

3. Part B Design needs to be finalised to de-risk rework and quality risks through upper environments.

4. Security testing, in progress, needs to be completed to identify Security Vulnerabilities.

5. Identify the risk thresholds DDI/Immigration will accept to deliver the project this year.

6. The project has bi-weekly Joint Steering Committee meetings with NEC, off week Steering Committee meetings MBIE. Daily stand ups with all vendors to track work in progress. Weekly meetings with the Immigration business team to progress updates, highlight concerns, and to work collectively on any blockers. MBIE and NEC project managers meet four times a week to review the project schedule, discuss project risks and issues as they arise. The project is also running daily stand ups for security testing to review progress and work on any blockers impacting security testing.

Next steps

1. Confirm Immigration Go Live face image requirements and estimation of face image growth over the first 5 years after Go Live.
2. Engage NEC to identify if NEC will reduce licencing fees associated with face image growth.
3. Engage finance to calculate WOLC costs based on Go Live and Immigration face image growth.
4. Finalise all outstanding commercial contracts with NEC to understand project cost impacts.
5. Obtain agreement from NEC that Part B design approval must be prioritised.
6. Complete and present to DGB the project security risk profile
7. Complete and present to DGB a new CR with a revised Go Live Date.

Background

8. A project to significantly upgrade the biometrics matching software that is the source of identify information for all non-New Zealanders. Out-dated, complex, and inflexible software will be updated so that it is fit for purpose, secure and reduces ongoing costs.
9. An upgrade to the biometrics matching software and algorithm to provide improved matching rates incl s 6(a) Quality checks and correction of problematic fingerprints. Simplify technology by depreciating Daon and functions s 9(2)(b) Rationalisation of support from a dual provider to a single provider model. Replacement of In Person enrolment used by a variety of business users incl. those from Border, Refugee and Compliance. IPE is used to capture "identities", Face, Fingerprints, for recording and matching purposes in the INZ Systems

Financial Implications

Business Group	Immigration
Funding Cost Centre	2146
Appropriation	Digital & Programmes – Immigration New Zealand
Funding source (i.e. Crown or 3 rd Party)	Crown

Funding Information		FY 19/20	FY 20/21	FY 21/22	FY 22/23	FY 23/24	Total
Previously Approved Funding (CR4)	Capex	1,385,585	6,022,500	1,691,150	9,474,404	2,714,376	\$21,288,015
	Opex		744,220	1,454,390	1,911,039	601,734	\$4,711,383
Funding requested in this Submission (Indicative CR5)	Capex				-1,301,167	1,301,167	
	Opex				-431,558	0	
Estimated Project Costs	Capex	1,385,585	6,022,500	1,691,150	8,173,237	4,015,543	\$21,288,015
	Opex		744,220	1,454,390	1,411,039	1,001,734	\$4,711,383
	FY 23/24	FY 24/25	FY 25/26	FY 26/27	FY 27/28	FY 28/29	Total
Estimated Ongoing ICT Operating Costs (excluding depreciation & capital charge)	1,590,000	2,720,000	2,140,000	1,720,000	1,720,000	720,000	\$10,610,000

	Whole of Life Costs (Delivery and Ongoing discounted costs - excluding depreciation and capital charge)										
	FY19/20	FY20/21	FY21/22	FY22/23	FY23/24	FY24/25	FY25/26	FY26/27	FY27/28	FY28/29	Total
Whole of Life Costs	1,385,586	6,766,720	2,967,490	8,590,885	5,211,749	2,154,495	1,599,132	1,212,532	1,143,898	451,737	\$ 31,484,225

Consultation

Group	Name	Engagement
Immigration	Richard Owen	Provided for review, feedback provided
DDI	s9(2)(a)	Provided for review
DDI	Robyn Moriarty	Provided for review
DDI Finance	s6(a)	Production Project finance status
DDI PMO		Provided guidance on memo structure and content

Previous governance engagement/decisions

Date	Committee	Outcome / Decision
11 April 2023	DGB	Report back provided for noting.
21 Sep 2022	ICDC	Change Request - Approved
12 Sep 2022	DGB	Change Request - Endorsed
30 Apr 2022	SLT	Investment Bid - Approved in Principle
30 Apr 2022	ICDC	Rephasing - Approved in Principle
1 Dec 2021	ICDC	Change Request – Approved
27 Oct 2021	ICDC	Memo to Board - Noted
27 Sep 2021	ICDC	Change Request – Endorsed
21 Jul 2021	INZ BCB	Change Request – Endorsed
16 Jun 2021	SLT	Investment Bid – Approved in Principle
9 Apr 2021	EPMO	Memo to Board - Approved
9 Sep 2020	INZ BCB	Change Request - Approved

27 Aug 2020	ICDC	Memo to Board - Approved
8 Jul 2020	INZ BCB	Change Request - Endorsed
10 Jun 2020	INZ BCB	Change Request - Endorsed
13 May 2020	INZ BCB	Change Request - Approved
13 May 2020	INZ BCB	Change Request - Approved
22 Aug 2019	ICDC	Business Case - Approved
12 Aug 2019	INZ BCB	Business Case - Endorsed



CHANGE REQUEST PMO COVER MEMO

Subject	3644 Biometric Capability update Change Request 6
Business Group	Immigration NZ
Date	15/04/2024
To	Delivery Governance Board (DGB)
From	s9(2)(a)

Purpose

The purpose of this memorandum is to inform the Delivery Governance Board (DGB) consideration of the 3644 Biometric Capability update Change Request.

Analysis and Comment

Area	Comment
Context	1. Project Purpose: The Biometric Capability Update (BCU) project delivers a significant upgrade to the INZ biometrics management, capture and matching solution that is the all-of-government source of identity information for non-New Zealanders. Identity resolution is critical to INZ application and risk management processes. 1.1. This project spans multiple financial years between FY22/23 to FY2024/25 delivery portfolio and is a Grow initiative. 1.2. The project is on the approved investment plan. 1.3. The project is in the Deliver phase. The current project status is Red principally due to Budget, Schedule, and Scope from technical, testing and environment issue. 1.4. The scheduled project closure date is January 2025
Summary of Change	2. The Change request is seeking: 2.1. Removal of the IPE scope from the BCU Project (3644) and allow it to be delivered as a separate project (3685) 1.1. Increase the budget - additional OPEX funding of \$2,381,769 in FY 22/23 and \$5,638,126 in FY24/25. CAPEX funding of \$6,164,049 in FY23/24 and \$8,647,603 in FY24/25.

	1.2. Extend the project closure and benefits realisation dates from November 2023 to October 2024.
Impact Assessment	2. Impact Assessment: 2.1. Scope: If approved, IPE will be removed from scope and delivered as part of a separate project 2.2. Cost: The Finance team will need to journal the following actuals from previous FY from BCU 2644 to IPE 3586 2.2.1. OPEX FY20/21 - \$744,220 2.2.2. OPEX FY21/22 - \$1,021,231 2.2.3. OPEX FY22/23 - \$1,409,680 2.3. Schedule: The project schedule will be updated to reflect the new Go Live and Project Closure dates. Schedule increase impacts the budget and delays end users' access to the new system, and will result in continued use of the existing system. 2.4. Benefits: Shift benefit start date to 30 October 2024. The delay in benefit date sees the business carry a higher operational cost for 12 months. Benefits will be reallocated to the correct project as per Appendix A of the Playbook.
PMO Comment and Advice	3. PMO supports this change request and the rational for partial scope transition to a separate project. It is anticipated that there will be a further change request 4. Finance has confirmed there is funding budgeted to cover this cost

Project Steering Group (PSG) Summary		
5. Governance Arrangements a. The project does have Project Steering Group (PSG) established with an approved Terms of Reference. b. PSG governing one projects. c. Frequency of meetings: monthly		
PSG Name	Member Name	Role
Biometric Capability Update (BCU) Steering Group	Richard Owen	INZ Sponsor (Chair)
	Aaron Toatelegese	DDI Sponsor
	s9(2)(a)	
	Michael Alp	SME

- The BCU Project Change Request came to FIC in May 2024. The paper sought approval of additional CAPEX and OPEX funding to complete the BCU project (attached).
- At the June 2024 FIC meeting, the minutes from the May 2024 FIC meeting were approved. The approved minute excerpt is included below.
- The minute excerpt was circulated to the presenters for review and amendment prior to being finalised and approved (attached).

Attachments

- 1. 3644 Biometric Capability Update (BCU) Project Change Request 6 for approval and Memo to FIC (Items 8B and 8A, respectively)
- 2. Approved minute excerpt, along with the email confirming approval at the June 2024 FIC meeting (both below)

8. 3644 Biometric Capability Update Project Business Case

Reference	20240528/08
Commentary	FIC discussed: • The project has been in progress since 2019 and has encountered several issues (COVID-19, complexity, seven vendors, testing etc) during the implementation phase which has resulted in five previous change requests. There has been significant Delivery Governance Board (DGB) and Chief Executive oversight. • Two Independent Review have undertaken in the last month – confirming the project strategic drivers are valid and delivery possible with a number of manged interventions. • The project has had an increase resource to achieve impact delivery go live date of 29 June, and to respond to recommendations/actions from the IQA. • To date, 50% of those actions have been implemented and the team are working through the other 50% with the vendor community. • There will be more certainty in early June as testing is completed. The project may accept some defects at the go live date and address through concurrent activity to mitigate the expense. MBIE's Cyber Security team will need to sign off on the risk before going live. • Seeking FIC endorsement as the WOLC is \$55m and a cabinet paper is being prepared. ○ What consideration has been given if Cabinet disapproves the request for funding – consequence will require an increase workforce to provide manual delivery and write off the \$30 million. ○ The paper needs a stronger argument on the benefits realisation. For example INZ has a legacy system that costs \$10 million per annual cost to maintain, used as a risk management tool and has international applications. ○ Deliberate sequencing to align with the Fees and levies review, noting BCU figures have been built into the fees and levies Cabinet Paper.

8. 3644 Biometric Capability Update Project Business Case

Decisions	a) Endorsed the Change Request and change to the project funding, increase project CAPEX by \$5,164,049 in FY23/24 and \$9,647,603 in FY24/25 and OPEX by of \$481,768 in FY 22/23 and \$7,538,126 in FY24/25 from cost centre 2146. b) Endorsed the change to Project Scope, removing the In Person Enrolment (IPE) deliverable which will be completed as a separate project (3586) as originally planned, allowing 3644 to deliver its original scope. c) Endorsed the split for the individual approved project funding to the following project codes: a. 3644 BCU – CAPEX \$4,590,784 FY23/24 and \$6,946,352 FY24/25 b. 3644 BCU – OPEX \$133,256 and \$5,809,018 FY24/25 c. 3586 IPE – CAPEX \$573,265 FY23/24 and \$2,701,251 FY24/25 d. 3586 IPE – OPEX \$348,512 FY 23/24 and \$1,729,108 FY24/25 d) Endorsed to transfer project in person actual costs from previous financial years incurred against project 3644 (BCU) to be incurred by Project 3586 In Person Enrolment (IPE) previous financial years. a. OPEX FY20/21 - \$744,220 b. OPEX FY21/22 - \$1,021,231 c. OPEX FY22/23 - \$1,409,680 e) Endorsed the changes to the project timeline: a. Move the implementation date from November 2023 to October 2024 b. Move the project closure date from February 2024 to January 2025 f) Endorsed the change in benefits and their realisation date moving from November 2023 to October 2024 g) Endorsed the benefits will be split, those that relate to BCU will remain as part of Project 3644 and IPE benefits will be moved to Project 3586. h) Noted project 3644 (BCU) is the first project against the 24/25 Investment Plan.
Actions	There were no actions resulting from this item.

Email confirming approval:

FileMessageTe Res M88riHelpAdrobatTell me what you want to do

DeleteArchiveReportReplyReply AllForward

Share to TeamsAll AppsQuick StartMoveAssign PolicyTagsEditingImmerseLanguageZoomFindTimeEnterprise ConnectProtectionAdd-In

RE: FIC minute excerpt: Project BCU [IN-CONFIDENCE]

s9(2)(a)

ReplyReply AllForward

The 30/05/2024 5:12 am

All good

Ngā mihi

DC

s9(2)(a)

Digital Data and Insights branch
Ministry of Business, Innovation & Employment

From: Michael Alb

Sent: Thursday, May 30, 2024 4:05 PM

To: M.T. Secretariat; Darren Caltor; Alison McDonald

Cc: s9(2)(a)

Subject: RE: FIC minute excerpt: Project BCU [IN-CONFIDENCE]

Thanks, no comments from me

Ngā mihi

Michael Alb

GENERAL MANAGER IMMIGRATION RBK AND BORDER (Acting)
IMMIGRATION NEW ZEALAND
Ministry of Business, Innovation & Employment

s9(2)(a)

Level 1, 15 Stout Street, Wellington | PO Box 3473, Wellington 6140, New Zealand
NZRN 947900100078

s9(2)(a)

Subject: FIC minute excerpt: Project BCU [IN-CONFIDENCE]

Kia ora Alison, Michael and s9(2)(a)

Please see the below draft minute excerpt from the FIC meeting yesterday. Can you please let s9(2)(a) know if I have captured anything incoherently as I will be away. In particular I want you to please check the changes to the recommendation made in red.

1. 3644 Biometric Capability Update Project Business Case

Reference202-0428/08

Commentary

FIC discussed:

The project has been in progress since 2019 and has encountered several issues (COVID-19, complexity, seven vendors, testing etc) during the implementation phase which has resulted in five previous change requests. There has been significant Delivery Governance Board (DGB) and Chief Executive oversight.

Two Independent Reviews have been undertaken in the last month – confirming the project strategic drivers are valid and delivery is still possible with a number of managed interventions.

Additional resource has been provided to ensure the impact delivery go live date of 29 June, and to respond to recommendations/actions from the IJA. To date, 50% of those actions have been implemented and the team are working through the other 50% with the vendor community. There will be more certainty in early June as testing is completed. The project may accept some defects at the go live date and address through concurrent activity to mitigate the expenses. MBE's Cyber Security team will need to sign off on the risk before going live.

Seeking FIC endorsement as the WOLC is \$55m and a cabinet paper is being prepared.

What consideration has been given if Cabinet disapproves the request for funding – consequence will require an increase in workload to provide manual delivery and write off the \$30 million.

The paper needs a stronger argument on the benefits realisation. For example, NZ has a legacy system that costs \$10 million per annum to maintain, used as a risk management tool and has international applications.

Deliberate sequencing to align with the Fees and levies review; nothing BCU figures have been built into the fees and levies Cabinet Paper.

Decisions

a) Endorsed the Change Request and change to the project funding, increase project CAPEX by \$5,194,249 in FY23/24 and \$5,447,003 in FY24/25 and OPEX by of \$481,768 in FY 22/23 and \$7,538,116 in FY24/25 from cost centre 2146.

b) Endorsed the change to Project Scope, removing the In Person Enrolment (IPE) deliverable which will be completed as a separate project (3586) as originally planned, allowing 3644 to deliver its original scope.

c) Endorsed the split for the individual approved project funding to the following project codes:

a. 3644 BCU – CAPEX \$4,590,784 FY23/24 and \$6,946,352 FY24/25

b. 3644 BCU – OPEX \$133,256 and \$3,105,018 FY24/25

c. 3586 IPE – CAPEX \$573,265 FY23/24 and \$3,701,251 FY24/25

d. 3586 IPE – OPEX \$346,512 FY 23/24 and \$1,725,108 FY24/25

d) Endorsed to transfer project in person actual costs from previous financial years incurred against project 3644 (BCU) to be incurred by Project 3586 In Person Enrolment (IPE) previous financial years.

a. OPEX FY20/21 - \$744,220

b. OPEX FY21/22 - \$1,021,231

c. OPEX FY22/23 - \$1,409,680

e) Endorsed the changes to the project timeline:

a. Move the implementation date from November 2023 to October 2024

b. Move the project closure date from February 2024 to January 2025

f) Endorsed the change in benefits and their realisation date moving from November 2023 to October 2024

g) Endorsed the benefits will be split, those that relate to BCU will remain as part of Project 3644 and IPE benefits will be moved to Project 3586.

h) Noted project 3644 (BCU) is the first project against the 24/25 Investment Plan.

Actions

There were no actions resulting from this item.

s9(2)(a)

Māia
MAI A
Kaitiaki Take Kōwhiri

Pae Kahurangi
PAE KAHURANGI
Ministry of Business, Innovation & Employment

Māhi Tahiri
MAHI TAHIRI
Ministry of Business, Innovation & Employment

Pono Me Te Tika
PONO ME TE TIKA
Ministry of Business, Innovation & Employment



CHANGE REQUEST PMO COVER MEMO

Subject	3644 Biometric Capability Update Change Request
Business Group	Immigration NZ
Date	16/12/2024
To	Delivery Governance Board (DGB)
From	s9(2)(a)

Purpose

This memo provides an overview of 3644 Biometric Capability Update Change Request and Project Steering Group (PSG) membership to the DGB for their consideration.

Analysis and Comment

Area	Comment
Context	Project Purpose: The Biometric Capability Update (BCU) project will deliver a significant upgrade to Immigration New Zealand's (INZ) biometrics management, capture and matching solution. The Identity Management (IDme) system provides INZ with the capability to be the authoritative source of identity information for all non-New Zealanders. 1. The project is on the approved investment plan and is a Grow initiative. The project has a complexity and Treasury risks profile assessment rating of medium and a business impact rating of high. 2. The current project status is amber due to schedule, scope, risks, issues, and budget. 3. The current risks to project delivery and closure include: a) Potential delays if critical and high bugs and security vulnerabilities are not remediated in a timely manner. b) Project staff retention and loss of IP 4. The approved project closure date from the previous change request (CR) was January 2025. The revised closure date is June 2025. 5. The next DGB governance milestone is the closure report.
Benefits	6. Benefits need to be revisited. The project is engaging with PMO to work on the benefits.

Summary of Change	7. This CR is a result of previous milestones not being met due to delays with solution deployments, infrastructure and testing issues, prolonged defect resolution; and a requirement to split the BCU and In Person Enrolment (IPE) biometric solutions back into two separate projects to create the necessary efficiency gains. 8. This CR is seeking: a) Approval to return the BCU Project (3644) to its original scope and allow IPE to be delivered as a separate project (3685) as originally planned. b) An extension to the project closure date from February 2025 to June 2025 for the BCU and IPE projects c) An extension to the project benefits realisation dates from November 2023 to June 2025 for the BCU and IPE projects and the splitting of the benefits between the projects. d) Approval to increase the project capex funding by \$13,322,515 and the opex funding by \$3,222,839 from cost centre 2146, and a split of the financials between the project as laid out in the CR. <table border="1" data-bbox="517 555 1731 770"> <thead> <tr> <th>BCU Summary of Costs</th><th>IPE Summary of costs</th></tr> </thead> <tbody> <tr> <td>(1) Total Project cost: \$34,400,000</td><td>(1) Total Project cost: \$8,527,267</td></tr> <tr> <td>(2) The total OPEX is \$3,561,912</td><td>(2) The total OPEX: \$5,496,543</td></tr> <tr> <td>(3) The total CAPEX: \$30,838,088</td><td>(3) The total CAPEX: \$3,030,724</td></tr> <tr> <td>(4) WoLC: \$34,998,744</td><td>(4) WoLC: \$10,077,492</td></tr> </tbody> </table> 9. BCU and IPE will be delivered to the same timeline. The two solutions will be developed concurrently and rolled out at the same time due to IPE dependency on BCU. Both projects will close in June 2025. 10. Both projects will have their own cost centre and budget, project, and governance artefacts along with status reporting. 11. The existing Steering Committee will now govern the two separate projects.	BCU Summary of Costs	IPE Summary of costs	(1) Total Project cost: \$34,400,000	(1) Total Project cost: \$8,527,267	(2) The total OPEX is \$3,561,912	(2) The total OPEX: \$5,496,543	(3) The total CAPEX: \$30,838,088	(3) The total CAPEX: \$3,030,724	(4) WoLC: \$34,998,744	(4) WoLC: \$10,077,492
BCU Summary of Costs	IPE Summary of costs										
(1) Total Project cost: \$34,400,000	(1) Total Project cost: \$8,527,267										
(2) The total OPEX is \$3,561,912	(2) The total OPEX: \$5,496,543										
(3) The total CAPEX: \$30,838,088	(3) The total CAPEX: \$3,030,724										
(4) WoLC: \$34,998,744	(4) WoLC: \$10,077,492										
Impact Assessment	12. Scope: The BCU project will return to its original scope and deliver a Minimum Viable Product for the IDme2 solution. IPE will deliver a new In Person Enrolment solution. 13. Cost: There is an Increase in total project capex and opex, split between projects with the Finance team required to journal the following actuals from previous financial years. 14. Schedule: The schedule increase impacts the budget, delays end users' access to the new system, and will result in continued use of the existing system. 15. Benefits: Benefits delivery and realisation will be split between both projects and delayed from November 2023 to June 2025, and technical risk of the current system will remain for longer. 16. Asset Management: Delays in delivery of the two system assets and commencement of depreciation by 16 months.										
PMO Comment and Advice	17. Finance has confirmed there is funding budgeted to cover this cost of the change put forward by the project. 18. All endorsements were received from all reviewers, and this CR been approved by the PSG. 19. Any future Governance Documents (Change Request or Closure Report) will be managed in the separate project budgets.										

	20. Risk Profile Assessments and Strategic Assessments with both BCU and IPE will need to be finalised and submitted to the PMO for review and moderation.
	21. The project to engage with PMO to progress on Benefits and report back.

Project Steering Group (PSG) Summary

Governance Arrangements a) The project does have Project Steering Group (PSG) established with an approved Terms of Reference. b) PSG governing one project. c) Frequency of meetings: Weekly/fortnightly as required
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PSG Name	Member Name	Role
Biometric Capability Update Steering Group	Richard Owen	Sponsor INZ
	Aaron Toatelegese	Sponsor DDI
	s9(2)(a)	
	Michael Alp	SME
	s9(2)(a)	



MEMO TO Finance, Investment and Change Committee (FIC)

Subject (short title)	3644 Biometric Capability Update (BCU) Project Change Request 6 for approval
Meeting date	20 May 2024
Approved by	Michael Alp, General Manager (as directed by Chair) – Immigration Risk & Border (BCU SRO)
Prepared by	s9(2)(a)

Purpose

1. This decision memo seeks approval of additional Capex of \$5,164,049 in FY23/24 and \$9,647,603 in FY24/25 and Opex funding of \$481,768 in FY23/24 and \$7,538,126 in FY24/25 to complete the implementation of the Biometric Capability Update (BCU) project.

Summary

2. The Biometric Capability Update (BCU) project delivers a significant upgrade to the INZ biometrics management, capture and matching solution that is the all-of-government source of identity information for non-New Zealanders. Identity resolution is critical to INZ application and risk management processes.
3. This project aligns with the INZ Future State Architecture, Asset Management Plans and Long-Term Investment Plan, forming a key building block of INZ's future regulatory services. The primary maintenance outcome strongly aligns with the future strategic direction of Identity Management (IDMe) and In Person Enrolment (IPE) biometric solutions. It addresses fundamental system limitations that would otherwise unduly constrain the future delivery of business benefit through the increasing use of biometrics.
4. The project has been in progress since 2019 and has encountered several issues during the implementation phase which has resulted in five previous change requests (CR). A substantive update on the BCU Project was presented to the Delivery Governance Board on 20/05/2024 and subsequently endorsed and is included as an attachment to this memo.

5. Two Independent Reviews have been undertaken in the last month. An IQA was completed by David Williams Consulting and EY were engaged to provide and independent view to the Minister of Immigration. The final reports are attached for the Boards information.
6. An action from the Delivery Governance Board on 15 April 2024, when Change Request 6 was endorsed was for the project to complete the new Treasury Risk Profile Assessment (RPA). This has been completed, circulated amongst the key stakeholders at MBIE and is ready for submission to Treasury. The Treasury Risk Profile Assessment has a Medium complexity rating.
7. The endorsement of CR6 at FIC will provide information to support the Cabinet paper that Immigration Policy is working on requesting approval to increase the Whole of Life Cost (WoLC) threshold above \$35 million. Currently the forecasted WoLC is circa \$40m, but the final amount is subject to the successful exit from System Integration testing and the commercial agreements reached with vendors in any Support & Maintenance contracts. The timing of the Cabinet paper is in discussion with the Ministers Office but will most likely be in late July or early August. The project will remain under the \$35m threshold until September.
8. INZ launched the "Striking the Balance" strategy in October 2018 and is summarised in the following aspiration statement "As trusted stewards of the immigration system, we facilitate and protect New Zealand's interests" This project aligns to the strategy and enables Immigration to deliver on its regulatory and National Security obligations.
9. s 6(c)

Recommended action

We recommend that the governance committee:

- a) **Endorse** the Change Request and change to the project funding, increase project CAPEX by \$5,164,049 in FY23/24 and \$9,647,603 in FY24/25 and OPEX by of \$481,768 in FY 22/23 and \$7,538,126 in FY24/25 from cost centre 2146.
- b) **Endorse** the change to Project Scope, removing the In Person Enrolment (IPE) deliverable which will be completed as a separate project (3586) as originally planned, allowing 3644 to deliver its original scope.
- c) **Endorse** the split for the individual approved project funding to the following project codes:
 - 3644 BCU – CAPEX \$4,590,784 FY23/24 and \$6,946,352 FY24/25
 - 3644 BCU – OPEX \$133,256 and \$5,809,018 FY24/25
 - 3586 IPE – CAPEX \$573,265 FY23/24 and \$2,701,251 FY24/25
 - 3586 IPE – OPEX \$348,512 FY 23/24 and \$1,729,108 FY24/25
- d) **Endorse** to reflect project actuals from previous FY from project 3644 (BCU) to reflect the actual costs incurred by IPE.
 - OPEX FY20/21 - \$744,220
 - OPEX FY21/22 - \$1,021,231
 - OPEX FY22/23 - \$1,409,680
- e) **Endorse** the changes to the project timeline:
 - Move the implementation date from November 2023 to October 2024
 - Move the project closure date from February 2024 to January 2025
- f) **Endorse** the change in benefits and their realisation date moving from November 2023 to October 2024
- g) **Endorse** the benefits will be split, those that relate to BCU will remain as part of Project 3644 and IPE benefits will be moved to Project 3586.
- h) **Note** the Opex requirements have been reviewed and funding availability confirmed by Finance but final WoLC can only be confirmed once commercial agreements have been executed and successful exit from SIT.
- i) **Note** that the next governance document submitted to this forum will be the project closure report in January 2025.
- j) **Note** the increase in WoLC for the BCU project requires approval by Cabinet and a draft Cabinet paper is underway.

Implications

Area	Implication as agreed with relevant business partner
Finance	Finance Business Partner provides reporting of project costs for the inclusion in the Immigration Fees & Levies Cabinet Paper
Investment planning/EPMO	BCU Project is included in the Investment Plan for 2024/2025

Next steps

10. Endorse Change Request 6 for inclusion into the Cabinet Paper being presented in July/August 2024.

Consultation

Date	Name, job title, branch, group	Outcome (including any points of tension)
5-Apr-24	s 9(2)(a)	Endorsed Change Request 6
4/04/2024		Endorsed Change Request 6
8/05/2024		Endorsed Change Request 6
8/04/2024		Endorsed Change Request 6
3/04/2024		Endorsed Change Request 6
03/04/2024		Endorsed Change Request 6
28/03/2024		Endorsed Change Request 6
04/04/2024	Aaron Toatelegese, Chief Technology Officer, Technology & Architecture, DDI	Endorsed Change Request 6

Previous governance engagement and decisions

Date	Committee/Board	Matter considered (<i>i.e., item title</i>)	Summary of decision and any actions taken
12-Aug-19	DGB	Business Case	Approved
22/08/2019	ICDC	Business Case	Endorsed
13/05/2020	DGB	Change Request 1	Approved
10/06/2024	ICDC	Change Request 1	Endorsed
08/07/2020	DGB	Change Request 2	Approved
06/08/2020	ICDC	Change Request 2	Endorsed
21/07/2021	DGB	Change Request 3	Approved
27/09/2021	ICDC	Change Request 3	Endorsed
01/12/2024	ICDC	Change Request 3	Approved
12/09/2022	DGB	Change Request 4	Endorsed
21/09/2022	ICDC	Change Request 4	Approved
12/06/2023	DGB	Change Request 5	Endorsed
21/06/2023	ICDC	Change Request 5	Approved
15/04/2024	DGB	Change Request 6	Endorsed by DGB

Appendices

Appendix I: Change Request 6 endorsed at DGB on 15 April 2024.

Appendix II: DGB Report Back

Appendix III: Final IQA Report

Appendix IV: Final EY Report

Change Request 05

Project #	Project Name	Business Group	Sponsor	Business Owner	Project Manager	Date
3644	Biometric Capability Upgrade (BCU)	Immigration New Zealand	Richard Owen	s9(2)(a)		12/06/2023

Project Purpose
The Biometric Capability Update (BCU) project delivers a significant upgrade to the INZ biometrics management, capture and matching solution that is the all-of-government source of identity information for non-New Zealanders. Identity resolution is critical to INZ application and risk management processes. This project aligns with the INZ Future State Architecture, Asset Management Plans and Long-Term Investment Plan, forming a key building block of INZ's future regulatory services. The primary maintenance outcome strongly aligns with the future strategic direction of Identity Management (IDme) and In Person Enrolment (IPE) biometric solutions. It addresses fundamental system limitations that would otherwise unduly constrain the future delivery of business benefit through the increasing use of biometrics. The identity management systems (Identity Management (IDme) and In-Person Enrolment (IPE)) form a critical part of the front-line control of New Zealand's border.

Change Overview (CR Purpose)
This change is submitted to acknowledge the impacts of delays on the implementation and delivery dates with a modification in the project metrics (schedule, financials and risks). The project acknowledges the presence of a number of risks could materially impact the delivery dates and requests the approval to adjust the baseline accordingly. Based on the probability of the risks, another change request is likely to be required in the coming months.

Complexity	Medium	Treasury RPA	Medium	Business Impact	High
Start Date	Aug 2019	Baseline Closure Date	30 Nov 2023	Privacy Threshold Assessment	Medium

Change Request Impact	Project Cost	WOLC	Quality	Time	Scope	Benefits
	Yes	Yes	No	Yes	No	Yes

Recommendation	Decision
1. Approve: the increase in project Opex \$4,531 & an increase in Capex of \$506,929 for FY23/24 from cost centre 2146 (moving project CAPEX \$1,537,137 from FY22/23 to FY23/24 and returning OPEX \$378,261). 2. Approve: moving the Implementation date to 17 November 2023. 3. Approve: moving the Project Closure date to February 2024. 4. Approve: moving the benefit(s) realisation from 31 August 2023 to match the new project implementation date of 21 November 2023.	Approved/Not Approved
a) Note: The financial requirements have been reviewed and funding availability confirmed by Finance.	Noted/Not Noted

Privacy, Security and Change
Privacy Threshold Assessment Yes Link Business Change Impact Assessment (if applicable) N/A Link

No.	Deliverable	Description	Baseline date	Revised Date
1	SIT Entry	Commencement of System Integration Testing	28 Feb 2023	30 Jun 2023
2	Solution Design	DRB Approval of the Solution Design Part B	13 Dec 2022	31 Jul 2023
3	Prod Data Migration	Start the migration of all production data	30 May 2023	31 Aug 2023
4	Security validation	Security Control Validation and Audit evaluation	15 Aug 2023	25 Sep 2023
5	Implementation	Commencement of implementation (4 day outage)	31 Aug 2023	17 Nov 2023
6	Project Closure	Approval of Project Closure Report by DGB	30 Nov 2023	Feb 2023

CR Summary	CR01	CR02	CR03	CR04	CR05	Total Cost
Date Approved	May-20	Jul-20	Nov-21	Sep-22	Jun-23	
Opex	\$0	\$0	\$0	\$4,665,111	\$4,531	\$4,669,642
Capex	\$831,705	\$5,785,749	\$5,075,674	-\$863,971	\$506,929	\$11,336,086

Change Background / Description
The BCU project encountered issues in meeting milestone dates for: (1) Commencement of system integration testing due to unforeseen security vulnerabilities and the time taken to resolve them. (2) Delays in the completion of the Solution Design Part B due to resource constraints and available information. (3) Delays in Data Migration activities given the volume and complexity of data transformation. In April 2023, the Steering Committee agreed to a November delivery date and subsequently requested this Change Request.
Summary of Recommended Option The recommendation is to allow the project to revise it's baseline implementation and closure dates while the project addresses the risks and issues that have resulted from the delays. There is a financial cost of the time delay as the project will be running for a longer period. There are risks associated with the new implementation date as the solution goes through the development lifecycle, addresses security vulnerabilities and completes the data migration activities.
Implications of this change (Recommended) This change will impact the go live date and closure date of the project with an increase in total costs. The risk profile increases, see risks on next page, with the probability of a future change request heightened. INZ will update Treasury, and the Minister, with respect to the WOLC Treasury guidelines.
Summary of Costs Total project cost has increased by \$511,460 Total Capex has increased by \$506,929 and total Opex has increased by \$4,531 Total Capex of \$21,794,944 Total Opex of \$4,337,653 WoLC increased to \$31,949,202

Funding Information		FY19/20	FY20/21	FY21/22	FY 22/23	FY 23/24	FY 24/25	FY 25/26	FY 26/27	Total
Approved Investment Planning Bid	Capex									\$0
	Opex									\$0
Project Brief	Capex									\$0
	Opex									\$0
Business Case	Capex	\$9,540,744	\$918,114							\$10,458,858
	Opex	\$0	\$46,272							\$46,272
Change Request CR01	Capex	\$0	\$831,705							\$831,705
	Opex	\$0	\$0							\$0
Change Request CR02	Capex	\$0	\$5,785,749							\$5,785,749
	Opex	\$0	\$0							\$0
Change Request CR03	Capex	\$0	\$0	\$6,912,315						\$6,912,315
	Opex	\$0	-\$46,272	\$20,272	\$26,000					\$0
Change Request CR04	Capex		\$0	\$0	-\$863,971					-\$863,971
	Opex		\$0	\$0	\$4,665,111					\$4,665,111
Baseline Total Project Funding Requirement	Capex	\$1,385,586	\$6,022,500	\$1,691,150	\$9,474,404	\$2,714,376				\$21,288,016
	Opex	\$0	\$744,550	\$1,454,390	\$1,911,039	\$601,734				\$4,711,713
Funding requested in this Submission	Capex				-\$1,537,137	\$2,044,065				\$506,929
	Opex				-\$378,261	\$4,531				-\$373,730
Revised Total Project Funding Requirement	Capex	\$1,385,585	\$6,022,500	\$1,691,150	\$7,937,267	\$4,758,441				\$21,794,944
	Opex		\$744,220	\$1,454,390	\$1,532,778	\$606,265				\$4,337,653
Estimated Project Costs	Capex	\$1,385,585	\$6,022,500	\$1,691,150	\$7,937,267	\$4,758,441				\$21,794,944
	Opex		\$744,220	\$1,454,390	\$1,532,778	\$606,265				\$4,337,653
Baseline Ongoing Operating Costs	Opex	\$0	\$0	\$0	\$0	\$1,590,000	\$2,720,000	\$2,140,000	\$1,720,000	\$10,610,000

Funding Source: Capex	Funding Source: Opex	Associated Memo Account	ICDC Approval Needed?	Estimated WOLC
MBIE Capital	Cost centre 2146		No	\$31,949,202

Impacts	Baseline	Change Required (If applicable)	Impact of the Change if Approved
Scope		No change.	No change.
Cost	OPEX \$4,711,383 CAPEX: \$21,288,016 WoLC: \$31,933,858	Increase in funding: OPEX: \$4,531 CAPEX: \$506,929 Moving project CAPEX \$1,537,137 from FY22/23 to FY23/24 and returning OPEX \$378,261. WoLC increased to \$31,949,202	Budget increases. Total OpeX of \$4,337,653 Total Capex of \$21,794,944 WoLC increased to \$31,949,202 Please note, there are commercial negotiations in flight with the outcome unknown which may breach the \$35m WoLC causing cabinet review. This is additional to the updates for the Minister. Additionally, the risk profile could see costs increase if further time or increased resourcing is required.
Schedule	Implementation date: August 2023 Closure date: November 2023	Implementation date: November 2023 Closure date: February 2024	Extension in key milestones.
Benefits	FTE savings with increased identity matching. Qualitative benefits with reduced risk, increase quality, capability and supportability. Reduce system, platform and development costs.	Shift of benefit start date to 21 November 2023.	Shift of benefit start date to 21 November 2023. The delay in benefit date sees the business carry a higher operational cost for 2.5 months. Further analysis on benefits is in progress at present.
Asset Management	Delivery of asset required by 2023	Delay in delivery of system asset by 3 months.	Delay in delivery of system asset and commencement of depreciation by 3 months.
Resources		Extension of key resources including contract staff who have a 2-year anniversary in the coming months.	Extension of key resources including contract staff to support additional timeline.
Risk		If staff can't be retained, then the lost of IP will delay the project. If technical integration into SIT is challenging, then the project will be delayed If Security vulnerabilities are not resolved, then the project will be delayed until the solution meets MBIE's security needs. If SIT testing uncovers significant defects then the project could be delayed. If the Solution Part B Design is not approved by 31 July, then preproduction and production builds will not commence, and the project will be delayed. If environment builds can't have additional resource for build activities, then Data Migration and project timelines will be delayed If MBIE doesn't approve the UAT data migration commencement then the solution testing and the project will be delayed. If Data migration in UAT is longer than 9 weeks then all data migration will take longer, and the project will be delayed. If UAT can't be used for security control validation and audit and full penetration testing then preproduction security control validation will take longer, delaying the project. If security retesting and approval for security control validation takes longer than 3 weeks, then the project will be delayed If a solution for disaster recovery set up and testing must be done in production, then the project will be delayed. If the Production server builds can't occur before Design approval, then production data migration will be delayed, delaying the project. If the NEC software supporting data migration can not be put into production to start data migration activities, then the project will be delayed. If Commercial support agreements are not approved to meet the ORR timeline, and within financial tolerances, then the project will be delayed and may be more expensive. If the project goes longer than the implementation date, then the project will cost more to deliver.	The risks will require mitigation plans and, given the probability and number of risks, it is likely that a future change request will be required. The project will report back to the DGB, at the earliest possible time, should any the risks be realised and their impacts have been evaluated.
Business Change	The business change activities are to support the transition of the new system and any process change.	Change starts later than planned.	No material effect.
Procurement		No change.	No change.

Reference Documentation (M=Mandatory)	Mako Link	Endorser / Reviewer	Endorsed?	Mako Link to Endorsement Email
Change Request Playbook (M for medium and high complexity)	Change Request Playbook	Project Sponsor: Richard Owen		
Governance Group Terms of Reference	6(c) of the OIA	s9(2)(a)		
Business Case (M) - IPE	IPE Business Case			
Business Case (M) - BCU	BCU Business Case			
Finance Project Workbook (M)	BCU Finance Workbook (CR05)			
Treasury Risk Profile Assessment (M for high complexity)	Calculated as Medium		Yes	
Benefits Map (M)	Benefits Map			
Business Change Impact Assessment	Business Change Impact Assessment			
Privacy Threshold Assessment	Security Risk Impact Assessment			

Change Request 06

Project #	Project Name	Business Group	Sponsor	Business Owner	Project Manager	Date
3644	Biometric Capability Update (BCU)	Immigration New Zealand	Richard Owen	s 9(2)(a)		16/12/2024

Project Purpose

The Biometric Capability Update (BCU) project delivers a significant upgrade to the INZ biometrics management, capture and matching solution that is the all-of-government source of identity information for non-New Zealanders. Identity resolution is critical to INZ application and risk management processes.

This project aligns with the INZ Future State Architecture, Asset Management Plans and Long-Term Investment Plan, forming a key building block of INZ's future regulatory services. The primary maintenance outcome strongly aligns with the future strategic direction of Identity Management (IDme) and In Person Enrolment (IPE) biometric solutions. It addresses fundamental system limitations that would otherwise unduly constrain the future delivery of business benefit through the increasing use of biometrics.

The identity management systems (Identity Management (IDme) and In-Person Enrolment (IPE)) form a critical part of the front-line control of New Zealand's border.

Change Overview (CR Purpose)

This CR seeks additional CAPEX funding of \$3,465,057 in FY23/24 and \$9,857,459 in FY24/25 and OPEX funding of \$474,939 in FY23/24 and \$2,747,900 in FY24/25 and approval to return to the original scope of BCU by having the IPE component move back to a standalone project and extend the project closure and benefits realisation dates from November 2023 to June 2025. The additional time will increase the WOLC of BCU by \$3,050,238 from \$31,949,202 to \$34,999,440

Complexity	Medium	Treasury RPA	Medium	Business Impact	High
Project Start Date	April 2019	Baseline Closure Date	Jan 2025	Privacy Threshold Assessment	Medium

Change Request Impact	Project Cost	WOLC	Quality	Time	Scope	Benefits
	Yes	Yes	Yes	Yes	Yes	Yes

Recommendation	Decision
Approve the Change Request and changes to project funding: - Increase total project CAPEX by \$13,322,515 and total OPEX by \$3,222,839 from cost centre 2146, broken down as follows * FY23/24 CAPEX increase \$3,465,057 and OPEX increase \$474,939 * FY24/25 CAPEX increase \$9,857,459 and OPEX increase \$2,747,900	Approved/Not Approved
Approve the changes to the project scope: Return the BCU Project (3644) to its original scope and allow In-person Enrolment (IPE) to be delivered as a separate project (3685) as originally planned. The two projects will each have its own cost code and budget, Project Online instance with relevant project artefacts and separate status reporting.	Approved/Not Approved
Approve the split for the individual approved project funding and transfer of budget to IPE as follows: 3644 BCU – CAPEX \$2,891,792 FY23/24 and \$7,400,000 FY24/25 3644 BCU – OPEX \$126,427 FY 23/24 and \$775,000 FY24/25 3586 IPE – CAPEX \$573,265 FY23/24 and \$2,457,459 FY24/25 3586 IPE – OPEX \$348,512 FY 23/24 and \$1,972,900 FY24/25	Approved/Not Approved
Approve to journal project actuals from previous FY from 3644 (BCU) to 3586 (IPE) to reflect the actual costs incurred by IPE - OPEX FY20/21 - \$744,220 - OPEX FY21/22 - \$1,021,231 - OPEX FY22/23 - \$1,409,680	Approved/Not Approved
Approve the changes to the project timeline: Move the project closure date from February 2025 to June 2025 for both BCU and IPE.	Approved/Not Approved
Approve: - The change in benefits and their realisation date moving from November 2023 to April 2024 - Splitting the benefits. BCU benefits remain with project 3644 and the IPE benefit are moved to 3586	Approved/Not Approved
a) Note: The implementation for both BCU and IPE will move from November 2023 to April 2025. (est.) b) Note: That the Opex requirements have been reviewed and funding availability confirmed by Finance. c) Note: That the next governance document submitted to this forum will be a project closure report to be presented in June 2025.	Noted/Not Noted Noted/Not Noted

Privacy, Security and Change

Was a Privacy and Security Impact Assessment required for this project?	Yes	Security Risk Impact Assessment
Include the Business Change Impact Assessment if applicable	Yes	Business Change Impact Assessment

Revised Deliverables and Milestones

BCU and IPE will be delivered to the same timeline. The two solutions are developed concurrently and will be rolled out at the same time as IPE is dependent on BCU. The two project share milestones and will both close in June 2025.

No.	Deliverable	Description	Baseline date	Revised Date
1	SIT Exit	Completion of System Integration Testing (SIT)	31/07/2021	Nov 2024
2	IQA	Delivery Certainty IQA		May 2024
3	UAT Exit	Completion of User Acceptance Testing (UAT)	16/10/2023	28/02/2025
4	Pre-Prod Exit	Completion of Pre-Production Testing	08/09/2023	08/11/2024
5	Security Validation	Security Control Audit	25/09/2023	28/03/2025
6	Performance testing	Performance testing completed	02/10/2023	20/12/2024
7	IQA	Go Live readiness IQA		March 2025
8	Implementation	Commencement of Implementation (4-day Outage) TBC	17/11/2023	25/04/2025
9	Project Closure	Approval of Project Closure Report at DGB	Feb 2024	June 2025

BCU CR Summary	CR 1	CR 2 - Combine BCU and IPE	CR 3	CR4	CR5	Total CR Cost
Date Approved	May 2020	Jul 2020	Nov 2021	Sep 2022	Jun 2023	
Capex	\$831,705	\$5,785,749	\$5,075,674	-\$863,971	\$506,929	\$24,867,903
Opex	\$0	\$0	\$0	\$4,665,111	-\$198,700	\$7,554,234

Change Background / Description

- The combined BCU & IPE project encountered issues in meeting milestone dates due to:
- The project being paused for 4 weeks in November 2023 as directed by Governance while WoLC were being reviewed.
 - Delays in deploying the solution into SIT to commence testing.
 - SIT Priority 1 test scripts taking longer than planned to complete due to the number of defects found **s6(c)** the environment has also been impacted by infrastructure issues, which has added delays.
 - Impact of delays on downstream critical path deliverables.
- In September 2024, the CE of MBIE made the decision to postpone the go-live date from November 2024 to a target of April 2025.

Summary of Recommended Option	The recommendation is to: - allow the project to revise its baseline implementation and closure dates, - approve the additional funding required due to the 16-month delay in implementation, and - approve returning the BCU project to its original scope project by having IPE delivered as its own project. There are risks associated with the new implementation date as the solution has not been fully completed and commercial negotiations to enable technical support once live is facing challenges.		
Implications of This Change (Recommended Option)	This change impacts the Go live and closure dates and increases the cost to deliver BCU and IPE. The existing Steering Committee will now govern the two separate projects from an efficiency perspective.		
Summary of Costs (Combined BCU & IPE)	- The combined BCU & IPE project costs have increased by \$29,293,278 over lifetime delivery - Total combined BCU & IPE CAPEX has increased by \$24,328,068 and OPEX has increased by \$4,965,210 This change requests to return to two separate projects each with its own budget. The summary of the individual project budgets are below.		
BCU Summary of Costs	- Total Project cost: \$34,400,000 - The total OPEX is \$3,561,912 - The total CAPEX: \$30,838,088 - WoLC: \$34,998,744	IPE Summary of costs	- Total Project cost: \$8,527,267 - The total OPEX: \$5,496,543 - The total CAPEX: \$3,030,724 - WoLC: \$10,077,492

Funding Information – BCU		FY 19/20	FY 20/21	FY 21/22	FY 22/23	FY 23/24	FY24/25	FY25/26	FY26/27	FY27/28	FY28/29	FY29/30	Total
Previously Approved: Business Case & CRs	Capex	\$1,385,585	\$6,022,500	\$1,691,150	\$7,690,061	\$5,005,648	\$0	\$0	\$0	\$0	\$0	\$0	\$21,794,944
	Opex	\$0	\$0	\$433,159	\$298,128	\$606,265	\$0	\$0	\$0	\$0	\$0	\$0	\$1,337,552
Funding requested in this submission	Capex	\$0	\$0	\$0	\$0	\$2,891,792	\$7,400,000	\$0	\$0	\$0	\$0	\$0	\$9,043,144
	Opex	\$0	\$0	\$0	\$0	\$126,427	\$775,000	\$0	\$0	\$0	\$0	\$0	\$2,224,360
Revised Total Project Funding	Capex	\$1,385,585	\$6,022,500	\$1,691,150	\$7,690,061	\$7,897,440	\$7,400,000	\$0	\$0	\$0	\$0	\$0	\$32,086,735
	Opex	\$0	\$0	\$433,159	\$298,128	\$732,692	\$775,000	\$0	\$0	\$0	\$0	\$0	\$2,238,979
Ongoing operating costs	Opex	\$0	\$0	\$0	\$0	\$0	\$500,000	\$2,000,000	\$2,000,000	\$2,000,000	\$2,000,000	\$1,500,000	\$10,000,000
Depreciation	Opex	\$0	\$0	\$0	\$0	\$0	\$1,604,337	\$6,417,347	\$6,417,347	\$6,417,347	\$6,417,347	\$4,813,010	\$32,086,735
Capital Charge		\$69,279	\$370,404	\$454,962	\$839,465	\$1,234,337	\$1,604,337	\$1,443,904	\$1,123,036	\$802,168	\$481,301	\$160,434	\$8,583,625
Whole of Life Cost													\$34,999,440
Funding Information – IPE		FY 19/20	FY 20/21	FY 21/22	FY 22/23	FY 23/24	FY24/25	FY25/26	FY26/27	FY27/28	FY28/29	FY29/30	Total
Previously Approved: Business Case & CRs	Capex	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
	Opex	\$0	\$744,220	\$1,021,231	\$1,409,680	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$3,175,131
Funding requested in this submission	Capex	\$0	\$0	\$0	\$0	\$573,265	\$2,457,459	\$0	\$0	\$0	\$0	\$0	\$3,030,724
	Opex	\$0	\$0	\$0	\$0	\$348,512	\$1,972,900	\$0	\$0	\$0	\$0	\$0	\$2,321,412
Revised Total Project Funding	Capex	\$0	\$0	\$0	\$0	\$573,265	\$2,457,459	\$0	\$0	\$0	\$0	\$0	\$3,030,724
	Opex	\$0	\$744,220	\$1,021,231	\$1,409,680	\$348,512	\$1,972,900	\$0	\$0	\$0	\$0	\$0	\$5,496,543
Ongoing operating costs	Opex	\$0	\$0	\$0	\$0	\$0	\$250,000	\$1,000,000	\$1,000,000	\$1,000,000	\$1,000,000	\$750,000	\$5,000,000
Depreciation	Opex	\$0	\$0	\$0	\$0	\$0	\$151,536	\$606,145	\$606,145	\$606,145	\$606,145	\$454,609	\$3,030,724
Capital Charge		\$0	\$0	\$0	\$0	\$28,663	\$151,536	\$136,383	\$106,075	\$75,768	\$45,461	\$15,154	\$559,040
Whole of Life Cost													\$10,030,276
Funding Source: Capex			Funding Source: Opex			Associated Memo Account				FIC Approval Needed?			
MBIE Capital from Immigration Fees & Levies review			Cost centre: 2146			Immigration				Yes			

Impacts	Baseline	Change Required (If applicable)	Impact of the Change if Approved
Scope	Delivery of the BCU and IPE solutions under one project.	Return BCU to its original scope and have separate projects for the delivery of the two solutions. Descoped some defects for a follow-up project funded from Business as Usual (BAU) cost centre 1803 after go-live.	The BCU project will return to its original scope and deliver a Minimum Viable Product for the IDme2 solution. IPE will be a separate project to deliver a new In Person Enrolment solution. BCU and IPE will each have its own project code and budget, Project Online instance and relevant project artefacts. The projects will share a governance group but separate status reports will be provided for each project. BCU – 3644 IPE – 3586
Cost	Approved Funding of: OPEX - \$,4,512,683 CAPEX - \$21,794,944	Additional funding required: BCU - CAPEX FY23/24: \$2,891,792 - CAPEX FY24/25: \$7,400,000 - OPEX FY23/24: \$126,427 - OPEX FY24/25: \$775,000 IPE - CAPEX FY23/24: \$573,265 - CAPEX FY24/25: \$2,457,459 - OPEX FY23/24: \$348,512 - OPEX FY24/25: \$1,972,900	The Finance team will need to journal the following actuals from previous FY from BCU 2644 to IPE 3586 - OPEX FY20/21 - \$744,220 - OPEX FY21/22 - \$1,021,231 - OPEX FY22/23 - \$1,409,680
Schedule	Go-live: November 2023 Project Closure: February 2024.	New go-live scheduled for April 2025. Project Closure extended to June 2025.	The project schedule will be updated to reflect the new Go Live and Project Closure dates. Schedule increase impacts the budget, delays end users' access to the new system and will result in continued use of the existing system.
Benefits	Benefits were to start to be realised in November 2023.	Delay in benefit realization to commence in the second quarter of 2025. Benefits to be reallocated to correct project depending on if they relate to BCU or IPE.	Benefits delivery will be delayed, and technical risk of the current system will remain for longer.
Asset Management	Assets to be delivered in November 2023.	Delay in the delivery of the assets. Two assets will now be delivered in April 2025 – The BCU and IPE Solutions.	Delay in delivery of the two system assets and commencement of depreciation by 16 months.
Resources	Resources were planned to work on the project until February 2024.	Need resources up to June 2025. Extension required of key resources including contract staff who are passing their 2-year anniversary.	Extension of key resources including contract staff to support additional timeline.
Business Change	The business change activities are to support the transition of the new system and any process change.	Change activities will commence later than originally planned.	No change in the Change Management activities.
Quality	All test scripts are completed in SIT.	The focus of the project will be on Priority 1 to 3 test scripts in the SIT environment. Priority 4 test scripts will be completed if and as time allows. Non-functional requirements will not be impacted.	Due to the fixed Go Live date, critical defects which are not required by the go-live date will be descoped and delivered by a follow-up project within 3 months after go-live. The follow up project will be funded from budget in cost centre 1803.
Procurement	Procurement exemption	No Change	No Change

Change Request 06

Project #	Project Name	Business Group	Sponsor	Business Owner	Project Manager	Date
3644	Biometric Capability Update (BCU)	Immigration New Zealand	Richard Owen	s 9(2)(a)		16/12/2024

Impacts	Baseline	Change Required (If applicable)	Impact of the Change if Approved
Risk	- Loss of IP will delay the project if staff can't be retained. - Potential delays if critical and high bugs are not remediated in a timely manner. - Potential delays if critical or high security vulnerabilities are not remediated in a timely manner. - If vendor performance relating the release cadence and quality does not meet MBIE expectations, then project timeframes may not be met. - If Commercial support agreements are not approved to meet the ORR timeline, and within financial tolerances, then the project will be delayed and may be more expensive.	- Loss of IP will delay the project if staff can't be retained. - Potential delays if critical and high bugs are not remediated in a timely manner. - Potential delays if critical or high security vulnerabilities are not remediated in a timely manner. - Given the increased timeframe the likelihood of risks is reduced, resulting in a reduced overall risk profile. - There is residual risk that the \$35 million WOL cost threshold may be exceeded. This risk is being mitigated through stringent financial management. If the risk eventuates, Cabinet approval will be required. - If the cost of a follow-up project to remediate descope defects is higher than available operational budget in cost centre 1803, some functional or security gaps may remain in the solution.	The risks are being actively monitored by the Project Steering Group. There is a possibility that a further change request required if several of these risks are realised. If the financial forecast exceeds \$35 million and Cabinet approval is required, the project will be in a more complete state, reducing the likelihood that the project could be cancelled.

Reference Documentation (M=Mandatory)	Mako Link	Reference Documentation (M=Mandatory)	Mako Link
Governance Group Terms of Reference (Shared governance group for BCU and IPE)	Signed ToR Draft ToR in circulation	Previous Change Requests (if applicable)	3644 BCU Project Change Request 01 3644 BCU Project Change Request 02 3644 BCU Project Change Request 03 3644 BCU Project Change Request 04 3644 BCU Project Change Request 05
Change Request Playbook	Document Overview: 3644 BCU Change Request 06.1 Playbook.docx		
Business Case BCU	BCU Business Case		
Business Case IPE	IPE Business Case		
Finance Project Workbook	BCU - BCU Finance Workbook IPE - IPE Finance Workbook		
Treasury Risk Profile Assessment (M)	BCU Treasury Risk Profile Assessment , IPE Treasury Risk Profile Assessment TBC if separation of projects is approved.		
Benefits Map	BCU - BCU Benefits Map.pptx IPE - IPE Benefits Map.pptx		
Benefits Realisation Plan	BCU - BCU IDme Benefits-Realisation-Plan v0.4.1.docx IPE - IPE Benefits-Realisation-Plan v0.1.docx		
Assurance Plan (M for medium and high complexity)	---		
Business Change Impact Assessment (Combined for BCU and IPE as the two solutions are implemented concurrently)	Business Change Impact Assessment .		
Privacy Threshold Assessment (Combined for BCU and IPE. Privacy Impact Assessment for IPE can follow if separation of the projects is approved.)	s 6(c) Privacy Impact Assessment		
Stakeholder Analysis and Register (M)	3586 In-Person Enrolment (IPE) and 3644 Biometric Capability Update (BCU) - Key Stakeholders		
Resource Management Plan (M)	Resource plan.xlsx		

Endorser / Reviewer	Endorsed?	Endorser / Reviewer	Endorsed?
All endorsements received (table exported from Confluence)	Endorsements	Project Steering Group (PSG minutes)	Endorsed
Project Sponsor : Richard Owen	Endorsed	s 9(2)(a)	
s9(2)(a)	Endorsed	s 9(2)(a)	
	Endorsed	Technology Strategy Alignment: Aaron Toatelegese	Endorsed
	Endorsed	s 9(2)(a)	Endorsed
	Endorsed		Endorsed

Change Request 06

Project #	Project Name	Business Group	Sponsor	Business Owner	Project Manager	Date
3644	Biometric Capability Update (BCU)	Immigration New Zealand	Richard Owen	s 9(2)(a)		15/04/2024

Project Purpose					
The Biometric Capability Update (BCU) project delivers a significant upgrade to the INZ biometrics management, capture and matching solution that is the all-of-government source of identity information for non-New Zealanders. Identity resolution is critical to INZ application and risk management processes.					
This project aligns with the INZ Future State Architecture, Asset Management Plans and Long-Term Investment Plan, forming a key building block of INZ's future regulatory services. The primary maintenance outcome strongly aligns with the future strategic direction of Identity Management (IDme) and In Person Enrolment (IPE) biometric solutions. It addresses fundamental system limitations that would otherwise unduly constrain the future delivery of business benefit through the increasing use of biometrics.					
The identity management systems (Identity Management (IDme) and In-Person Enrolment (IPE)) form a critical part of the front-line control of New Zealand's border.					
Change Overview (CR Purpose)					
This CR seeks additional CAPEX funding of \$5,164,049 in FY23/24 and \$9,647,603 in FY24/25 and OPEX funding of \$481,768 in FY 22/23 and \$7,538,126 in FY24/25 and approval to return to the original scope of BCU by having the IPE component move back to a standalone project and extend the project closure and benefits realisation dates from November 2023 to October 2024.					
The additional time will Increase the WOLC of BCU by \$8,026,165 from \$31,949,202 to \$39,975,367.					
Complexity	Medium	Treasury RPA	Medium	Business Impact	High
Project Start Date	April 2016	Project Closure Date	Jan 2025	Return Threshold Assessment	Medium
Change Request Impact	Project Cost		WOLC	Quality	
	Yes		Yes	Yes	
	Time		Scope	Benefits	
	Yes		Yes	Yes	
Recommendation					Decision
Approve the Change Request and changes to project funding:					Approved/Not Approved
1. Increase project CAPEX by \$5,164,049 in FY23/24 and \$9,647,603 in FY24/25 and OPEX by of \$481,768 in FY 22/23 and \$7,538,126 in FY24/25 from cost centre 2146.					
Approve the changes to the project scope:					Approved/Not Approved
2. Return the BCU Project (3644) to its original scope and allow In-person Enrolment (IPE) it to be delivered as a separate project (3685) as originally planned					
Approve the split for the individual approved project funding to the following project codes:					Approved/Not Approved
3. 3644 BCU – CAPEX \$4,590,784 FY23/24 and \$6,946,352 FY24/25					
4. 3644 BCU – OPEX \$133,256 and \$5,809,018 FY24/25					
5. 3586 IPE – CAPEX \$573,265 FY23/24 and \$2,701,251 FY24/25					
6. 3586 IPE – OPEX \$348,512 FY 23/24 and \$1,729,108 FY24/25					
Approve to journal project actuals from previous FY from 3644 (BCU) to 3586 (IPE) to reflect the actual costs incurred by IPE					Approved/Not Approved
7. OPEX FY20/21 - \$744,220					
8. OPEX FY21/22 - \$1,021,231					
9. OPEX FY22/23 - \$1,409,680					
Approve the changes to the project timeline:					Approved/Not Approved
10. Move the implementation date from November 2023 to October 2024					
11. Move the project closure date from February 2024 to January 2025					
Approve:					Approved/Not Approved
12. The change in benefits and their realisation date moving from November 2023 to October 2024					
13. Splitting the benefits. BCU benefits remain with project 3644 and the IPE benefit are moved to 3586					
a) Note: That the Opex requirements have been reviewed and funding availability confirmed by Finance.					Noted/Not Noted
b) Note: That the next governance document submitted to this forum will be a project closure report to be presented in January 2025.					Noted/Not Noted
c) Note: That the increase in WoLC for the BCU project requires approval by Cabinet. Once received, the funding requested in this CR can be released					Noted/Not Noted

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Privacy, Security and Change							
Was a Privacy and Security Impact Assessment required for this project?		Yes		Security Risk Impact Assessment			
Include the Business Change Impact Assessment if applicable		Yes		Business Change Impact Assessment.			
Revised Deliverables and Milestones							
No.	Deliverable	Description				Baseline date	Revised Date
1	SIT Exit	Completion of System Integration Testing (SIT)				31/07/2021	May 2024
2	IQA	Delivery Certainty IQA					May 2024
3	UAT Exit	Completion of User Acceptance Testing (UAT)				16/10/2023	20/08/2024
4	Pre-Prod Exit	Completion of Pre-Production Testing				08/09/2023	17/09/2024
5	Security Validation	Security Control Audit				25/09/2023	04/10/2024
6	Performance testing	Performance testing completed				02/10/2023	03/07/2024
7	IQA	Go Live readiness IQA					Sep 2024
8	Implementation	Commencement of Implementation (4 day Outage)				17/11/2023	25/10/2024
9	Project Closure	Approval of Project Closure Report at DGB				Feb 2024	Jan 2025
CR Summary	CR 1	CR 2	CR 3	CR4	CR5	CR6	Total CR Cost
Date Approved	May 2020	Jul 2020	Nov 2021	Sep 2022	Jun 2023	Apr 2024	
Capex	\$831,705	\$5,785,749	\$5,075,674	-\$863,971	\$506,929	\$14,811,652	\$26,147,738
Opex	\$0	\$0	\$0	\$4,665,111	\$4,531	\$8,019,895	\$12,532,577
Change Background / Description							
The BCU project encountered issues in meeting milestone dates due to: (1) The project being paused for 4 weeks in November 2023 as directed by Governance while WoLC were being reviewed. (2) Delays in deploying the solution into SIT to commence testing; and (3) SIT Priority 1 test scripts taking longer than planned to complete due to the number of defects found and the lengthy time to resolve these. The environment has also been impacted by infrastructure issues, which has added delays. In March 2024, the Steering Committee agreed to an October 2024 delivery date and subsequently requested this Change Request.							
Summary of Recommended Option	The recommendation is to: (1) allow the project to revise its baseline implementation and closure dates, (2) approve the additional funding required due to the 12 month delay in implementation, and (3) approve returning the BCU project to its original scope project by having IPE delivered as its own project There are risks associated with the new implementation date as the solution is yet to go through the full development lifecycle. The project still needs to address any critical and high priority bugs and security vulnerabilities, along with completing commercial negotiations to enable the solution to be deployed into Production.						
Implications of This Change (Recommended Option)	This change impacts the Go live and closure dates and increases the cost to deliver BCU. The existing Steering Committee will now govern the two separate projects from an efficiency Perspective . The increase of WoLC for BCU will be discussed with Cabinet and requires approval for this to increase from \$35 million to \$39.9 million.						
Summary of Costs (BCU & IPE)	(1) The BCU & IPE project costs have increased by \$22,831,547 over lifetime delivery (2) Total BCU & IPE CAPEX has increased by \$14,811,652 and OPEX has increased by \$8,019,895 (3) Total OPEX for the BCU & IPE projects is \$12,532,577 (4) Total CAPEX for BCU & IPE projects is \$36,606,596						
BCU Summary of Costs	• Total Project cost: \$40,611,906 • The total OPEX is \$7,279,826 • The total CAPEX: \$33,332,080 • WoLC: \$39,867,762			IPE Summary of costs		• Total Project cost: \$8,527,267 • The total OPEX: \$5,252,751 • The total CAPEX: \$3,274,516 • WoLC: \$10,077,492	

Change Request 06

Project #	Project Name	Business Group	Sponsor	Business Owner	Project Manager	Date
3644	Biometric Capability Update (BCU)	Immigration New Zealand	Richard Owen	s9(2)(a)		15/04/2024

Funding Information (BCU & IPE)		FY 19/20	FY 20/21	FY 21/22	FY 22/23	FY 23/24	FY24/25	Total
Previously Approved: Business Case	Capex	\$9,540,744	\$918,114					\$10,458,858
	Opex	\$0	\$46,272					\$46,272
Previously Approved Change Request 1	Capex	\$831,705	\$0					\$831,705
	Opex	\$0	\$0					\$0
Carry Forward	CAPEX							
New Baseline after CR1	CAPEX	\$10,372,449	\$918,114					\$10,458,858
	OPEX	\$0	\$46,272					\$46,272
Previously Approved Change Request 2	Capex	\$0	\$0	\$5,785,749				\$5,785,749
	Opex	\$0	\$0	\$0				\$0
Carry Forward	Capex	-\$8,986,864	\$7,110,339	\$40,237				
New Baseline after CR2	Opex	\$1,385,585	\$8,028,453	\$5,825,986				\$15,240,024
	Capex	\$0	\$46,272	\$0				\$46,272
Previously Approved Change Request 3	Capex	\$0	\$0	\$5,029,402				\$6,912,315
	Opex	\$0	-\$46,272	\$20,272	\$26,000			\$0
Carry Forward	Capex	\$0	-\$2,005,953	\$2,005,953				
New Baseline after CR3	Capex	\$1,385,585	\$6,022,500	\$14,743,900				\$22,151,985
	Opex	\$0	\$0	\$20,272	\$26,000			\$46,272
Previously Approved Change Request 4	Capex	\$0	\$0	\$0	-\$863,971			-\$863,971
	Opex	\$0	\$0	\$0	\$4,665,111			\$4,665,111
Carry Forward	Capex	\$0	\$0	-\$13,052,750	\$13,052,750			
New Baseline after CR4	Capex	\$1,385,585	\$6,022,500	\$1,691,150	\$9,474,404	\$2,714,376		\$21,288,015
	Opex	\$0	\$744,220	\$1,454,390	\$1,911,039	\$601,734		\$4,711,383
Previously Approved Change Request 5	Capex	\$0	\$0	\$0	-\$1,537,137	\$2,044,065		\$506,929
	Opex	\$0	\$0	\$0	-\$378,261	\$4,531		-\$373,730
Carry Forward	Capex	\$0	\$0	\$0	-\$247,207	\$247,207		
New Baseline after CR5	Capex	\$1,385,585	\$6,022,500	\$1,691,150	\$7,690,060	\$5,005,648		\$21,794,944
	Opex	\$0	\$744,220	\$1,454,390	\$1,707,808	\$606,265		\$4,512,683
Total Previously Approved Funding	Capex	\$1,385,585	\$6,022,500	\$1,691,150	\$7,690,060	\$5,005,648		\$21,794,944
	Opex	\$0	\$744,220	\$1,454,390	\$1,707,808	\$606,265		\$4,512,683
Funding requested in this Submission	Capex					\$5,164,049	\$9,647,603	\$14,811,652
	Opex					\$,481,769	\$7,538,126	\$8,019,895
Revised Total Project Funding Requirement	Capex	\$1,385,585	\$6,022,500	\$1,691,150	\$7,690,080	\$11,169,697	\$8,647,603	\$36,606,596
	Opex	\$0	\$744,220	\$1,454,390	\$1,707,808	\$2,988,034	\$5,638,126	\$12,532,577

Change Request 06

Project #	Project Name	Business Group	Sponsor	Business Owner	Project Manager	Date
3644	Biometric Capability Update (BCU)	Immigration New Zealand	Richard Owen	s 9(2)(a)		15/04/2024

Funding Information – BCU		FY 19/20	FY 20/21	FY 21/22	FY 22/23	FY 23/24	FY24/25	FY25/26	FY26/27	FY27/28	FY28/29	FY29/30	Total
Previously Approved: Business Case & CRs	Capex	\$1,385,585	\$6,022,500	\$1,691,150	\$7,690,061	\$5,005,648	\$0	\$0	\$0	\$0	\$0	\$0	\$21,794,944
	Opex	\$0	\$0	\$433,159	\$298,128	\$606,265	\$0	\$0	\$0	\$0	\$0	\$0	\$1,337,552
Funding requested in this submission	Capex	\$0	\$0	\$0	\$0	\$4,590,784	\$6,946,352	\$0	\$0	\$0	\$0	\$0	\$11,537,136
	Opex	\$0	\$0	\$0	\$0	\$133,256	\$5,809,018	\$0	\$0	\$0	\$0	\$0	\$5,942,274
Revised Total Project Funding	Capex	\$1,385,585	\$6,022,500	\$1,691,150	\$7,690,061	\$9,596,432	\$6,946,352	\$0	\$0	\$0	\$0	\$0	\$33,332,080
	Opex	\$0	\$0	\$433,159	\$298,128	\$1,639,521	\$4,909,018	\$0	\$0	\$0	\$0	\$0	\$7,279,826
Ongoing operating costs	Opex	\$0	\$0	\$0	\$0	\$0	\$1,000,000	\$2,000,000	\$2,000,000	\$2,000,000	\$2,000,000	\$1,000,000	\$10,000,000
Depreciation	Opex	\$0	\$0	\$0	\$0	\$0	\$3,333,208	\$6,666,416	\$6,666,416	\$6,666,416	\$6,666,416	\$3,333,208	\$33,332,080
Capital Charge		\$69,279	\$370,404	\$454,962	\$839,465	\$1,319,286	\$1,666,604	\$1,499,944	\$1,166,623	\$833,302	\$499,981	\$166,660	\$8,886,510
Whole of Life Cost													\$39,867,762

Funding Information – IPE		FY 19/20	FY 20/21	FY 21/22	FY 22/23	FY 23/24	FY24/25	FY25/26	FY26/27	FY27/28	FY28/29	FY29/30	Total
Previously Approved: Business Case & CRs	Capex	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
	Opex	\$0	\$744,220	\$1,021,231	\$1,409,680	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$3,175,131
Funding requested in this submission	Capex	\$0	\$0	\$0	\$0	\$573,265	\$2,701,251	\$0	\$0	\$0	\$0	\$0	\$3,274,516
	Opex	\$0	\$0	\$0	\$0	\$348,512	\$1,729,108	\$0	\$0	\$0	\$0	\$0	\$2,077,620
Revised Total Project Funding	Capex	\$0	\$0	\$0	\$0	\$1,573,265	\$1,701,251	\$0	\$0	\$0	\$0	\$0	\$3,274,516
	Opex	\$0	\$744,220	\$1,021,231	\$1,409,680	\$348,512	\$729,108	\$0	\$0	\$0	\$0	\$0	\$5,252,751
Ongoing operating costs	Opex	\$0	\$0	\$0	\$0	\$0	\$500,000	\$1,000,000	\$1,000,000	\$1,000,000	\$1,000,000	\$500,000	\$5,000,000
Depreciation	Opex	\$0	\$0	\$0	\$0	\$0	\$327,452	\$654,903	\$654,903	\$654,903	\$654,903	\$327,452	\$3,274,517
Capital Charge		\$0	\$0	\$0	\$0	\$28,663	\$163,726	\$147,353	\$114,608	\$81,863	\$49,118	\$16,373	\$601,703
Whole of Life Cost													\$10,077,492

Funding Source: Capex	Funding Source: Opex	Associated Memo Account	FIC Approval Needed?
MBIE Capital from Immigration Fees & Levies review	Cost centre: 2146	Immigration	Yes

Change Request 06

Project #	Project Name	Business Group	Sponsor	Business Owner	Project Manager	Date
3644	Biometric Capability Update (BCU)	Immigration New Zealand	Richard Owen	s 9(2)(a)		15/04/2024

Impacts	Baseline	Change Required (If applicable)	Impact of the Change if Approved
Scope	Delivery of the BCU solution	Separate the delivery of the two solutions: BCU – 3644 IPE - 3586	The BCU Project will return to its original scope and the IPE project will be delivered as a separate project (3586). There is no increase in scope between the two separate projects.
Cost	Approved Funding of: CAPEX - \$21,794,944 OPEX - \$4,512,683	Additional funding required: BCU - CAPEX FY23/24: \$4,590,784 - CAPEX FY24/25: \$6,946,352 - OPEX FY23/24: \$133,256 - OPEX FY24/25: \$5,809,018 IPE - CAPEX FY23/24: \$573,265 - CAPEX FY24/25: \$2,701,251 - OPEX FY23/24: \$348,512 - OPEX FY24/25: \$1,729,108	The Finance team will need to journal the following actuals from previous FY from BCU 2644 to IPE 3586 - OPEX FY20/21 - \$744,220 - OPEX FY21/22 - \$1,021,231 - OPEX FY22/23 - \$1,409,680
Schedule	Go Live: November 2023 Project Closure: February 2024.	New Go Live scheduled for October 2024 Project Closure scheduled for January 2025	The project schedule will be updated to reflect the new Go Live and Project Closure dates. Schedule increase impacts the budget and delays end users' access to the new system, and will result in continued use of the existing system.
Benefits	Benefits were to start to be realised in November 2023	Delay in benefit realization to commence at the end of October 2024. Benefits to be reallocated to correct project depending on if they relate to BCU or IPE Refer to CR6 Playbook (Appendix A) for Benefit details.	Shift benefit start date to 30 October 2024. The delay in benefit date sees the business carry a higher operational cost for 12 months. Benefits will be reallocated to the correct project as per Appendix A of the Playbook.
Asset Management	Assets to be delivered in November 2023	Delay in the delivery of the assets. Two assets will now be delivered in October 2024 – The BCU and IPE Solutions.	Delay in delivery of the two system assets and commencement of depreciation by 12 months.
Resources	Resources were planned to work on the project until February 2024.	Extension of key resources including contract staff who have a 2-year anniversary in the coming months.	Extension of key resources including contract staff to support additional timeline.
Business Change	The business change activities are to support the transition of the new system and any process change.	Change activities will commence later than originally planned.	No change in the Change Management activities
Quality	All test scripts are completed in SIT	The focus of the project will be on Priority 1 and 2 test scripts in the SIT environment. If time allows, priority 3 test scripts will be completed. Non functional requirements will not be impacted.	Due to the fixed Go Live date, there may be an impact on the number to test scripts executed and the number of defects remediated. Defects that are not fixed prior to Go Live will be part of an agreed remediation plan and will be fixed post Go Live.
Procurement	Procurement exemption	No Change	No Change

Change Request 06

Project #	Project Name	Business Group	Sponsor	Business Owner	Project Manager	Date
3644	Biometric Capability Update (BCU)	Immigration New Zealand	Richard Owen	s9(2)(a)		15/04/2024

Impacts	Baseline	Change Required (If applicable)	Impact of the Change if Approved
Risk		- Loss of IP will delay the project if staff can't be retained. - Potential delays if critical and high bugs are not remediated in a timely manner. - Potential delays if critical or high security vulnerabilities are not remediated in a timely manner. - If Data migration in UAT is longer than 9 weeks then all data migration will take longer, and the project will be delayed. - If a solution for disaster recovery set up and testing must be done in production, then the project will be delayed. - If vendor performance does not met expectations in regards to volume and quality of releases, project timeframes will not be met. - If Commercial support agreements are not approved to meet the ORR timeline, and within financial tolerances, then the project will be delayed and may be more expensive. - If the project goes longer than the implementation date, then the project will cost more to deliver. - If Cabinet does not approve the WoLC threshold to \$40million for BCU the project may be cancelled.	The risks are being actively monitored by the Project Steering Group. There is a possibility that a further change request required if several of these risks are realised. The project will report back to the DGB, at the earliest possible time, should any the risks be realised and their impacts have been evaluated.

Reference Documentation	Mako Link
Change Request Playbook	3644 – BCU CR06 Playbook
Governance Group Terms of Reference	Signed ToR Draft ToR in circulation
Business Case – BCU	BCU Business Case
Business Case - IPE	IPE Business Case
Finance Project Workbook – BCU & IPE	Finance Worksheet
Treasury Risk Profile Assessment (M for high complexity)	Treasury Risk Profile Assessment.
Benefits Plan - BCU	BCU Benefits Plan
Benefits Plan – IPE	IPE Benefits Plan
Business Change Impact Assessment	Business Change Impact Assessment.
Privacy Threshold Assessment	Security Risk Impact Assessment

Endorser / Reviewer	Endorsed?	Endorser / Reviewer	Endorsed?
All endorsements received (table exported from Confluence)	Yes	Project Steering Group (PSG minutes)	Yes
s9(2)(a)	Yes	s 9(2)(a)	
	Yes		
	Yes	Technology Strategy Alignment: Aaron Toatelegese	Yes
	Yes	Workstream Manager	N/A
	Yes		