ONGARD Replacement Project Certification
Planning: Change Request

June 22, 2016

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Project Manager: Cathy Plummer
AGENDA

• ONGARD Background
• Project Summary
• Project Goals and Objectives
• Achievements
• Funding Sources
• Certification History
• Budget
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ONGARD

- The Oil and Natural Gas Administration and Revenue Database (ONGARD) processes approximately $2B of the total State of New Mexico revenues per year, and distributes these revenues to beneficiaries within the state.

- ONGARD is 22 years old and past the end of useful life cycle. Maintenance and operations of the system are increasingly expensive and difficult.

- ONGARD supports the collection of severance taxes and royalties from natural gas and oil production, and accounting for lease payments for State Trust Lands.
ONGARD Projects

- Stabilization  2012 - 2014
- Replacement  2013 - 2018
ONGARD Replacement Project Summary

- PCC was approached in March of 2013 for Initiation Phase funding, which was approved.

- Completion and closeout of the Stabilization Project, per appropriation contingency requirements, allowed the replacement project to begin in earnest.

- Since 2013, ONGARD has performed planning phase activities of the replacement project via four additional Project Certifications.

- The current project certification is to complete the Planning Phase of the ONGARD project.
Project Goals and Objectives

- Replace legacy ONGARD residing at Taxation and Revenue Department (TRD) with a Commercial Off-the-Shelf (COTS) system for Severance Tax Processing.

- Choose and implement a Royalty system for SLO implementation.

- Interface with Royalty system chosen and implemented by State Land Office (SLO), to provide Royalty Processing.

- Provide reports and data exchange as needed with Energy, Minerals and Natural Resources Department (EMNRD).
ONGARD Replacement Project Achievements

- Planning – Accomplishments to Date
  - Business Process Analysis
  - Develop Data requirements
  - Complete function point analysis
  - Develop RFI
  - Multi-state Systems Survey
  - SharePoint setup for collaboration
Planning Phase Certification Change Request

- ONGARD requests certification of $3,683,077 for:
  - IV&V
  - Royalty system RFP completion
  - Severance Tax module purchase, configuration and deployment
  - Severance Tax data conversion and migration
  - Backfill of Staffing for TRD\SLO
## ONGARD Replacement Funding Sources

<table>
<thead>
<tr>
<th>Year</th>
<th>Amount</th>
<th>Funding Source</th>
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<tr>
<td>FY2012-16</td>
<td>$4,535,049</td>
<td>Laws of 2012, Chapter 19, Section 7, Item 5 Expires June 30, 2016*</td>
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<td>FY2017-18</td>
<td>$10,000,000</td>
<td>Laws of 2016, Chapter 11, Section 7, Item 5</td>
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<td>TOTAL</td>
<td>$14,535,049</td>
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* The 2012 appropriation included $1,464,951 for the Stabilization Project, closed in July 2014. Total 2012 appropriation for both projects was $6,000,000.
# ONGARD Replacement Certification History

<table>
<thead>
<tr>
<th>Date</th>
<th>Amount</th>
<th>Funding Source(s)</th>
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<tr>
<td>March 27, 2013</td>
<td>$36,000</td>
<td>Laws of 2012, Chapter 19, Section 7, Item 5</td>
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<td>May 23, 2013</td>
<td>$90,000</td>
<td>Laws of 2012, Chapter 19, Section 7, Item 5</td>
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<td>December 18, 2013</td>
<td>$1,205,000</td>
<td>Laws of 2012, Chapter 19, Section 7, Item 5</td>
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<td>September 12, 2014</td>
<td>$2,340,891</td>
<td>Laws of 2012, Chapter 19, Section 7, Item 5</td>
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<td>March 23, 2016</td>
<td>$1,985,009</td>
<td>Laws of 2012, Chapter 19, Section 7, Item 5</td>
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**June 22, 2016 (this request)**

- Correction of Prior Certification dated 3/23/2016-
  - (1,985,009)
  - $863,158
  - $1,121,851

- Additional funds requested this Certification-
  - $3,683,077

Funding Source(s):
- Laws of 2012, Chapter 19, Section 7, Item 5
- Laws of 2016, Chapter 11, Section 7, Item 5
Budget Tracking Moving Forward

Due in part to the complexities of the ONGARD replacement project and history the project team is implementing the following to ensure consistency and accountability in budget management:

- The Project Manager will utilize best practices in tracking and reporting budget to project stakeholders.
- The project will conduct monthly budget reviews with SLO, EMNRD, and TRD ASDs and CIOs as well as the SMT.
- The OSC and the Project team will fully separate project and program expenditures.
- The IV&V will include verification and validation of adequate budget tracking.
Estimated Timeline

- **10/15/2016**
  - SLO Purchase of Royalty System

- **7/1/2016**
  - Severance Software Purchased

- **3/15/2017**
  - Complete Severance Tax Base Configuration

- **2/22/2017**
  - Complete Severance Tax Definition Deliverable

- **5/23/2017**
  - Complete Severance System Test

- **9/7/2017**
  - Complete Royalty System Definition

- **11/9/2017**
  - Complete Royalty Base Configuration

- **1/11/2018**
  - Complete Royalty System System Testing

- **3/27/2018**
  - Complete all Training

- **6/30/2018**
  - Deploy Severance Tax

- **6/30/2018**
  - Install Royalty System and Integrate with Severance