BerryDunn

Independent Review

ePermitting System Project

for the

Agency of Transportation (AOT)/Department of Motor Vehicles (DMV)

VERMONT

Submitted to:

State of Vermont, Agency of Digital Services

October 7, 2024

Version 2.0

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Table i: Version History

Version	Delivered Date	Update Reason
0.1	08/19/2024	First draft provided to the State for review and feedback
1.0	09/18/2024	Final version provided to the State
2.0	10/8/2024	Final version updated based on presentation with the ADS Secretary on 10/7/2024. Edits include: • Adding narrative to the *Updates Discussed During Presentation of Findings* element of each risk in Attachment 2 • Update to Table 1.2 to acknowledge the brittle nature of the legacy system • Update to Table 1.2 to acknowledge that ProMiles is used in other Northeast states • Update to Risk #3 regarding the lack of a hold back model in the pricing table of the contract • Update to Risk #5 acknowledging the change requests managed in RedMine will also be imported to ADO

1.0 Executive Summary

For all IT activities more than $1 million, Vermont Statute (or at the discretion of the Chief Information Officer [CIO]) requires an independent review by the Office of the CIO before the project can begin. The State of Vermont (State) retained BerryDunn to conduct an independent review to evaluate the procurement of an Electronic Permitting System for the Agency of Transportation (AOT) Department of Motor Vehicles (DMV) and provide a recommendation on whether to proceed with executing a contract with the State project team's selected vendor ProMiles.

During the independent review process, BerryDunn found the Request for Proposal (RFP) for the ePermitting system to be well written and clear. The BerryDunn team also found the preferred vendor's proposal to be well written. Additionally, through interviews with AOT, DMV, and Agency of Digital Services (ADS) staff BerryDunn found there to be genuine excitement, positive energy, and executive support for the selection and implementation of the preferred system. As indicated in Section 1.6 below, BerryDunn found that the AOT/DMV should continue with the contract negotiations process after addressing the risks identified in this report.

BerryDunn identified nine risks; six of which are deemed to have a high likelihood of occurring or a high impact should they occur (see Section 1.3 below for a list of these risks). In all, BerryDunn's primary concern is neither the vendor nor DMV or ADS stakeholders were clear about what legacy data (if any) was to be migrated electronically into the new system. Additionally, there was lack of clarity regarding the data migration process. It was also mentioned that the focus on data conversion may not take place until a few weeks prior to go-live. Details related to this can be found in Sections 8 and 10 of this report.

1.1 Cost Summary

Table 1.1 summarizes the total cost of ownership over a five-year period (two of which are for implementation). More detail can be found in Section 5: Acquisition Cost Assessment and Section 10: Impact Analysis on Net Operating Costs.

Table 1.1: Cost Summary

IT Activity Life Cycle (FY25 – FY30)	Cost and Funding Source
Total Life Cycle Costs (Implementation and New Operating)	$2,379,468
Total Implementation Including Perpetual Licensing Costs (FY25)	$1,653,868
Total New Life Cycle Operating Costs (FY26 – FY30)	$725,600
Current Operating Costs (FY26 – FY30)	$140,800
Difference Between Current and New Operating Costs	($2,238,668)
Funding Source(s) and Percentage Breakdown of Multiple Sources	66% Federal funds 34% State Funds

1.2 Disposition of Independent Review Deliverables

Table 1.2 provides a high-level summary of independent review findings.

Table 1.2: Independent Review Deliverables

Deliverable	Highlights from the Independent Review
Acquisition Cost Assessment	Proposed solution costs are lower than costs of other responding vendors, and in line with costs described by neighboring states that use the ProMiles solution. The State must determine if the cost of the overall solution—three to five times higher annually than the legacy system—is balanced by the intangible benefits anticipated because of this project.
Technology Architecture and Standards Review	Based on interviews with both DMV and ADS' technical team, BerryDunn has no concerns about the alignment of the proposed ProMiles solution with the State's technology architecture and standards. Additionally, the proposed solution seems to align nicely with the State's Strategic Plan for 2023 – 2027.
Implementation Plan Assessment	ProMiles has estimated 13 months for implementation, which neither the State nor BerryDunn has concerns with. The project phases are as follows: Project Initiation and Planning, Requirements Validation, Configure System and Sprint Customization, Testing and User Acceptance, Training, Legacy Data Migration, Go-Live, and Post-Implementation Support/Warranty. ProMiles has agreed to restructured deliverables-based fee schedule proposed by the state.
Cost-Benefit Analysis	Given a nearly $2 million increase in operational costs at the end of five years and increasing at an estimated annual rate of approximately $110,000, it is not easy to justify the cost of the proposed solution versus the legacy system; Because the legacy system is a manual process a change must be made. The DMV must determine whether the intangible benefits outweigh the annual $110,000 increase in operational costs. Note that the AoT and DMV were clear that the legacy system is old and brittle, making maintenance of the system very risky. Though the annual operational cost of the new system is $110,000 more than the legacy system, the risk associated with not replacing the legacy system is untenable to the DMV. See Section 8.0 of this report for details.
Analysis of Alternatives	Alternatives discussed with State representatives included maintaining status quo (continue to use the legacy system and processes), select an alternate solution from those that responded to the RFP, or remain with the ProMiles preferred solution. Because of the largely manual processes inherent with the current environment, the State and its external customers find the legacy system to be an unstainable model; even though it is at a lower cost that the responding vendors (including ProMiles). However, ProMiles responded with a high level of compliance with functional and non-functional requirements, and the lowest cost among respondents. Additionally, as mentioned in Cost-Benefit Analysis summary above, the AoT and DMV were clear that the legacy system is old and brittle, making maintenance of the system very risky. The ProMiles solution cost is more than the cost of maintaining the legacy system, however the anticipated intangible benefits outweigh the cost difference. Additionally,

Deliverable	Highlights from the Independent Review
	the DMV anticipates seeing benefit from synergies with other northeastern states who are currently using the ProMiles solution.
Impact Analysis on Net Operating Costs	After implementation, the net impact on annual operating costs associated with the new system is nearly three to five times more than the cost of maintaining the legacy system on an annual basis.
Security Assessment	As part of this independent review, BerryDunn interviewed representatives from the ADS' technical team, including security. Because the ProMiles solution is an industry standard solution in the ePermitting industry and is cloud hosted this team expressed confidence in the solution's ability to comply with the State's controls, risk management, breach and response, and vulnerability management requirements.

1.3 Identified High Impact and/or High Likelihood of Occurrence Risks

Table 1.3 below provides a summary of each high-impact or high-likelihood risk, including its overall risk rating. A complete risk register is included in Attachment 2.

Table 1.3: High-Impact or High-Likelihood Risk Summaries

Risk ID	Risk Description	State's Planned Risk Response	Reviewer's Assessment of Planned Response
1	**Risk Description:** Neither the vendor nor DMV or ADS stakeholders were clear about what legacy data (if any) was to be migrated electronically into the new system. Additionally, there was lack of clarity regarding the data migration process. It was also mentioned that the focus on data conversion may not take place until a few weeks prior to go-live. **Impact:** There may be a mismatch in expectations regarding migration of legacy data into the new system. This could result in an extended schedule or lack of access to legacy data. A late data conversion may not allow enough time to do a thorough review of whether the data converted correctly. **Risk Likelihood: High** **Risk Impact: High** **Overall Risk Rating: High**	Legacy data migrations are a "nice to have" feature and not required for go-live. State does require a Data Migration Plan from the vendor and will work with them on best approach.	BerryDunn believes The State's mitigation strategy is appropriate and we do not see any issues.
2	**Risk Description:** The DMV leadership and project management team indicated there may be resource constraints on the DMV team to play any significant role on the project. DMV leadership did indicate this project is a priority for the department and as such will do everything possible to make sure DMV resources will be available when needed; however, because there are only two staff members of the Commercial Vehicle Operations (CVO) team, they may have limited availability to manage current workload and spend significant time on this project.	DMV has cross-trained staff to backfill for Permit Specialists so they can be available for project activities.	BerryDunn believes The State's mitigation strategy is appropriate and we do not see any issues.

Risk ID	Risk Description	State's Planned Risk Response	Reviewer's Assessment of Planned Response
	Impact: There is a possibility their limited availability can result in impacting the project schedule or the quality of the configuration. **Risk Likelihood: High** **Risk Impact: Medium** **Overall Risk Rating: Medium**		
3	**Risk Description:** The contract lacks clarity regarding payment milestones, specifically related to the acceptance of project deliverables and their association with costs. **Impact:** The State and DMV may end up paying the Vendor a disproportionate amount based on the value received throughout the project. **Risk Likelihood: High** **Risk Impact: Medium** **Overall Risk Rating: Medium**	In Attachment B, Payment Provisions, payment milestones have been updated for detail and clarity.	BerryDunn believes The State's mitigation strategy is appropriate and we do not see any issues.
4	**Risk Description:** During the interview with the vendor, they indicated 1 of their approximately 22 other implementations would be deployed as a starter configuration for the State. It is unclear whether the vendor manages all implementations as a single product with standard patching and release cycles or if each implementation is a unique stand-alone entity. **Impact:** If the vendor's implementations are managed as unique stand-alone entities (e.g., transfer solution), Vermont will benefit from having a highly customized solution that meets their unique ePermitting needs; however, they will not benefit from a true product-based software management strategy. **Risk Likelihood: High** **Risk Impact: Medium** **Overall Risk Rating: Medium**	State accepts this risk.	BerryDunn believes The State's mitigation strategy is appropriate and we do not see any issues.
5	**Risk Description:** There is no clearly defined process for requesting and prioritizing changes to the vendor,	State will produce and follow a "Post Implementation Support	BerryDunn believes The State's mitigation strategy

Risk ID	Risk Description	State's Planned Risk Response	Reviewer's Assessment of Planned Response
	regardless of whether those changes are configuration (post go-live) or customization requests. **Impact:** Some of the low priority changes may be implemented before higher priority ones; or some customization requests may require additional funding while others may not. **Risk Likelihood:** Medium **Risk Impact:** Medium **Overall Risk Rating:** Medium	Plan" that will define how support and change requests are prioritized in the vendor's RedMine tool.	is appropriate and we do not see any issues.
6	**Risk Description:** The item on Page 58 regarding contract security was not checked, and the State-required clause Ukraine and Russia could not be found. **Impact:** If not mitigated, the vendor may not be held accountable on the State's contract requirements. **Risk Likelihood:** High **Risk Impact:** Low **Overall Risk Rating:** Low	The box has been updated with a checkmark, which matches the vendor's RFP response.	BerryDunn believes The State's mitigation strategy is appropriate and we do not see any issues.
7	**Risk Description:** The payment milestone table in the contract (Page 60 of the draft contract) includes the cost of the perpetual license fees but does not describe how those fees are allocated across each payment milestone. **Impact:** The State and DMV will not be able to respond to any project audit that may request how the perpetual license was paid. **Risk Likelihood:** High **Risk Impact:** Low **Overall Risk Rating:** Low	Updated the cost table on page 60 of contract to reflect the perpetual license fees, now split between first and last implementation payment milestone.	BerryDunn believes The State's mitigation strategy is appropriate and we do not see any issues.
8	**Risk Description:** The process in resources used to provide tier 1 application helpdesk support is not well defined in the contract, and not	State will produce and follow a "Post Implementation Support Plan" that will define tier 1 and tier 2 support criteria and procedures for	BerryDunn believes The State's mitigation strategy is appropriate and we do not see any issues.

Risk ID	Risk Description	State's Planned Risk Response	Reviewer's Assessment of Planned Response
	well understood by the DMV project team. **Impact:** The biggest impact could be initial confusion where users would go to receive answers to their questions. **Risk Likelihood:** Medium **Risk Impact:** Low **Overall Risk Rating:** Low	escalating to ProMiles via RedMine.	
9	**Risk Description:** The contract lacks clarity regarding how the 100 annual hours of customization may be used. Including the rollover of unused hours in the fiscal year and the ability to borrow from subsequent years if needed. **Impact:** The State and DMV may end up losing unused hours in a fiscal year and or overpaying customization costs. **Risk Likelihood:** Medium **Risk Impact:** Low **Overall Risk Rating:** Low	State will have vendor clarify whether unused hours roll over to subsequent year and the ability to borrow from subsequent years if needed. Additionally, State will ask for a table of costs in cases where state needs to pay for additional service or development hours.	BerryDunn believes The State's mitigation strategy is appropriate and we do not see any issues.

1.4 Other Key Issues

BerryDunn did not identify other key issues.

1.5 Recommendations

BerryDunn recommends the State address six high probability or high impact risks listed in Table 1.3 before continuing with its acquisition and implementation of the ePermitting system.

Should the State reconcile these items, BerryDunn recommends the DMV continue with its acquisition and implementation process.

1.6 Independent Reviewer Certification

I certify that this independent review report is an independent and unbiased assessment of the proposed solution's acquisition costs, technical architecture, implementation plan, cost-benefit analysis, and impact on net operating costs based on the information made available to BerryDunn by the State.

	October 8, 2024
Independent Reviewer Signature	**Date**

1.7 Report Acceptance

The electronic signature below represents the acceptance of this document as the final completed Independent Review Report.

DocuSigned by: Trisha Watson BBD71B0DB03C439...	10/10/2024
ADS Oversight Project Manager	**Date**
DocuSigned by: Denise Reilly-Hughes 6041A76735A7442...	10/14/2024
State of Vermont Chief Information Officer	**Date**

2.0 Scope of This Independent Review

2.1 In Scope

The scope of this document is fulfilling the requirements of Vermont Statute, Title 3, Chapter 56, §3303(d). The independent review report includes:

- An acquisition cost assessment
- A technology architecture review and standards review
- An implementation plan assessment
- A cost analysis and model for benefit analysis
- A high-level analysis of alternatives
- An impact analysis on net operating costs for the agency carrying out the activity.
- A security assessment

This independent review used the following schedule:

- Week of July 15, 2024: Conducted project initiation, scheduled interviews, reviewed documentation, and developed interview participation memos.
- Week of July 22, 2024: Conducted interviews with the State staff and vendor.
- Week of July 29, 2024: Conducted interviews with State IT staff and project manager, documented initial findings, drafted initial risk register.
- Week of August 5, 2024: BerryDunn provided the draft risk register to the State for review and response.
- Weeks of August 5 and 12, 2024: State reviewed initial risk register, held internal discussions, and provided risk responses.
- Week of August 19, 2024: Updated the risk register and submitted preliminary draft of the independent review report for State review and feedback.

2.2 Out of Scope

No items from State Statute, Title 3, Chapter 56, §3303(d) were out of scope for this independent review.

3.0 Sources of Information

3.1 Independent Review Participants

Table 3.1 lists stakeholders who participated in fact-finding meetings and/or communications.

Table 3.1: Independent Review Participants

Name	Organization, Project Role/Title	Participation Topics
Wanda Minoli	Commissioner, DMV (Co-Sponsor)	• Project Information • Financials Interview • Risk Assessment
Jeremy Reed	Chief Engineer, AOT (Co-Sponsor)	• Project Information • Implementation Plan Review • Risk Assessment
Glenn Ferrell	IT Project Manager, ADS	• Project information • Implementation Plan Review • Cost-Benefit Analysis • Budget Information • Risk Assessment
Kelly Nolan	Oversight Project Manager, ADS	• Project information • Implementation Plan Review • Project Readiness • Project Governance • Risk Assessment
Ryan Knapp	ITS Section Chief, AOT	• Project information • Implementation Plan Review • Project Readiness • Project Governance • Risk Assessment
Peter Willette	Permit Specialist, DMV	• Project information • Implementation Plan Review • Risk Assessment
Matthew Rousseau	Chief of Driver Improvement, DMV	• Project information • Implementation Plan Review • Risk Assessment
Diane Coles	Director of Finance, (Previous)	• Project Information

Name	Organization, Project Role/Title	Participation Topics
		• Acquisition and Lifestyle • Cost Analysis • Operating Costs
Jayna Morse	Division Director of Finance (Support for DMV)	• Project Information • Acquisition and Lifestyle • Cost Analysis • Operating Costs
Ann Noelk	Financial Manager II, (Interim Finance Director for DMV)	• Project Information • Acquisition and Lifestyle • Cost Analysis • Operating Costs
Kelly Reagan	IT Manager, ADS	• Project information • Technology Architecture and Standards Review • Security
David Ladouceur	Security Analyst, ADS	• Project information • Technology Architecture and Standards Review • Security
John Hunt	Enterprise Architect, ADS	• Project information • Technology Architecture and Standards Review • Security
Tom Buonomo	IT Director, ADS	• Project information • Technology Review
Tim Pilcher	ProMiles, Project Manager (Vendor)	• Project Information • Implementation Plan Review • Technology Architecture and Standards Review • Project Deliverables • Costs Review
Chaz Romero	Project Lead, ProMiles (Vendor)	• Project Information • Implementation Plan Review • Technology Architecture and Standards Review • Project Deliverables

Name	Organization, Project Role/Title	Participation Topics
		• Costs Review
Tammy Hornsby	Project Management Team, ProMiles (Vendor)	• Project Information • Implementation Plan Review • Technology Architecture and Standards Review • Project Deliverables • Costs Review
Michelle Tubbleville	Project Management Team, ProMiles (Vendor)	• Project Information • Implementation Plan Review • Technology Architecture and Standards Review • Project Deliverables • Costs Review

3.2 Independent Review Documentation

Table 3.2 includes a list of the documentation used to compile this independent review. All documents listed were made available to BerryDunn by August 7, 2024. Any documents shared with BerryDunn after this date have not been included in the table below but might have informed report development.

Table 3.2: Independent Review Documentation

Document Name	Description	Source
Vendor Score Sheet AOT DMV ePermitting Master	Scoring sheet used to evaluate all responding vendors to the ePermitting solution RFP	Glenn Ferrell – VT SharePoint
PSDC Response to RFP AOT DMV Electronic Permitting System	ProMiles proposal response This document contains detailed implementation costs for each resource category used to populate the IT Activity Business Case and Cost Analysis (IT ABC) form	Glenn Ferrell – VT SharePoint
AOT DMV ProMiles Contract v.1_Final Draft 6.19.24	Draft Contract with ProMiles	Glenn Ferrell – VT SharePoint
IT ABC Form	Fully executed IT ABC Form	Glenn Ferrell – VT SharePoint
AOT DMV ePermitting RFP FINAL 20231004 Posted	Final version of the RFP published into the marketplace	Glenn Ferrell – VT SharePoint

Document Name	Description	Source
SOV DMV ePermitting Project Stakeholder Registry	The roles and responsibilities of the personnel involved in the project	Glenn Ferrell – VT SharePoint
Risk and Issue Log – IR Copy	A list of known risks and issues to date and the associated mitigation plan (included in Attachment 2)	Glenn Ferrell
Attachment F General Terms and Conditions for Contracts for Service 2020	General terms and conditions for contracts for services	Glenn Ferrell – VT SharePoint
Attachment G Federal Terms and Conditions Services Non-Constructions	Federal terms and conditions	Glenn Ferrell – VT SharePoint
Attachment H Certification Federal Aid Projects DOT FORM	Certification for federal aid contracts	Glenn Ferrell – VT SharePoint
Attachment J Title VI Assurances Appendix A and E	A list of items the vendor agrees to comply with during the performance of the contract	Glenn Ferrell – VT SharePoint
Attachment K Certification of Contractor Consultant Form – FILLABLE	Certification affirming who the contractor or consultant is and who they are representing	Glenn Ferrell – VT SharePoint
Attachment L Certification Lobbying FILLABLE_revised04022024	Certification regarding lobbying	Glenn Ferrell – VT SharePoint
Attachment I CR110_DBE_Policy	Disadvantaged Business Enterprise (DBE) policy contract requirements	Glenn Ferrell – VT SharePoint
ATTACHMENT C – rev Dec 2017 CLEAN	Standard state provisions for contracts and grants	Glenn Ferrell – VT SharePoint
ATTACHMENT.D.SYSTEM IMPLEMENTATION.03.10.23FINAL_0 (2)	Information Technology System Implementation Terms and Conditions	Glenn Ferrell – VT SharePoint
VG-118-DPPA_Agreement_Individual	Driver Privacy Protection Act Agreement	Glenn Ferrell – VT SharePoint
Attachment T Federal Terms Supplement – 5.24.24	State of Vermont – Federal Terms Supplement (Non-Construction)	Glenn Ferrell – VT SharePoint
ADDENDUM 2 AOT DMV Electronic Permitting System RFP 20231115	A notice the bid due date was revised to a new date	Glenn Ferrell – VT SharePoint

Document Name	Description	Source
DMV ePermitting_Logical_Architecture.vsdx	A logical architecture diagram developed and provided by John Hunt of ADS	John Hunt – VT SharePoint

4.0 Project Information

4.1 Historical Background

Through this RFP, the Vermont ADS on behalf of the Vermont AOT/DMV is seeking to establish a contract with one or more companies that can provide a system(s) that utilizes modern features and functions to better track and manage oversize/overweight commercial vehicle permits and routes throughout the State as well as municipal highways and roads.

The current process is paper-based, prone to errors, requires manual data entry, requires manual routing of permit applications for review by AOT, and provides no feedback mechanism to permit holders of emerging issues related to a permitted route (i.e. emergency events, other roadway restrictions). Permits are also only issued during normal DMV business hours. Carriers have reported frustration with an ever-evolving municipal permitting landscape. Allow for automatic approval of permit types that can be validated by an ePermitting solution.

In November 2023, the Office of Purchasing and Contracting released an RFP on behalf of the AOT/DMV to procure a new Electronic Permitting System. The DMV received ten responses from vendors proposing both service as a solution (SAAS) and commercial-off-the-shelf (COTS) solutions; it ultimately chose ProMiles as the vendor of choice.

4.2 Project Goals

The State reports that they seek to achieve the following business objectives through successful acquisition and implementation of a new ePermitting system:

- Grow the economy and make Vermont more affordable by making it easier and less expensive for industry to obtain the necessary commercial vehicle permits needed to do business in Vermont
- Retire technical debt and replace with modern scalable and sustainable technology solutions to enable AOT to provide services to its customers
- Improve efficiencies in permit administration
- Implement a modern, centralized online permitting system which provides 24-hour capability to apply for, obtain, and pay for oversize/overweight permits issued by the AOT/DMV
- Provide the ability for the industry to obtain required municipal OS/OW permits from participating municipalities through the same system
- By lowering the barrier (for some) to apply for permits, and making the process more convenient and efficient, there is a potential for greater compliance with State laws and a greater ability to validate the permit conditions at roadside through CVIEW

- Reduce the chance of human error by automating application approval where possible. Validate applications using business rules to reduce human intervention and reduce the wait time for permit issuance.
- Provide an online solution for permit applications and reduce the need for customers to physically visit the DMV in Montpelier for assistance
- Provide user options for language selection through multi-lingual online solution
- Provide automatic routing as the current, paper-based process requires manual routing of permit applications for review by multiple AOT programs and does not provide a feedback mechanism to permit holders on emerging issues related to a permitted route (i.e., emergency events and other roadway restrictions)

4.3 Project Scope

This project entails implementing an ePermitting system with a desired COTS solution. With this solution, the DMV can track a permit and establish configurable workflows, including initiating a permit, scheduling, tracking permit compliance, linking permits to other CVOs, searching by contacts or permit number/type, and running reports.

The ePermitting solution will be utilized by internal DMV staff as well as by external partners such as the AOT and CVOs (non-State employees).

The proposed solution includes the installation configuration/customization, testing, and training and go-live activities over an approximate 13-month period. The scope involves “internal” stakeholders from within the AOT/DMV and ADS, as well as “external” stakeholders who will be utilizing the public portal. The interviewees indicated that a representative set of external stakeholders will be engaged in a “beta testing” process enabling them to test the use of the portal and flow of data from the portal to the ePermitting system.

4.4 Major Deliverables

The draft contract with ProMiles, as provided to BerryDunn on July 22, 2024, contained a milestone-based payment structure. ProMiles proposed to charge the State a flat fee for monthly project management services among other deliverables. The State was clear that this approach was unacceptable, and is developing a deliverables-based payment structure, which is not yet complete at the time of this assessment. The milestones and deliverables proposed by ProMiles are noted in Table 4.1 on the following page.

As mentioned, deliverables are being restructured to be deliverables-based.

Table 4.1: Project Deliverables, Invoice Date, and Amount

Phase/Milestone	Deliverables	Invoice On/After	Amount
Implementation			
Implementation Milestone 1	Project Kickoff Meeting Requirements Traceability Matrix Baseline Implementation Master Schedule	Project Kickoff Meeting Held Requirements Traceability Matrix Complete Baseline Implementation Master Schedule Complete	$119,470
Implementation Milestone 2	Requirements Validation Complete and Approved by the State	Requirements Validation Complete and Approved by the State	$268,808
Implementation Milestone 3	Configure System and Customization of Sprints Complete and Approved by the State	Configure System and Customization of Sprints Complete and Approved by the State	$403,212
Implementation Milestone 4	UAT and Training	UAT and Training Complete	$268,807
Implementation Milestone 5	Production Rollout	Production Rollout	$134,403
		Total Implementation	**$1,194,700.00**
Annual Support and Maintenance			
Year 1	Support and Maintenance Fees and Hosting Fees. Includes 100 hours a year of development support that can be used by the State for any purpose.	One Year After Go-Live	$128,800.00
Year 2	Support & Maintenance Fees & Hosting Fees. Includes 100 hours a year of development support that can be used by the State for any purpose.	Two Years After Go-Live	$132,600.00
Year 3	Support & Maintenance Fees & Hosting Fees.	Three Years After Go-Live	$136,600.00

Phase/Milestone	Deliverables	Invoice On/After	Amount
	Includes 100 hours a year of development support that can be used by the State for any purpose.		
Year 4	Support & Maintenance Fees & Hosting Fees. Includes 100 hours a year of development support that can be used by the State for any purpose.	Four Years after Go-Live	$140,700.00
Year 5	Support & Maintenance Fees & Hosting Fees. Includes 100 hours a year of development support that can be used by the State for any purpose.	Five Years after Go-Live	$144,900.00
Total Annual Support and Maintenance (Five Years)			**$683,600.00**
Maximum Billable Amount			**$1,878,300.00**

4.5 Project Phases, Milestones, and Schedule

Table 4.2 summarizes the proposed schedule by phase and estimated completion timing based on the information in the draft contract with ProMiles.

Table 4.2: Project Phases, Dates, and Descriptions

Phase	Estimated Dates	Phase Description
Project Initiation and Planning	Aug – Sep 2024	ProMiles facilitates a kickoff meeting, conducts planning, and prepares project management planning documentation.
Requirements Validation	Sep – Oct 2024	ProMiles will hold a series of business practices meetings to performs necessary requirements gathering to finalize functional and technical requirements and identify gaps between State requirements and solution capabilities. Creation of the Requirements Traceability Matrix (RTM).
Configure System and Sprint Customization	Nov 2024 – May 2025	ProMiles will use an Agile development process for the solution. They will work with the State to identify all requirements in the RTM requiring development. They will create the State instance from the COTS system. They will build the Sprint Board and use the Sprint process to

Phase	Estimated Dates	Phase Description
		configure and customize the solution. The contractor will install and configures the solution in a test environment.
Testing & User Acceptance	June – Oct. 2025	State subject matter experts perform solution testing in a test (not live) environment accordance with developed test plans. This will also include State Third Party Vendor Penetration Testing.
Training	June – July 2025	Contractor performs training of State personnel (train-the-trainer or train-the-user).
Legacy Data Migration	Nov 2024 – May 2025	Contractor shall perform all necessary legacy data migrations using State-approved migration plan and data mapping templates.
Go-Live Deployment	Dec. 17, 2025	ProMiles deploys configuration and converts data into production environment.
Post-Implementation Support/Warranty	Dec 31, 2025	ProMiles shall be responsible for fixing all defects found during the warranty period. ProMiles shall correct all defects found within the warranty period at no additional cost to the State.

5.0 Acquisition Cost Assessment

Table 5.1 includes a summary of acquisition costs reported to BerryDunn during this independent review. This table was informed by reviewing the preferred vendor's response to the RFP, the IT ABC form, and the draft contract provided by the State.

Table 5.1: Acquisition Cost Assessment

Acquisition and Implementation Costs	Cost	Comments
Software and Hardware	$691,800	This includes the one-time perpetual license fee along with the five years of support and maintenance fees.
Implementation Services	$502,900	This includes all professional services costs provided by the selected implementation vendor. Proposed costs include costs associated with project management, development, testing, and training (which are yet to be determined as of the writing of this report).
Subtotal – Software, Hardware, and Professional Services	**$1,194,700**	
ADS Labor Costs	$434,168	This includes all ADS services described in the IT ABC form plus $35,000 in other contracted services
Independent Review	$25,000	This includes the cost of BerryDunn's independent review.
Subtotal – Labor	**$459,168**	
Total Initial Acquisition and Implementation Costs	**$1,653,868**	

1. **Cost Validation:** Describe how you validated the acquisition costs.

   BerryDunn validated these costs through review of the preferred vendor's response to the RFP, the final draft contract and the IT ABC form provided by the State as part of this independent review.

2. **Cost Comparison:** How do the acquisition costs of the proposed solution compare to what others have paid for similar solutions? Will VT be paying more, less, or about the same?

   The State indicated that neighboring states have acquired and implemented the same ePermitting solution, with similar cost models. Additionally, after review of the provided proposal scoring worksheet, the ProMiles costs compared favorably in most cases and compared lower to the other respondents.

3. **Cost Assessment:** Are the acquisition costs valid and appropriate in your professional opinion? List any concerns or issues with the costs.

   Yes, the costs provided in the preferred vendor's response to the RFP are valid and appropriate. BerryDunn has no concerns or issues with the costs provided by the preferred vendor.

6.0 Technology Architecture and Standards Review

1. **State's Enterprise Architecture Guiding Principles:** Describe how the proposed solution aligns with each of the State's Enterprise Architecture Guiding Principles.

   a) **Assess how well the technology solution aligns with the business direction**

   This project aims to improve the ePermitting experience and gain efficiencies for internal and external end users. According to multiple interviews, DMV staff report the legacy system is not a tailored solution for ePermitting purposes. The ProMiles solution aligns with the DMV business direction to improve the ePermitting process, streamline the electronic issuing of permits with a system that is tailored for that purpose.

   b) **Assess how well the technology solution maximizes benefits for the State**

   The legacy system was not designed to meet the specific needs of the ePermitting process. This ProMiles solution is a private cloud-based technology aligns with the State's guiding principles. The ProMiles solution has a large install base of users throughout the United States, will be customized to fit the states specific ePermitting needs, and is considered best in class in this market.

   c) **Assess how well the information architecture of the technology solution adheres to the principle of Information is an Asset**

   The ProMiles solution provides significant capabilities for reporting with the capability to customize reports based on the State's specific needs. As ProMiles has a significant installed user base and experience in the ePermitting field, BerryDunn is comfortable that the ProMiles solution meets this principle.

   d) **Assess if the technology solution will optimize process**

   The ProMiles solution will be customized to meet the State's business processes and workflow needs and future state business process flows. The AOT and DMV team members interviewed indicated a strong desire to conform to industry best practices supported by the ProMiles solution, instead of customizing the solution to match the current business processes and workflows. With this capability to tailor ProMiles to the State's specific needs, BerryDunn is comfortable that the ProMiles solution meets this principle.

   e) **Assess how well the technology solution supports resilience-driven security**

   The ADS team, which was interviewed as part of this independent review, reported no concerns with ProMiles security model.

2. **Sustainability: Comment on the sustainability of the solution's technical architecture (i.e., is it sustainable?)**

   ProMiles has been deployed for over 13 years across the United States, and 50% of the permits issued in the U.S. were issued using ProMiles. The architectural elements are

hosted in ProMiles private cloud and with redundancy and is considered a mature platform. With its large install base and years of deployment, it is sustainable.

3. **How does the solution comply with the ADS Strategic Goals enumerated in the Agency of Digital Services Strategic Plan 2023 – 2027?**

   The ProMiles solution complies with and supports the four strategic goals as defined in the 2023 – 2027 ADS Strategic Plan as follows:

   Goal #1: IT Modernization:

   - Strengthens Vermont's digital foundation by replacing the legacy DMV ePermitting system with an application on the ProMiles hosted platform
   - Preferred application is a hosted solution

   Goal #2: Vermonter Experience

   - Replacing legacy sign-on methods with single sign-on (SSO) utilizing Okta for customer base and the State of Vermont's AzureAD for staff and admin access
   - Providing native web-based and mobile platform access to all users of the proposed solution
   - Native public-facing portal included in the solution

   Goal #3: Cyber Security & Data Privacy

   - ADS Team members reported that Security Information & Event Management (SIEM) is native with the ProMiles platform
   - The ProMiles hosted platform, brings increased layers of cyber defense over the legacy system
   - Consistent use of the proposed solution will help ensure advanced data-driven decision-making opportunities for the DMV

   Goal #4: Financial Transparency

   - This goal will be addressed by better reporting and easier reconciliation as all the payments will be going through the Tyler Technology payment engine which is already used by many applications in the State including the DMV core system (VTTRIPS).

4. **Compliance with the Section 508 Amendment to the Rehabilitation Act of 1973, as amended in 1998:** Comment on the solution's compliance with accessibility standards as outlined in this amendment. Reference: http://www.section508.gov/content/learn.

   It is unclear how the implementation of the proposed solution will specifically address Section 508 compliance. The RFP and associated proposal for the preferred solution do not specifically request nor address accessibility standards.

5. **Disaster Recovery:** What is your assessment of the proposed solution's disaster recovery plan? Do you think it is adequate? How might it be improved? Are there specific actions that you would recommend to improve the plan?

   ProMiles replicates data in real time to a disaster recovery datacenter and conducts weekly full backups and nightly incremental backups.

   - All data stored on behalf of ProMiles Software Development Corporation (PSDC) clients are mirrored on two database servers in the production environment. The data is further replicated in real time to a server in the disaster recovery datacenter
   - Full Backup: Complete copy of all data performed in the production datacenter.
   - Incremental Backup: Backup of any data that has changed since the last Full Backup performed in the production datacenter.
   - PSDC stores full backups of the data in cold storage in Azure

   This approach is a verbose approach to Disaster Recovery and BerryDunn considers this more than adequate.

6. **Data Retention:** Describe the relevant data retention needs and how they will be satisfied for or by the proposed solution.

   The ProMiles solution supports configurable data retention schedules within the application.

7. **Service-Level Agreement (SLA):** What are the post-implementation services and service levels required by the State? Is the vendor-proposed SLA adequate to meet these needs in your judgment?

   The RFP did not request specific SLAs; however, BerryDunn recommends the State reviews the appropriately proposed post-implementation SLAs with the vendor to help ensure its needs can be met before contract execution.

   Two SLA tables were provided in the ProMiles proposal, as follows:

Table 1 - Severity Descriptions	
Urgent	Critical production issue affecting all users, including system unavailability, with no workaround available.
High	Issue is persistent, affects many users and/or impacts core functionality or results in a high level of business impact with no reasonable workaround available.
Normal	Errors in functionality within the application, often accompanied by workarounds or affecting some but not all users.
Low	General inquiries on the use of the application; or cosmetic errors or incidents which otherwise do not require immediate attention; or rare errors that appear during unusual conditions or are otherwise unlikely in normal use; or errors which have a sustainable workaround.

Severity	First Response	ETA
Urgent	2 Hours	Within 5 business hours
High	4 Business Hours	As promptly as commercially feasible.
Normal	4 Business Hours	As promptly as commercially feasible.
Low	16 Business Hours	As promptly as commercially feasible.

8. **System Integration:** Is the data export reporting capability of the proposed solution consumable by the State? What data is exchanged, and what systems (State and non-State) will the solution integrate/interface with?

   The proposed solution supports exporting of data into a Microsoft Excel format. Additionally, both the state team members and vendor indicated the vendor would accommodate the development of system integrations with selected State partners for an additional customization cost.

7.0 Implementation Plan Assessment

1. **The reality of the implementation timetable.**

   ProMiles has proposed a 13-month implementation timeline. ProMiles' implementation approach comprises eight distinct phases, as follows:

   1. **Project Initiation and Planning Phase**: Kickoff meeting and planning and preparation of project management planning documentation
   2. **Requirements Validation Phase:** Contractor will hold a series of business practices meetings to perform necessary requirements gathering to finalize functional and technical requirements and identify gaps between State requirements and solution capabilities; creation of the RTM
   3. **Configure System and Sprint Customization Phase**: The contractor will use an Agile development process for the solution. They will work with the State to identify all requirements in the RTM that require development. They will create the State instance from the COTS system. They will build the Sprint Board and use the sprint process to configure and customize the solution. The contractor will install and configures the solution in a test environment.
   4. **Testing and User Acceptance Phase:** State subject matter experts perform solution testing in a test (not live) environment in accordance with developed test plans. This will also include State Third Party Vendor Penetration Testing.
   5. **Training Phase:** Contractor performs training of State personnel (train-the-trainer or train-the-user).
   6. **Legacy Data Migration Phase:** Contractor shall perform all necessary legacy data migrations using State-approved migration plan and data mapping templates.
   7. **Go-Live Phase:** Contractor implements the tested and State-approved solution in the production environment for additional State testing and go-live.
   8. **Post-Implementation Support/Warranty Phase:** Contractor shall be responsible for fixing all defects found during the warranty period. All defects found within the warranty period, shall be corrected by the contractor at no additional cost to the State. The contractor will include 100 hours a year of development support that can be used by the State for any purpose.

   In interviews with project leadership, the State reported no concerns with the pace of the project timeline.

   BerryDunn did not identified a risk relative to the project schedule.

2. **Readiness of impacted divisions/departments to participate in this solution/project (consider current culture, staff buy-in, organizational changes needed, and leadership readiness).**

During interviews with project leadership, BerryDunn learned that DMV staff and external stakeholders are excited to embrace a new system, largely due to the mounting frustrations with the legacy system. Organizational change management (OCM) will be an important component of the implementation to educate users on the forthcoming changes as well as thorough training to increase buy-in and reduce resistance to change for both internal and external users.

The ADS project manager was clear that ProMiles will provide formal training for permitting staff, other State users, municipalities, and industry representatives who accept training. ADS will work with AOT/DMV and ProMiles to schedule this training. DMV will handle communication with the industry. They will also handle all communication and training after go-live. Once the solution is live, the online resources will provide guidance to the end user, but DMV permitting staff will be available to assist.

DMV leadership reported that having ADS' assistance has been an immense help. The ADS has dedicated a full-time project manager, and the DMV has dedicated an IT lead. The project team comprises various AOT, and DMV staff, and the project manager reported responsiveness and high levels of engagement among the project team thus far.

For these reasons, BerryDunn believes the project objectives are well understood and supported among the users and that the DMV is prepared to undergo the implementation.

3. **Do the milestones and deliverables proposed by the vendor provide enough detail to hold the vendor accountable for meeting the business needs in these areas?**

   As described in Section 4.4, the State has asked ProMiles to restructure its approach from a milestone-based payment structure to a deliverables-based payment structure. In the draft contract as written, the State would be charged a flat fee for project management services with no associated deliverables. BerryDunn did not have access to the updated deliverables-based payment structure at the time of this assessment.

4. **Does the State have a resource lined up to be the project manager on the project? If so, does this person possess the skills and experience to be successful in this role in your judgment? Please explain.**

   The ADS Enterprise Project Management Office (EPMO) has assigned a project manager who has assumed responsibilities from one predecessor. Based on BerryDunn's interactions with the project manager during this independent review, the firm is confident the individual has the skills and experience necessary for the role. BerryDunn did not find any risk associated with the project manager's lack of DMV experience and qualifications because we were assured that the project manager is going to the office and spending time with the two DMV permitting staff to get a better understanding of the business functional processes.

8.0 Cost Analysis and Model for Benefit Analysis

1. **Analysis Description:** Provide a narrative summary of the cost-benefit analysis conducted. Be sure to indicate how the costs were independently validated.

   To analyze the costs and benefits associated with replacing the DMV's legacy ePermitting system with the proposed solution, the BerryDunn team conducted several interviews and reviewed a variety of State-provided materials. Interviews included technical and project management DMV representatives, DMV leadership, and representatives from the preferred vendor (ProMiles). Additionally, BerryDunn reviewed the following materials provided by the State:

   - Original RFP requesting the Electronic Permitting System
   - Preferred vendor's cost proposal
   - Preferred vendor's draft contract
   - The State's updated IT ABC form

   Section 3 of this report contains the full list of interviewees and documents reviewed.

   After review of interview notes and provided materials, BerryDunn developed a spreadsheet following the State's preferred cost-benefit analysis model (Attachment 2), which documented professional services, licensing, and internal resource costs during the first two years of the contract, as well as licensing and internal resource costs for an additional three years (for a total cost of ownership spanning five years from project notice to proceed).

   During the analysis, BerryDunn compared the costs depicted in the vendor's cost proposals to those provided in the IT ABC form, producing a table that lists the discrepancies between the vendor's proposed costs and those originally anticipated by the State (Item #7 below).

   Quantifiable (tangible) costs were analyzed based on costs required to maintain the legacy system versus those required to implement and maintain the proposed system. Quantifiable (tangible) benefits primarily included the elimination of costs required to maintain the legacy system.

   Additionally, non-quantifiable (intangible) costs and anticipated benefits were analyzed to determine if, even though the new system will cost more over five years, the intangible benefits may outweigh those costs (Items #4, #5, and #6 below).

2. **Assumptions:** List any assumptions made in your analysis.

   BerryDunn made the following assumptions when conducting this cost-benefit analysis:

   - The AOT will provide known OS/OW restrictions such as bridge clearances. ProMiles will not do any filed work to collect restrictions.
   - The system will not need to be run in a FedRamp environment.

3. **Funding:** Provide the funding source(s). If multiple sources, indicate the percentage of each source for both acquisition costs and ongoing operational costs over the duration of the system/service life cycle.

   The IT ABC form indicates that most of the costs will be funded by the federal funds, but the AOT/DMV will use a small amount of State funding for implementation and ongoing maintenance and support and professional services costs.

4. **Tangible Costs and Benefits:** Provide a list and description of the tangible costs and benefits of this project. It is "tangible" if it has a direct impact on implementation or operating costs (an increase = a tangible cost, and a decrease = a tangible benefit). The cost of software licenses is an example of a tangible cost. Projected annual operating cost savings is an example of a tangible benefit.

   Tangible Benefits: By replacing its legacy process with the new ePermitting system, the DMV will benefit by seeing a net decrease to State costs resulting from: a reduction in operating costs, State labor costs, and/or infrastructure costs.

   Tangible Costs: The following costs will be incurred by the DMV by implementing the proposed solution:

   - **Implementation Costs (FY25 and FY26)**
     - Implementation Professional Services: $502,900
     - ADS Services Costs: $399,168
     - Other Contracted Services Costs: $35,000
     - Software License Costs: $691,800
     - BerryDunn Independent Review: $25,000
   - **Ongoing Operational Costs (over 5 years after implementation)**
     - State IT Labor Cost: $42,000
     - Software License Costs: $502,500
     - Hosting Costs $181,100

   The sum of these costs is significantly more than the current costs associated with the legacy system.

5. **Intangible Costs and Benefits:** Provide a list and descriptions of the intangible costs and benefits. It is "intangible" if it has a positive or negative impact but is not cost related. Examples: Customer service is expected to improve (intangible benefit), or employee morale is expected to decline (intangible cost).

   The State anticipates experiencing the following **intangible benefits** as described in the RFP and IT ABC form and reported during the interview process:

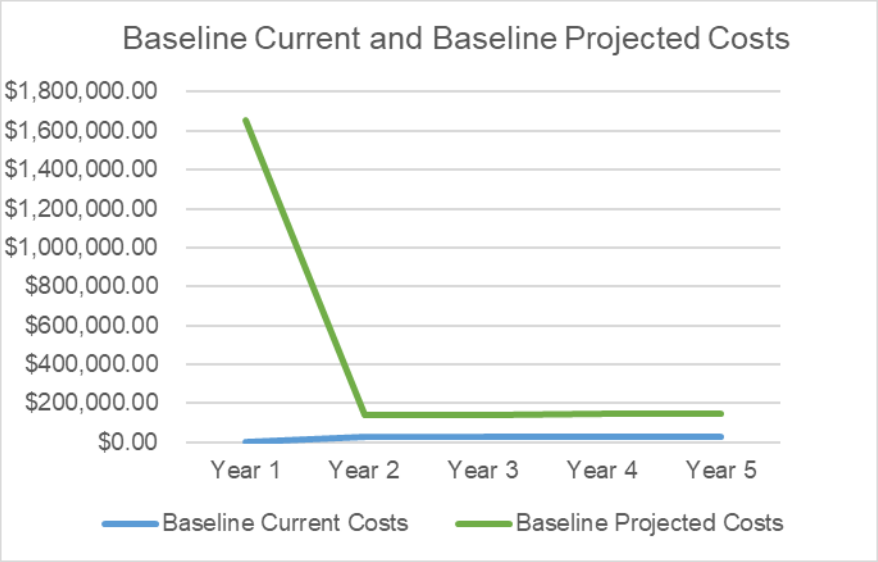
- **Customer Service Improvement:** Implementing a modern, centralized online permitting system which provides 24-hour capability to apply for, obtain, and pay for oversize/overweight permits issued by the AOT/DMV. It will provide the ability for industry to obtain required municipal OS/OW permits, from participating municipalities, through the same system.
- **Risk Reduction:** The new system will reduce the chance for human error by automating application approval where possible and validate applications using business rules to reduce human intervention and reduce the wait time for permit issuance. Providing automatic routing will reduce the amount reviews by the AOT programs and will provide a feedback mechanism to permit holder on emerging issues related to permitting route (i.e., emergency events and other roadway restrictions).
- **Compliance:** A new system will likely lower the barrier (for some) to apply for permits, and, by making the process more convenient and efficient, there is a potential for greater compliance with state laws. There would also be a greater ability to validate the permit conditions at roadside through CVIEW.
- **Equity:** A new ePermitting system will provide an online solution for permit applications and reduce the need for customers to physically visit the DMV in Montpelier for assistance.

Intangible Costs: The DMV reports no intangible costs are anticipated other than a brief period of reduced productivity shortly after the new system is made fully operational.

6. **Costs vs. Benefits:** Do the benefits of this project (consider both tangible and intangible) outweigh the costs in your opinion? Please elaborate on your response.

   As depicted in Figure 8.1 below, the new ongoing tangible operational costs will exceed the current tangible operational costs.

Figure 8.1: Cost/Benefit Analysis



Given a nearly $2 million increase in operational costs at the end of five years and increasing at an estimated annual rate of approximately $110,000, it is not easy to justify the cost of the proposed solution versus the legacy system; Because the legacy system is a manual process a change must be made. The DMV must determine whether the intangible benefits described previously outweigh the annual $110,000 increase in operational costs.

7. **IT ABC Form Review:** Review the IT ABC form (Business Case/Cost Analysis) created by the State for this project. Is the information consistent with your Independent Review and analysis? If not, please describe. Is the life cycle that was used appropriate for the technology being proposed? If not, please explain.

   The financial data in the IT ABC form was largely derived through responses received during a request for information phase conducted before submission of the form. The following inconsistencies were identified between the estimates provided in the IT ABC form and the proposed costs in the preferred vendor's RFP response and draft contract:

Cost Description	IT ABC Form	Draft Contract	Difference	Comments
Vendor Implementation, Installation, and Configuration	$502,900	$1,194,700	$691,800	
Software/Licenses (for Implementation)	$691,800	Included	$0	
Subtotal for Initial Implementation	**$1,194,700**	**$1,194,700**	**$0.00**	
Software/Licenses/Hosting (Ongoing for	$683,600	$683,600	$0	These numbers reflect ongoing maintenance

Cost Description	IT ABC Form	Draft Contract	Difference	Comments
Five Years After Implementation)				and support plus hosting for five years after implementation
Subtotal: Five Years Post-Implementation	**$683,600**	**$683,600**	**$0.00**	
Estimated Five-Year Totals	**$1,878,300**	**$1,878,300**	**$0.00**	

These costs are for a five-year TCO: one year of implementation and five years. These costs seem reasonable and are consistent with findings.

9.0 Analysis of Alternatives

1. **Provide a brief analysis of alternative solutions that were deemed financially unfeasible.**

   None of the alternative solutions considered were deemed financially unfeasible the option of doing nothing carried too much functional risk, though came with a lower cost.

   Of the vendor proposals received (see Table 9.1 below), most solutions proposed a similar or higher cost than the ProMiles solution. Given that the scores in most of the other evaluation areas (Bidder Profile, Functional/Non-functional Requirements, Implementation Approach, and Maintenance and Support services) were higher for ProMiles than the other solutions, it is reasonable to suggest that the ProMiles solution is the best fit, both from a cost perspective and the other evaluation factors. There were no proposed solutions that were deemed to be “financially unfeasible” by the evaluation team.

2. **Provide a brief analysis of alternative technical solutions that were deemed unsustainable.**

   The DMV received ten vendor proposals in total. Total scores ranges from a low of 211.88 to a high of 398.75 (ProMiles). Evaluation scores before and after applying the cost score are provided in Table 9.1. Scores highlighted in green were the highest score; those in red are the lowest.

Table 9.1: Vendor Proposals Received

Vendor	Score Prior to Cost	Score After Applying Cost
Vendor A	165.00	211.88
Vendor B	275.16	362.66
Vendor C	208.13	288.59
Vendor D	236.25	287.81
ProMiles Software Development Corporation (PSDC)	311.25	398.75
Vendor F	173.44	214.06
Vendor G	164.06	223.44
Vendor H	179.53	224.84
Vendor I	192.19	256.25
Vendor J	172.50	224.06

3. **Provide a brief analysis of alternative technical solutions where the costs for operations and maintenance were unfeasible.**

None of the alternatives considered has unsustainable or unfeasible costs. As indicated in the response to item #1 above, the option of doing nothing carried too much functional risk, though came with a lower cost.

10.0 Impact Analysis on Net Operating Costs

1. **Insert a table to illustrate the Net Operating Cost Impact.**

   Table 10.1 illustrates the impact on net operating costs over five years.

Table 10.1: Life Cycle Cost Per Year

Impact on Operating Costs	FY25	FY26	FY27	FY28	FY29	FY30	Total
Professional Services							
(Non-Software Costs)							
Current Costs	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	**$0.00**
Projected Costs	$527,900.00						**$527,900.00**
Hosting, Software, Licensing							
Current Costs	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	**$0.00**
Projected Costs	$691,800.00	$128,800.00	$132,600.00	$136,600.00	$140,700.00	$144,900.00	**$1,375,400.00**
Other Costs (VT DMV Labor and Staff Aug)							
Current Costs	$0.00	$28,160.00	$28,160.00	$28,160.00	$28,160.00	$28,160.00	**$140,800.00**
Projected Costs	$434,168.00	$8,400.00	$8,400.00	$8,400.00	$8,400.00	$8,400.00	**$476,168.00**
Baseline Current Cost	**$0.00**	**$28,160.00**	**$28,160.00**	**$28,160.00**	**$28,160.00**	**$28,160.00**	**$140,800.00**
Baseline Projected Costs	**$1,653,868.00**	**$137,200.00**	**$141,000.00**	**$145,000.00**	**$149,100.00**	**$153,300.00**	**$2,379,468.00**
Cumulative Current Costs	$0.00	$28,160.00	$56,320.00	$84,480.00	$112,640.00	$140,800.00	**$140,800.00**
Cumulative Projected Costs	$1,653,868.00	$1,791,068.00	$1,932,068.00	$2,077,068.00	$2,226,168.00	$2,379,468.00	**$2,379,468.00**
Net Impact on Professional Services	($527,900.00)	$0.00	$0.00	$0.00	$0.00	$0.00	($527,900.00)
Net Impact on Software Acquisition, Maintenance, Support, Licenses Costs, and Other	($1,125,968.00)	($109,040.00)	($112,840.00)	($116,840.00)	($120,940.00)	($125,140.00)	**($1,710,768.00)**
Net Impact on Operating Costs:	($1,653,868.00)	($109,040.00)	($112,840.00)	($116,840.00)	($120,940.00)	($125,140.00)	**($2,238,668.00)**

2. **Provide a narrative summary of the analysis conducted and include a list of any assumptions.**

   Please see the assumptions listed in Section 8 of this report.

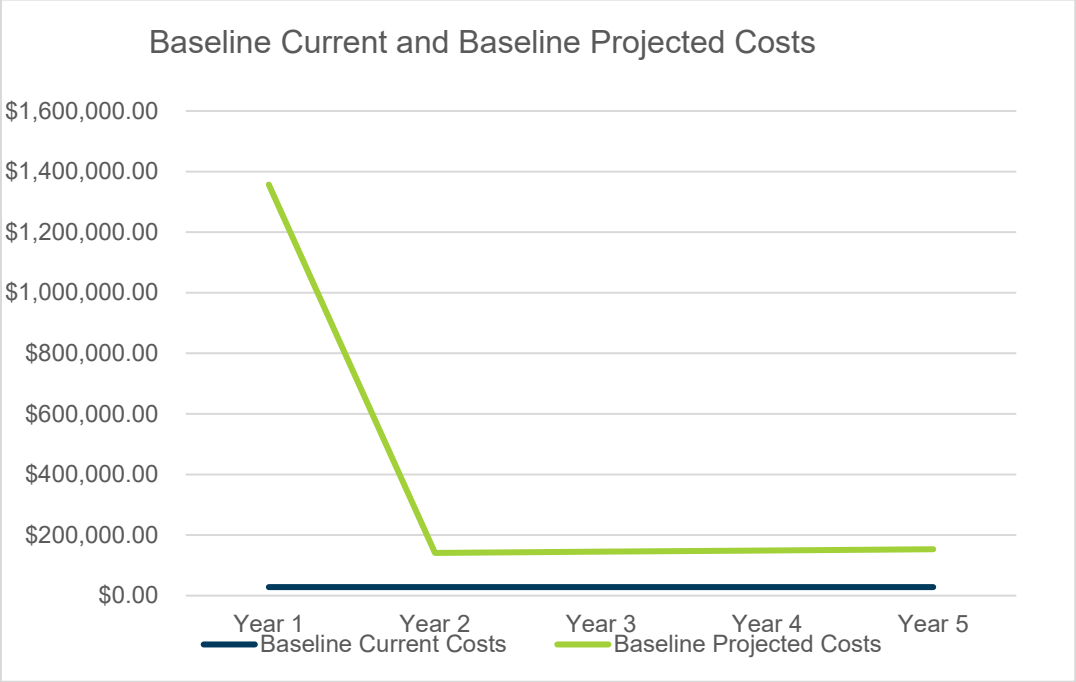
3. **Explain any net operating increases that will be covered by federal funding. Will this funding cover the entire life cycle? If not, please provide the breakouts by year.**

   The DMV reports that most of the cost will be covered by federal funding over the entire five-year life cycle; however, it will use a small amount of State operational funding for ongoing licensing and professional services costs.

4. **What is the break-even point for this IT activity (considering implementation and ongoing operating costs)?**

   The costs associated with implementation and operations of the proposed system will be indefinitely more expensive at the beginning of the project and then taper off to a more comparable amount to that of the costs of the current system (Figure 10.1 below); however, the intangible benefits anticipated as a result of using the new system, if realized, could balance the cost implications.

Figure 10.1: Baseline Current and Baseline Projected Costs



11.0 Security Assessment

As part of this independent review, BerryDunn interviewed representatives from the Agency of Digital Services' (ADS') technical team, including security. Largely because the ProMiles solution has a large user base in multiple states and is hosted in ProMiles private cloud this team expressed confidence in the solution's ability to comply with the state's controls, risk management, breach and response, and vulnerability management requirements.

1. **Will the new system have its own information security controls, rely on the State's controls, or incorporate both?**

   Both.

2. **What method does the system use for data classification?**

ProMiles uses Sensitivity-Based classification.

- Public – Information that can be shared freely.
- Internal – Data used within the organization.
- Confidential – Data considered sensitive that could cause damage if released. Including, but not limited to, Personal Identifying Information (PII), business/trade secrets and strategies.
- Restricted/Highly Confidential – Data that can cause significant harm if released to unauthorized individuals or parties.
- Client data is treated as Restricted/Highly Confidential

3. **What is the vendor's breach notification and incident response process?**

ProMiles has created a well-thought-out Incident Response Policy that follows NIST 800-63 and is critical to successful recovery from an incident. This policy covers all incidents that may affect the security and integrity of the company's information assets, including assets that contain client data, and outlines steps to take:

1. Preparation includes identification and training of the response team and parties responsible for internal and external communication.
2. Identification of the reported event is conducted. If the event is identified as an incident an evaluation of the impact on data – both ProMiles and client – is evaluated.
3. Containment of the identified incident takes place to stop further malicious activity from occurring. Once proper containment steps are underway, impacted clients will be made aware of the situation. All relevant information about the incident will be provided to the client at this time.
4. Following these steps, eradication procedures to remove the cause of the incident are performed. These procedures can include, but may not be limited to, code

modification(s), technical and administrative control modification(s) and/or addition(s), security policy modification(s), or any other necessary action to prevent the incident from recurring.

5. Once the cause of the incident has been eradicated, permitting systems and data will be restored from backups, with the ProMiles IR Team ensuring that vulnerabilities identified in the previous phases are not reintroduced.

At the conclusion of the incident, a meeting is conducted with all involved parties to discuss processes and procedures and any other lessons learned during the incident. This meeting can result in modifications to the Incident Response and Disaster Recovery Plans, company security policies, changes in business processes and procedures, and changes in employed technology.

Note: Clients will be notified within contractual time periods of any breach or incident regardless of where that falls within the response steps.

4. **Does the vendor have a risk management program that specifically addresses information security risks?**

As a part of the ProMiles Risk Management program, yearly SOC2 Type 2 audits on their data centers are conducted to ensure the effectiveness of administrative and technical controls that are in place to protect client data and mitigate any identified risks is the risk register. The SOC2 Type 2 report generated by these audits demonstrates to their clients the effectiveness of the controls in meeting the trusted criteria to protect critical business data. If not automatically provided, SOC2 Type 2 reports can be supplied upon request.

5. **What encryption controls/technologies does the system use to protect data at rest and in transit?**

ProMiles employs technology to encrypt data at rest and in transit in their data centers. Encryption of data transmitted to and from their data centers is accomplished by employing strong cyphers that meet PCI requirements using TLS 1.3 or greater. Data is encrypted at rest using BitLocker using Advanced Encryption Standard (AES).

6. **What format does the vendor use for continuous vulnerability management, what process is used for remediation, and how do they report vulnerabilities to customers?**

ProMiles uses multiple automated vulnerability scanning platforms to conduct weekly and monthly vulnerability scans. ProMiles uses the Common Vulnerability Scoring System (CVSS) to determine the severity of discovered vulnerabilities. Based on the CVSS and associated risk prioritization of vulnerabilities is determined. Vulnerabilities that pose the highest risk to the company or client’s data are addressed first. Critical and high vulnerabilities are mitigated as soon as possible. Medium vulnerabilities will be remediated within 30 days. Results from the vulnerability scans are shared with the system owners.

7. **How does the vendor determine their compliance model and how is their compliance assessed?**

   ProMiles has adopted the Center for Internet Security (CIS) Top 18 Controls as their compliance model. Corporate IT and Security policies are created to meet these top 18 control requirements. Administrative and Technical controls are then implemented based on these 18 controls. ProMiles conducts yearly SOC2 Type 2 audits on their data centers to ensure the effectiveness of administrative and technical controls that are in place to protect client data. ProMiles reviews State security requirements for each of its clients to ensure that its compliance model meets all such requirements. ProMiles make changes as needed for any client.

12.0 Risk Assessment and Risk Register

The risks identified during this independent review are available in Attachment 2 – Risk Register.

Attachment 1 – Life Cycle Cost-Benefit Analysis

Description	Initial Implementation	Initial Implementation	Maintenance	Maintenance	Maintenance	Maintenance	Maintenance
Fiscal Year	FY25	FY26	Year 1	Year 2	Year 3	Year 4	Year 5
Software and Hardware							
ProMiles Software Subscriptions	$691,800.00						
Support and Maintenance Fees			$94,700.00	$97,500.00	$100,400.00	$103,400.00	$106,500.00
Software Total	**$691,800.00**		**$94,700.00**	**$97,500.00**	**$100,400.00**	**$103,400.00**	**$106,500.00**
Implementation Services							
Professional Services							
Project Management	$89,700.00		$0.00	$0.00	$0.00	$0.00	$0.00
Requirements			$0.00	$0.00	$0.00	$0.00	$0.00
Development (Build, Configure or Aggregate)/Testing	$345,100.00		$0.00	$0.00	$0.00	$0.00	$0.00
System Testing	$46,800.00		$0.00	$0.00	$0.00	$0.00	$0.00
Defect Removal			$0.00	$0.00	$0.00	$0.00	$0.00
Implement/Deploy or Integrate			$0.00	$0.00	$0.00	$0.00	$0.00
Quality Management			$0.00	$0.00	$0.00	$0.00	$0.00
Training	$21,300.00		$0.00	$0.00	$0.00	$0.00	$0.00
Hosting Fees			$34,100.00	$35,100.00	$36,200.00	$37,300.00	$38,400.00
Ongoing Professional Services			$0.00	$0.00	$0.00	$0.00	$0.00
Total Professional Services	**$502,900.00**		**$34,100.00**	**$35,100.00**	**$36,200.00**	**$37,300.00**	**$38,400.00**
VT DMV and External Labor / Services Costs							
ADS Services (covering FY 25; costs in each FY are estimate percentages)	$399,168.00						
State IT Labor (for ongoing operations); from IT ABC Form			$8,400.00	$8,400.00	$8,400.00	$8,400.00	$8,400.00
Other Contracted Professional Services for Implementation	$35,000.00						
Total State Labor Costs	**$434,168.00**	**$0.00**	**$8,400.00**	**$8,400.00**	**$8,400.00**	**$8,400.00**	**$8,400.00**
Total Implementation Services	**$937,068.00**	**$0.00**	**$42,500.00**	**$43,500.00**	**$44,600.00**	**$45,700.00**	**$46,800.00**
Totals							
Implementation and Software	$1,628,868.00	$0.00	$137,200.00	$141,000.00	$145,000.00	$149,100.00	$153,300.00
BerryDunn Independent Review	**$25,000.00**						
Total Implementation	$1,653,868.00	$0.00	$137,200.00	$141,000.00	$145,000.00	$149,100.00	$153,300.00
Total Lifecycle Operating Costs	$1,653,868.00	$0.00	**$137,200.00**	**$141,000.00**	**$145,000.00**	**$149,100.00**	**$153,300.00**
Total Lifecyle Costs to be paid with Federal funds	**$1,538,897.44**	**$0.00**	**$0.00**	**$0.00**	**$0.00**	**$0.00**	**$0.00**
Total Lifecycle Costs to be paid with State funds	**$114,970.56**	**$0.00**	**$137,200.00**	**$141,000.00**	**$145,000.00**	**$149,100.00**	**$153,300.00**

Attachment 2 – Risk Register

Data Element	Description
Risk #	Sequential number assigned to a risk to be used when referring to the risk
Risk Likelihood/Probability, Impact, Overall Rating	Two-value indicator of the potential impact of the risk if it were to occur, along with an indicator of the probability of the risk occurring Assigned values are “High,” “Medium,” or “Low”
Source of Risk	Source of the risk, which might be interviews with the State, project documentation review, or vendor interview
Risk Description	Brief narrative description of the identified risk
Implication	A likely consequence of the identified risk
State’s Planned Risk Strategy	Strategy the State plans to take to address the risk Assigned values are “Avoid,” “Mitigate,” “Transfer,” or “Accept”
State’s Planned Risk Response	Risk response the State plans to adopt based on discussions between State staff and BerryDunn reviewers
Timing of Risk Response	Planned timing for carrying out the risk response, which might be prior to contract execution or after contract execution
Reviewer’s Assessment of State’s Planned Response	Indication of whether BerryDunn reviewers think the planned response is adequate and appropriate, including recommendations if not

Risk Rating Criteria			
Scale	**Low**	**Medium**	**High**
Impact	Condition does not impact quality and is unlikely to impact achievement of project objectives. -OR- Condition might be mitigated through adjustment in effort to avoid impacts to project objectives.	Condition might be mitigated through reduction or deferral of baseline scope to avoid impact to quality and/or moving date of key milestone. -OR- Condition might be mitigated by focused corrective actions to help ensure achievement of project objectives.	Condition might require acceptance of agreed-upon modifications to avoid impact(s) to key project objectives. -OR- Conditions might introduce risk to project scope, quality of work products, system solution, and/or user experience.
Likelihood	1% – 39%	40% – 89%	90% – 100%

Risk No.	Risk Likelihood	Risk Impact	Overall Risk Rating
1	High	High	High
Source of Risk: BerryDunn's review of the vendor's proposal, the draft contract, and the interview with multiple stakeholder groups.			
Risk Description: Neither the vendor nor DMV or ADS stakeholders were clear about what legacy data (if any) was to be migrated electronically into the new system. Additionally, there was lack of clarity regarding the data migration process. It was also mentioned that the focus on data conversion may not take place until a few weeks prior to go-live. **Impact:** There may be a mismatch in expectations regarding migration of legacy data into the new system. This could result in an extended schedule or lack of access to legacy data. A late data conversion may not allow enough time to do a thorough review of whether the data converted correctly.			
State's Planned Risk Strategy: Mitigate			
State's Planned Risk Response: Legacy data migrations are a "nice to have" feature and not required for go-live. State does require a Data Migration Plan from the vendor and will work with them on best approach.			
Timing of Risk Response: Subsequent to contract execution.			
Reviewer's Assessment of State's Planned Response: BerryDunn believes The State's mitigation strategy is appropriate and we do not see any issues.			
Updates Discussed During Presentation of Findings: During the final discussion on 10/7/2024 with the ADS Secretary, the DMV Team was clear that the legacy data is not required in the new system, and actually may be detrimental in the new system if migrated.			

Risk No.	Risk Likelihood	Risk Impact	Overall Risk Rating
2	High	Medium	Medium
Source of Risk: Interviews with the project leadership and project managers.			
Risk Description: The DMV leadership and project management team indicated that there may be resource constraints on the DMV team to play any significant role on the project. DMV leadership did indicate that this project is a priority for the department and as such will do everything possible to make sure DMV resources will be available when needed; however, because there are only two staff members of the CVO team, they may have limited availability to manage current workload and spend significant time on this project. **Impact:** There is a possibility that their limited availability can result in impacting the project schedule or the quality of the configuration.			
State's Planned Risk Strategy: Mitigate			
State's Planned Risk Response: DMV has cross-trained staff to backfill for Permit Specialists so they can be available for project activities.			
Timing of Risk Response: Prior to contract execution.			
Reviewer's Assessment of State's Planned Response: BerryDunn believes The State's mitigation strategy is appropriate and we do not see any issues.			
Updates Discussed During Presentation of Findings: During the final discussion on 10/7/2024 with the ADS Secretary, the DMV Team reiterated that they will cross-train staff to support the CVO team members.			

Risk No.	Risk Likelihood	Risk Impact	Overall Risk Rating
3	High	Medium	Medium
Source of Risk: BerryDunn's review of the draft contract and the interview with the finance stakeholders.			
Risk Description: The contract lacks clarity regarding payment milestones, specifically related to the acceptance of project deliverables and their association with costs. **Impact:** The State and DMV may end up paying the Vendor a disproportionate amount based on the value received throughout the project.			
State's Planned Risk Strategy: Mitigate			
State's Planned Risk Response: In Attachment B, Payment Provisions, payment milestones have been updated for detail and clarity.			
Timing of Risk Response: Prior to contract execution.			
Reviewer's Assessment of State's Planned Response: BerryDunn believes The State's mitigation strategy is appropriate and we do not see any issues.			

Updates Discussed During Presentation of Findings: During the final discussion on 10/7/2024 with the ADS Secretary, the DMV and ADS Project Management Team indicated that holdbacks were not built into the deliverables-based pricing table. The Secretary recommended that the pricing table include hold backs if possible (editorial note: hold back percentages typically range from 10% to 20%, with 10-15% being typical). Contract negotiations may be too far along to accommodate this recommendation for this project, and the DMV and ADS project managers should consider other mechanisms for holding the vendor accountable.

Risk No.	Risk Likelihood	Risk Impact	Overall Risk Rating
4	High	Medium	Medium
Source of Risk: BerryDunn's interview with the vendor.			
Risk Description: During the interview with the vendor, they indicated one of their approximately 22 other implementations would be deployed as a starter configuration for the State. It is unclear whether the vendor manages all implementations as a single product with standard patching and release cycles or if each implementation is a unique stand-alone entity. **Impact:** If the vendor's implementations are managed as unique stand-alone entities (e.g., transfer solution), the State will benefit from having a highly customized solution that meets their unique ePermitting needs; however, they will not benefit from a true product-based software management strategy.			
State's Planned Risk Strategy: Accept			
State's Planned Risk Response: State accepts this risk.			
Timing of Risk Response: Prior to contract execution.			
Reviewer's Assessment of State's Planned Response: BerryDunn believes The State's mitigation strategy is appropriate and we do not see any issues.			
Updates Discussed During Presentation of Findings: During the final discussion on 10/7/2024 with the ADS Secretary, the DMV Team and ADS Secretary expressed that they are not concerned about the ProMiles solution being a transfer solution for the State of Vermont.			

Risk No.	Risk Likelihood	Risk Impact	Overall Risk Rating
5	Medium	Medium	Medium
Source of Risk: BerryDunn's review of the vendor's proposal, the draft contract, and the interview with multiple stakeholder groups.			
Risk Description: There is no clearly defined process for requesting and prioritizing changes to the vendor, regardless of whether those changes are configuration (post go-live) or customization requests. **Impact:** Some of the low priority changes may be implemented before higher priority ones; some customization requests may require additional funding while others may not.			
State's Planned Risk Strategy: Mitigate			

Risk No.	Risk Likelihood	Risk Impact	Overall Risk Rating
5	Medium	Medium	Medium
State's Planned Risk Response: State will produce and follow a "Post Implementation Support Plan" that will define how support and change requests are prioritized in the vendor's RedMine tool.			
Timing of Risk Response: Subsequent to contract execution.			
Reviewer's Assessment of State's Planned Response: BerryDunn believes The State's mitigation strategy is appropriate and we do not see any issues.			
Updates Discussed During Presentation of Findings: During the final discussion on 10/7/2024 with the ADS Secretary, we discussed the project team's use of RedMine to capture, prioritize and track change requests. The Secretary asked if these would also be tracked in the State's standard Azure Dev Ops (ADO) environment, and the project team indicated that they would through exports from RedMine and imports to ADO.			

Risk No.	Risk Likelihood	Risk Impact	Overall Risk Rating
6	High	Low	Low
Source of Risk: BerryDunn's interview with the ADS Architecture and Security stakeholders. As well as BerryDunn's review of the draft contract.			
Risk Description: The Item on Page 58 regarding contract security was not checked and the State-required clause Ukraine and Russia could not be found in the vendor's response. **Impact:** If not mitigated, the vendor may not be held accountable on the State's contract requirements.			
State's Planned Risk Strategy: Mitigate			
State's Planned Risk Response: The box has been updated with a checkmark, which matches the vendor's RFP response.			
Timing of Risk Response: Prior to contract execution.			
Reviewer's Assessment of State's Planned Response: BerryDunn believes The State's mitigation strategy is appropriate and we do not see any issues.			
Updates Discussed During Presentation of Findings: During the final discussion on 10/7/2024 with the ADS Secretary, this topic was discussed and it was confirmed that the checkbox has been checked.			

Risk No.	Risk Likelihood	Risk Impact	Overall Risk Rating
7	High	Low	Low
Source of Risk: BerryDunn's review of the draft contract and the interview with the finance and project management stakeholders.			

Risk No.	Risk Likelihood	Risk Impact	Overall Risk Rating
7	High	Low	Low
Risk Description: The payment milestone table in the contract (Page 60 of the draft contract) includes the cost of the perpetual license fees but does not describe how those fees are allocated across each payment milestone. **Impact:** The State and DMV will not be able to respond to any project audit that may request how the perpetual license was paid.			
State's Planned Risk Strategy: Mitigate			
State's Planned Risk Response: Updated the cost table on page 60 of contract to reflect the perpetual license fees, now split between first and last implementation payment milestone.			
Timing of Risk Response: Prior to contract execution.			
Reviewer's Assessment of State's Planned Response: BerryDunn believes The State's mitigation strategy is appropriate and we do not see any issues.			
Updates Discussed During Presentation of Findings: During the final discussion on 10/7/2024 with the ADS Secretary, the ADS project manager confirmed that the cost table has been updated in the contract to align with a deliverables-based payment structure.			

Risk No.	Risk Likelihood	Risk Impact	Overall Risk Rating
8	Medium	Low	Low
Source of Risk: BerryDunn's review of the draft contract and the interview with the project managers.			
Risk Description: The process in resources used to provide Tier 1 application help desk support is not well defined in the contract and not well understood by the DMV project team. **Impact:** The biggest impact could be initial confusion where users would go to receive answers to their questions.			
State's Planned Risk Strategy: Mitigate			
State's Planned Risk Response: State will produce and follow a "Post Implementation Support Plan" that will define tier 1 and tier 2 support criteria and procedures for escalating to ProMiles via RedMine.			
Timing of Risk Response: Subsequent to contract execution.			
Reviewer's Assessment of State's Planned Response: BerryDunn believes The State's mitigation strategy is appropriate and we do not see any issues.			
Updates Discussed During Presentation of Findings: During the final discussion on 10/7/2024 with the ADS Secretary, this topic was discussed. The Secretary asked the ADS project managers to confirm whether ProMiles or the State will be responsible for Tier 1 help desk support; the ADS project managers will get back to her offline.			

Risk No.	Risk Likelihood	Risk Impact	Overall Risk Rating
9	Medium	Low	Low
Source of Risk: BerryDunn's review of the draft contract and the interview with the finance stakeholders.			
Risk Description: The contract lacks clarity regarding how the 100 annual hours of customization may be used, including the rollover of unused hours in the fiscal year and the ability to borrow from subsequent years if needed. **Impact:** The State and DMV may end up losing unused hours in a fiscal year and/or overpaying customization costs.			
State's Planned Risk Strategy: Mitigate			
State's Planned Risk Response: State will have vendor clarify whether unused hours roll over to subsequent year and the ability to borrow from subsequent years if needed. Additionally, State will ask for a table of costs in cases where state needs to pay for additional service or development hours.			
Timing of Risk Response: Prior to contract execution.			
Reviewer's Assessment of State's Planned Response: BerryDunn believes The State's mitigation strategy is appropriate and we do not see any issues.			
Updates Discussed During Presentation of Findings: During the final discussion on 10/7/2024 with the ADS Secretary, this topic was discussed and it was confirmed that the State could borrow against future year's hours, and could roll unused hours over to the next year.			