

Lattice Replacement Implementation Project

Discussion Paper

Subject : Defect Resolution Process

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Background :

The conduct of UAT of the LATTICE Interim Replacement Solution by Queensland Health staff has lodged within Quality Centre (system used to manage errors) a number claimed of defects. In IBM's response to the reports lodged within Quality Centre, it asserts that these defects arise from Customer variations to the agreed scope rather than actual defects.

While it has been agreed that all outstanding Change Requests and Requests for Estimation are included in the Go Forward agreement of 23rd March 2009, there is a requirement that future defects are managed in an agreed manner.

This paper considers the relevant scope documentation and offers an assessment process as to whether the disputed items are indeed defects requiring rectification or customer variations/additions to the contracted scope, and recommends some principles for defect resolution and an escalation process where agreements cannot be met within time frames.

Key Issues :

The Contractor is obliged to deliver the functional scope as set out in the Customer Contract. As Prime Contractor, IBM also has broader obligations including the operation of an appropriate quality regime that ensure scope is appropriately defined in a manner that allows its staff to effectively translate this into the required working solution. Note that this obligation is complementary to the Customer's responsibility to ensure that appropriately experienced and qualified staff are available to work with the Contractor to aid it in documenting the requirements.

The principal relevant contract documents are:

- Statement of Work 5 – *Priority Core HR & Finance Development*, and;
- Statement of Work 8 – *LATTICE Replacement Design Implement and Deploy*
- *SSS documents to support the DoH woG instance, as modified by Change request or by legislation.*

SoW 5 includes in Appendix A – *Priority HR Scope*, at (B) *HR Awards Functionality Scope*, item 4. *Awards for Queensland Health*. IBM proposed it

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would design and build these awards under SoW 5 and subsequently implement & deploy these for Queensland Health's use under SoW 8.

The current user testing has classified defects that fall into the following categories:

- The requirement has not been specified and has not built
- The requirement has been built, has not been specified but defective
- The requirement has been specified but is defective

The determination of the defects has been limited as the Detailed functional Design documents have not been provided.

To assist in the resolution of the identified defects, it is proposed that the following principles and escalation process be adopted.

Principle 1

That the baseline documents for in-scope award requirements are those contained in SOW 5 for Queensland Health.

That the baseline for Workbrain requirements is documented in the Business Blueprint V0.9 document

That all User Acceptance Test (UAT) test cases have traceability back to the documents outlined in Principle 1.

Principle 2

That the baseline for design for Payroll Bureau processes are those based on the Department of Housing woG instance in the first case, and then as modified by agreed Change Requests to PDRs, Procedures and Work Instructions.

That all User Acceptance Test (UAT) test cases have traceability back to the documents outlined in Principle 2.

Principle 3

That the escalation process to resolve defects identified during the UAT process be implemented as follows:

1. Defects are identified and resolved in the Project team on the same day that the defect is identified.
2. Defects that cannot be resolved within the Project Team within the day are escalated to the Project Management Directorate for resolution within 24 hours of the defect being identified

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3. Defects that cannot be resolved by the Project Management Directorate be escalated to the Board for final arbitration. The decision of the Board will be binding on the parties.

It should be noted neither party can invoke the content or omission in any work product, intermediate document or deliverable as justification for a reduction, increase or other variation in scope. Such reductions, increases or other variations in scope can arise only from the execution by the parties of a formal Contract Variation.

Example of Defects

Award Item:	Mental Health Allowance DHSEA Admin and Operational.
Defect Reference:	2672, 2024
Award Description:	A Mental Health Allowance at a particular rate is payable to eligible employees under two specific Awards for staff working in particular environments.
Test Result:	The employee cannot select the premium code "MENT" to claim the entitled allowance because the code "MENT" has been configured so that it is visible only to the System Administrator
IBM Response:	This issue is a gap (i.e. requirement omitted by the Customer) and is thus not a defect. IBM's rationale is that a certain field in the Configuration Tracking Document was left blank by the customer, such a blank entry defaulting to System Administration access only.
Assessment:	<p>The solution does not appear to support any business process that enables this Award allowance to be claimed by, and paid to, an entitled employee as set out explicitly within the scope of SoW 5 and particularly <i>Awards for Queensland Health</i>.</p> <p>The omission of an entry in the Configuration Tracking Document cannot be invoked by either party as valid justification for a reduction or increase in solution scope. A reduction or increase in scope can only arise from the execution of a formal Contract Variation. No such variation exists.</p> <p>IBM should demonstrate the process by which its proposed solution is used to enable this Award allowance to be claimed by, and paid to, an entitled employee.</p>

Award Item: Payment of Fatigue penalties.

Defect Reference: 1366

Award Description: Payment of Fatigue penalties to eligible employees occurs under two related award conditions (*Fatigue – Award* and *Fatigue – Following Days Off*) resulting in the employee being entitled to double time payments for a particular shift.

Test Result: Certain circumstances may satisfy both award conditions simultaneously. Under these conditions the solution as configured activates *both* related pay rule and consequently pays the employee at triple rate.

IBM Response: The Customer did not state that the pay rules were mutually exclusive, this being a requirement that was omitted by the Customer and is thus not a defect.

Assessment: The solution is required to pay the relevant Fatigue penalties at the specified rate which, in both *Award Fatigue* and *Following Days Off*, are explicitly set out within the scope of SoW 5 as “double rates” and defined further as “*Double rates’ is defined as the normal applicable payment for the day plus one time.*”

There are no circumstances set out in the relevant awards which entitle an employee is to payment at triple time.

IBM should demonstrate the process by which the solution will pay an entitled employee at the rate set out in the relevant award under all the relevant and likely conditions.

Award Item: Nurses Professional Development Leave (PDL).

Defect Reference: 2137, 2475, 2411

Award Description: All eligible full-time Permanent employees are entitled to pro-rata accrual of PDL up to 3 days (24 hours) per year. Part-time Permanent employees when working **16 hours or more** per fortnight are also entitled to pro-rata accrual of PDL.

Temporary and Casual employees and Part-time Permanent employees when working **less than 16 hours** per fortnight cannot accrue any PDL entitlement.

Test Result: There are two test results of concern;

1. The solution does not appear to offer the ability to differentiate between Permanent and Temporary employees and thus accrues PDL for both.
2. The solution appears to accrue PDL for non-Permanent employees on actual hours worked regardless of the 16 hours per fortnight threshold.

IBM Response: The system is working as per the business requirements that have been specified, these are thus not defects.

Assessment: The solution is required to accrue Nurse's PDL as explicitly set out within the scope of SoW 5 and particularly *Awards for Queensland Health* for eligible full-time Permanent employees and Part-time employees working 16 hours or more per fortnight.

There are no circumstances set out in the relevant awards which entitle Casual, Temporary or Permanent Part-time employees working less than 16 hours per fortnight to accrue PDL entitlement.

IBM should demonstrate the process by which the solution will accurately accrue PDL entitlement solely for eligible employees.