

Reducing IT Project Risk

Waldo Jaquith

March 20, 2025



Rhode Island Unified Health Infrastructure Project



UHIP debacle: R.I. to extend contract, as Deloitte agrees to more concessions

Continuing UHIP debacle named R. I. Story of the Year

RI awards Deloitte \$99 million contract to keep running UHIP

Childcare centers say R.I. computer glitches are costly

A single UHIP update kicked 5,500 Rhode Islanders off Medicaid

R.I. still unsure how much it will get from \$50-million Deloitte settlement

Deloitte again in cross fire, this time in R.I.

EDITORIAL: Deloitte, That is All Raimondo

‘We are very sorry’: Deloitte apologizes to RI about UHIP



UHIP repair cost grows

State must pay an additional \$30M to solve the computer system problems

U.S. fines R.I. \$2 million over UHIP payment errors

ACLU sues Rhode Island over computer benefits system delays

Ransomware attack on Rhode Island health system exposes data of hundreds of thousands

Rhode Island says personal information potentially stolen in RIBridges data breach

Ransomware gang leaks data stolen in Rhode Island's RIBridges Breach

Deloitte pays \$5M in connection with breach of Rhode Island benefits site

Hackers have posted some RIBridges data on the dark web, McKee says

Deloitte hit with class action lawsuits following RIBridges cyberattack, state was warned

A month later, Rhode Islanders still feel lingering effects of RIBridges cybersecurity attack

Approximately 650,000 Rhode Islanders — more than half the state's population — were potentially impacted by the breach.

Of all government software development contracts over \$6 million, only 11% are successful (cost, schedule, performance).

46% of systems developed across \$35 billion worth of DoD spending **failed to meet real needs** even though they met written, contractual specifications.

One study of 400 projects found that only 10% of traditionally-developed code was ever actually deployed. Only 2% was ever used.

The average government IT project costs **310%** of the originally estimated price.



There is a better way.



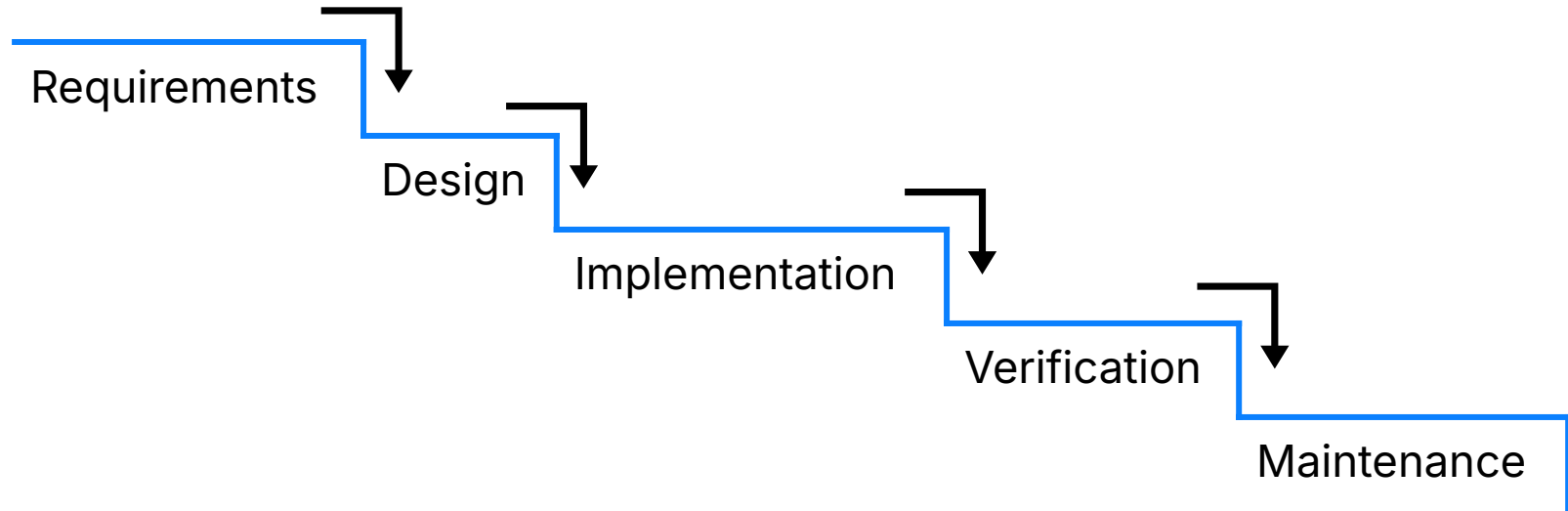


Agile software development

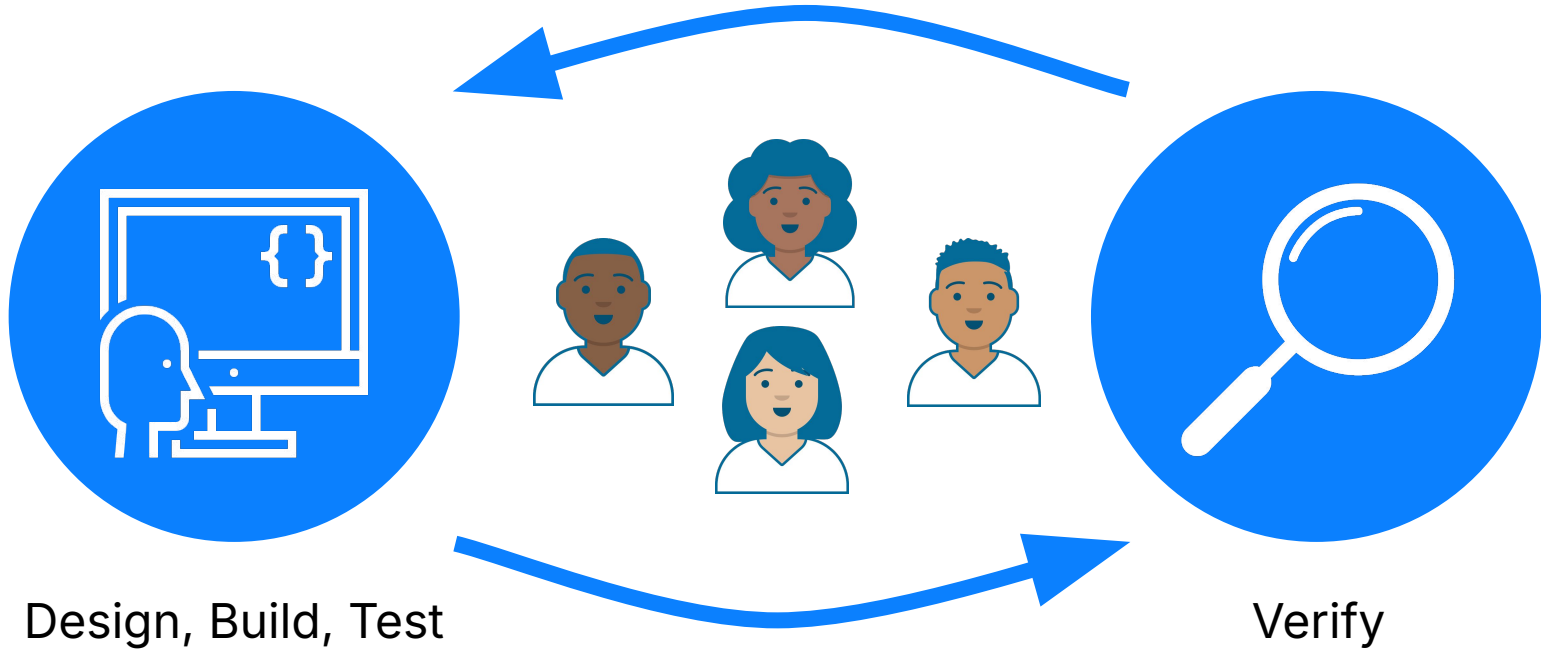
Building software with less
risk



Waterfall development model



The premise of Agile





The Take-Away

Agile facilitates *extraordinarily* tight contract oversight of vendor activities and ensures that you're getting your money's worth. It's how the whole software industry works.



Product ownership

Taking control of
procurement



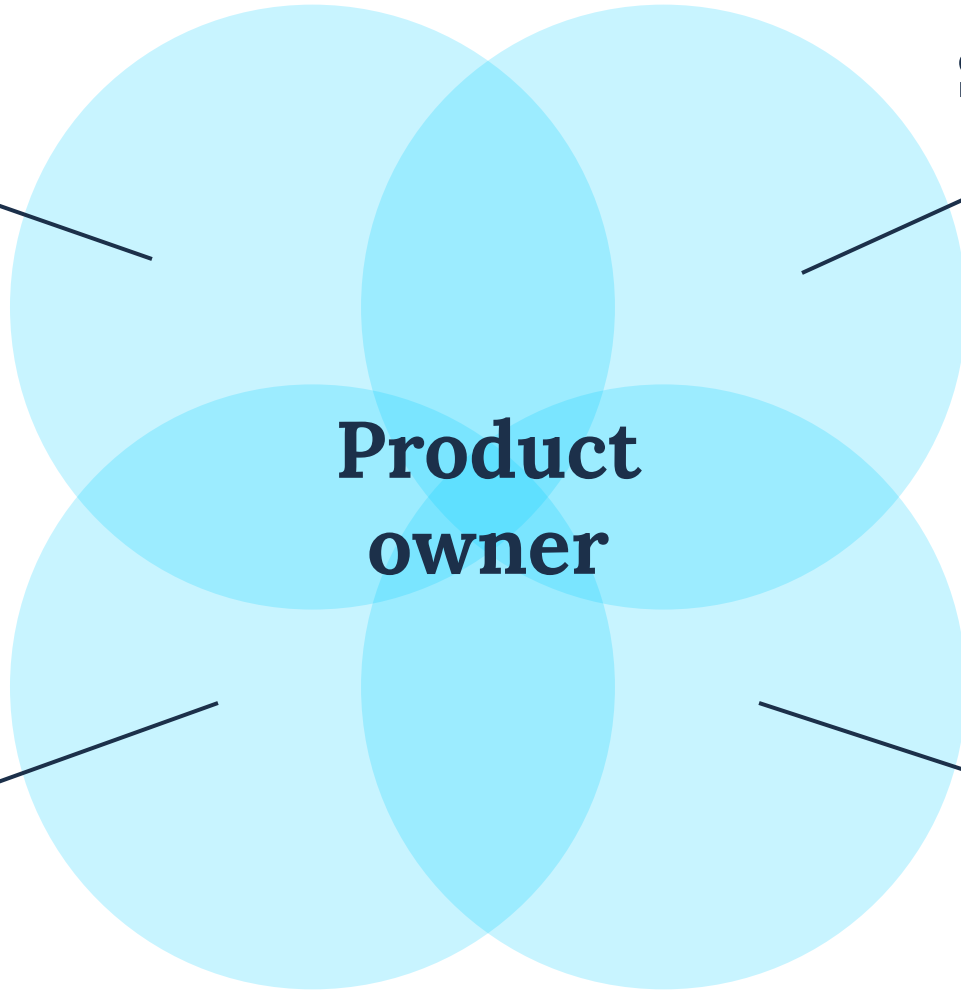
Users

Stakeholders

**Product
owner**

Technology

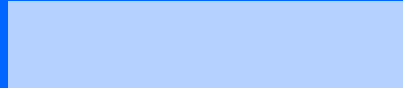
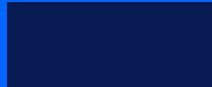
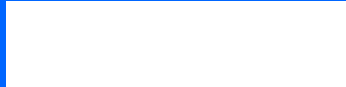
Business





The Take-Away

The product owner is the fulcrum on which the success of the project hinges, the keeper of all system knowledge, the person who knows in exhausting detail exactly what the vendor is doing.





User-centered design

Helping us understand where
to go and why



**“Design is deciding how a thing
should be.”**

—William Van Hecke

User-centered design helps us design for actual humans **who will use what we're making.**



The Take-Away

User research ensures that the vendor is doing the right work and that the system will do what you need it to do.



Building with loosely coupled parts

Creating big systems out of small pieces





In software, we call interoperability standards **Application Programming Interfaces (APIs)**.

APIs expose simplicity and hide complexity.

Your new system will eventually be your old system.



The Take-Away

Multiple teams or multiple vendors can work simultaneously on a system with a minimum of coordination. There's no technical need to award a single contract for a large project.



Agile acquisition

Structuring contracting to
support development



Modular contracting

A way to create **loosely coupled** outsourcing arrangements through methods that mirror modern coding practices developed in an Agile way.

There are **two principles** to enforce to get better outcomes.

1

Keep your contract increments **under \$10 million.**

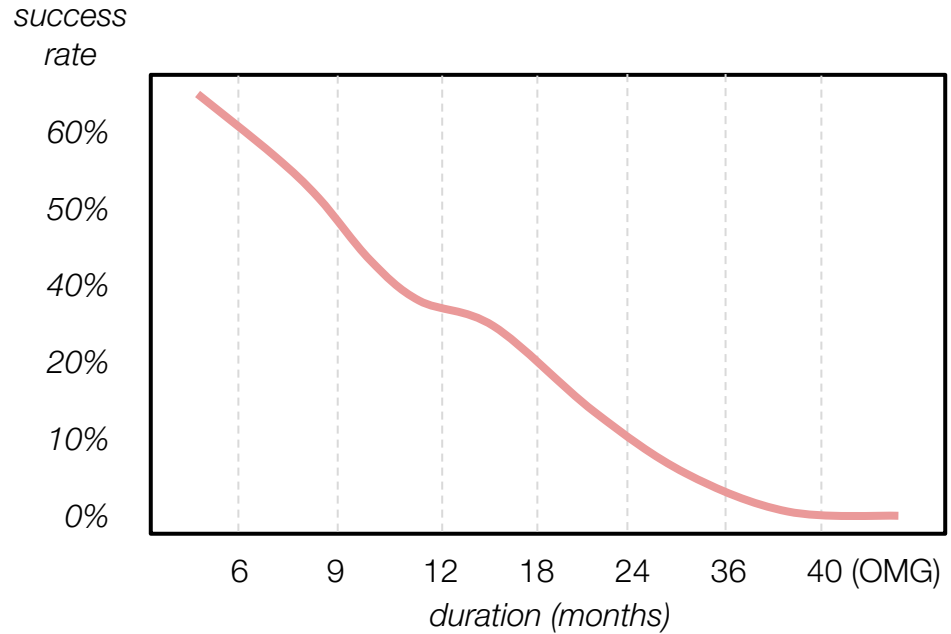
Cost <i>millions</i>	< \$0.5	\$0.5-3	\$3-6	\$6-10	> \$10
Success	61%	24%	12%	11%	6%

The more you spend, the greater your odds of failure.

2

Keep periods of performance short.

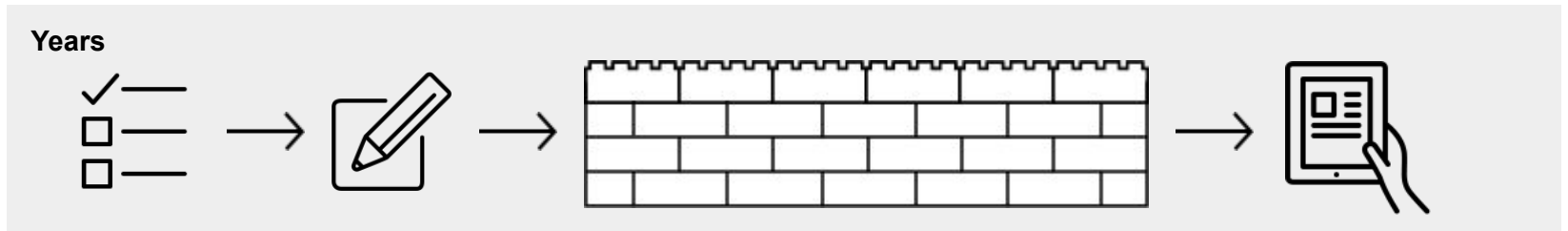
No longer than **3 calendar years** (including options).



Standish Group Study of 23,000 projects comparing project success versus duration.

Strategy

The traditional way of approaching procurements



Traditional contracting

ATTRIBUTES

Expensive

Prescriptive

Time consuming

**Waterfall
development**

OUTCOMES

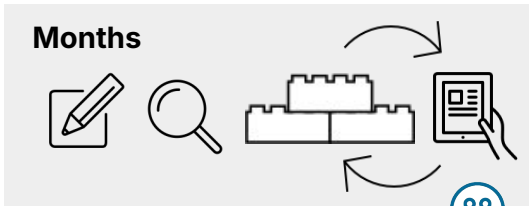
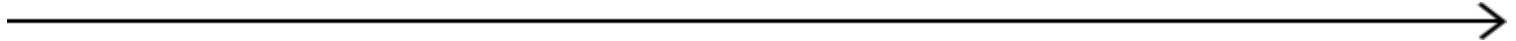
Risky

**No user value for a
long time**

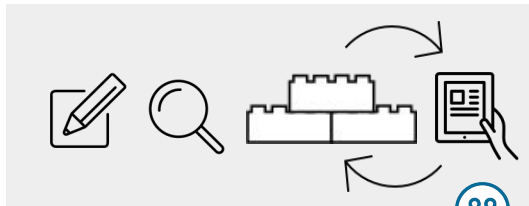
**Contract mods are
common**

**All knowledge is with
the vendor**

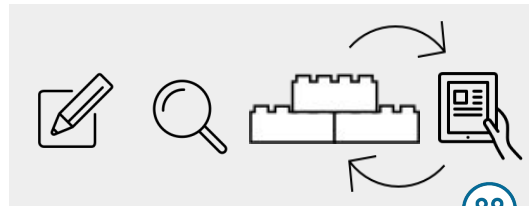
Agile acquisition



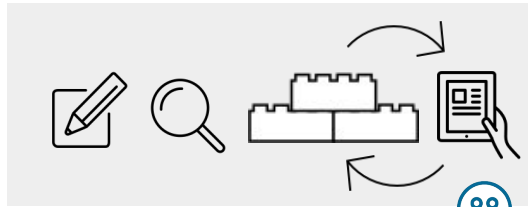
contract module



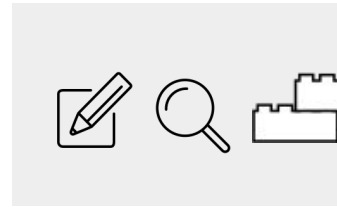
contract module



contract module



contract module



contract module

Agile acquisition

ATTRIBUTES

Less expensive

Flexible

Descriptive

Quick acquisitions

Agile development

OUTCOMES

Less risky

Frequent delivery of value to users

Fewer / no mods

Gov isn't dependent on a given vendor



What you can do

Legislative actions to improve
the status quo



How to Fail at Software Projects

- Don't conduct user research
- Define lots of requirements up front
- Sign a \$10M+ contract with a single vendor
- Conduct oversight via reports, not live software demos
- Punish projects that fail fast

Executive actions

1. Require demos, not memos
2. Limit contracts to \$10 million and three years
3. Require user research for \$1M+ projects
4. Require a named, empowered product owner for all projects

Legislative actions

1. Require twice-monthly demos to legislative staff
2. Create a state digital service
3. Allocate funding operationally



In conclusion

**If the technology fails, the
legislation fails. So don't let the
technology fail.**

