TEXAS DEPARTMENT OF MOTOR VEHICLES

PROJECTS AND OPERATIONS COMMITTEE MEETING

Texas Department of Motor Vehicles
Lone Star Room, Building 1
4000 Jackson Avenue
Austin, Texas

2:00 p.m.
Wednesday,
June 7, 2023

COMMITTEE MEMBERS:

John Prewitt, Chair
Christian Alvarado
Stacey Gillman
Tammy McRae
Paul R. Scott (absent)

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CLOSED SESSION

5. The Committee may enter into closed session under one or more of the following provisions of the Texas Open Meetings Act, Government Code Chapter 551, including but not limited to none

    Section 551.071
    Section 551.076

Section 551.089
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PROCEEDINGS

MR. PREWITT: Good afternoon. My name is John Prewitt, and I'm pleased to open the Project and Operations Committee meeting of the Board of the Texas Department of Motor Vehicles. It is 2:00 p.m., and I am now calling the Committee meeting for June 7, 2023 to order.

I want to note for the record that the public notice of this meeting was -- containing all the items in the agenda was filed with the Office of the Secretary of State on May 30, 2023. Before I begin today's meeting, please place all cell phones and other communication devices in silent mode.

Also, as a courtesy to others, please do not engage in side conversations in the meeting room. I want to welcome those who are with us today for the Committee meeting. Welcome. If you wish to the address the Committee or speak on an agenda item during today's meeting, please complete a speaker's sheet at the registration table or send an email to gco_general@txdmv.gov.

Please identify in your email the specific item or items you are interested in commenting on, your name and address, and whether you are representing anyone or speaking for yourself. If your comment does not pertain to a specific agenda item, we will take your comment during the general public comment portion of the meeting.

In accordance with the Department's administrative rule, comments to the Committee will be limited to three minutes. To assist each speaker, a timer has been provided at the podium. The timer light will be green for the first two minutes, yellow when the speaker has one minute left, and then red when the speaker's time is up.

Individuals cannot accumulate time from other speakers. Comments should be pertinent to the issues stated on the comment sheet. When addressing the Committee, please state your name and affiliation for the record. There are few things that will help to make the meeting run smoothly and assist the court reporter to get an accurate record.

One, please identify yourself before speaking. Two, speak clearly and slowly. Three, do not speak over others. And four, please ask me for permission to speak, and be sure to get recognized before speaking. I would like to thank our court reporter who is transcribing the meeting. Thank you.

Before we begin today, I'd like to remind all presenters and those in attendance of the rules of conduct during a Committee meeting. In the Department's administrative rule, I have the authority to supervise the conduct of this Committee meeting.

This includes the authority to determine when a speaker is being disruptive of the meeting or is otherwise violating the timing or presentation rules I just discussed.

The posted agenda stated that a quorum of the Board may be present at this meeting. However, Board Members who are not members of the Project and Operations Committee will not vote on any Committee agenda items today, nor will any Board action be taken.

I do not see any of the Board Members present outside of the Committee Members at this meeting at this time. Agenda Item 1 is roll call and establishment of quorum. And now I'd like to have a roll call of the Committee members. Please respond verbally when I call your name.

Member Alvarado, are you present?

MR. ALVARADO: Present.

MR. PREWITT: Member Gillman?

MS. GILLMAN: Present.

MR. PREWITT: Member Scott?

(No response.)

MR. PREWITT: Not present. Member McRae?

MS. McRAE: Present.

MR. PREWITT: And let the record reflect that I, John Prewitt, am here, as well. We have a quorum.

Agenda Item 2, please stand and honor our country. Member Alvarado will lead in the U.S. Pledge.

(U.S. Pledge of Allegiance recited.)

MR. PREWITT: And now I'd ask for Member Gillman to lead us in the Texas Pledge.

(Texas Pledge recited.)

MR. PREWITT: Thank you, Member Gillman. All right. Let's move on now. Are there -- as far as any announcements, are there any announcements from the Executive Director?

MR. AVITIA: No announcements from the Executive Director. Daniel Avitia, for the record.

MR. PREWITT: My understanding is that our other member, Paul Scott, is about four minutes out, so he'll join us when he gets here. But let us, in the interest in time, move forward and cover the briefing and action items for today's agenda.

These are briefing items only, and it's concerning a wide range of activities. Goodness. The Agency is very busy right now. I know everybody in the audience can attest to that. And so it's, I think, only going to gain momentum in the coming months and years.

So exciting times, and we appreciate

everybody's efforts. The first briefing we'll get is on the Camp Hubbard Renewal Project with Chris Hayden and Ann Pierce.

MR. HAYDEN: Good afternoon, Members of the Board and Executive Director Avitia. For the record, I am Deputy CFO Chris Hayden. I will not be doing the briefing today. It will all be handled by Ann Pierce, but since my name is on the agenda, I thought I would come up and say hello, but I will see you more tomorrow afternoon.

MS. PIERCE: Good afternoon, Chairman Prewitt, P&O Committee Members, and Executive Director Avitia. I'm Ann Pierce. I have a little more to say than Chris does. I'm the Administrative Services Director, and today I'm pleased to share with you an update regarding the continued work that's occurring as part of the Camp Hubbard Renewal Project.

This is a briefing item, and the material I'm going to cover can be found in your Project Committee Board book beginning at page 5. Next slide, please. As a reminder, the Camp Hubbard Renewal Project is a multi-biennial effort that actually began in 2017 when legislation was passed to allow the Department to own and manage real property.

During subsequent sessions, the Camp Hubbard campus was authorized for transfer to DMV from the Texas

Department of Transportation, and funding was provided for property development studies, or Phase 1, as we've been calling it.

This Phase 1 planning and design was funded by the 87th legislature, and it officially kicked off in early May of last year. At the onset, a core project team was developed that consisted of multi-divisional DMV representatives, a Texas Facilities Commission, or TFC, partner representative, and the vendor that was selected, Marmon Mok. And they've been handling the design, so they're our design team representatives.

I'm happy to now relay that we are actually in the latter stages of Phase 1, and we're looking towards the start of Phase 2 pending funding. Phase 1 has been successfully centered around planning and design and aided DMV in obtaining solid cost estimates and general space planning needs that enabled the Department to go before the legislature this session.

And that allowed us to request the needed funding that we need for Phase 2, which is the heavier lift of the project components. It's going to include the demolition, renovations, and construction needs that we've been planning for the past year.

Phase 1 continues to move forward towards developing more specific design elements and needs, as well as a gap period between Phase 1 and Phase 2. And we're headed towards that very soon now. And we're looking at coordinating with other DMV direct-driven projects to ensure that everything occurs in a smooth and well-planned fashion.

While we await the Phase 2 legislative funding that looks promising, there are many other aspects of the project, along with other internal facilities, security, and technology projects that are going to be overlapping.

And they're going to require some additional efforts so we can make sure that they all stack properly and that they're occurring at good timing and that we're not using funding in two places; we're just using it one in the most effective of that one.

To ensure a smooth transition and a flow of activities, several one-off and routine meetings have been occurring that's helping us in needs association with the continued design planning and the timing and planning of these overlap projects. Next slide, please.

In May of 2023, we had a one-off meeting that was held that aided us in determining the special audio and visual needs for the new building specific to the Board room and other conference rooms.

Because technology equipment in this current room that we're in now is relatively new, we had a discussion with the vendor to ensure that we're going to be able to reuse this equipment at the new location. We're going to continue to be good stewards of the state funds.

This meeting gave Marmon Mok needed information towards final design that they're working on right now for the Board room and those conference room. And they're going to make sure and include all of our required audio and visual needs and to include that equipment that we're going to be transferring over.

In April and May, we had several one-off meetings, and we talked to key staff from various areas that included facilities, warehouse fleet, imaging, inventory, and security so we could talk about those aspects of the new building.

These meetings provided Marmon Mok with needed information to ensure appropriate day-to-day security needs, emergency response needs, and safety-related needs, as well as appropriate separations of different areas within the building's new proposed warehouse, which is going to include fleet base, secured title storage, tool storage, specialized registration renewal rule storage, and technology-specific storage areas.

In addition to the technology aspects of Camp Hubbard Renewal Project, there are also numerous internal

DMV-driven technology projects.

In order to determine what needs are associated with each project and to ensure that there's not a duplication of efforts or costs, and to, again, ensure that proper stacking we talked about in the timing in handling these various needs of each project so they can be scheduled and implemented without overlaps to one another, we started to have routine meetings that are occurring every other week specific to technology, because technology touches every aspect of the renovations and the new building.

A few of the projects that are currently being discussed, besides the overall Camp Hubbard Renewal Project, include the relocation of DMV's demarcation that will move from Building 4 to Building 6, relocation of DMV's data center that will move from Building 5 to Building 6, and server needs that are associated with the installation and connection of existing headquarter security system that's bringing Building 6 in compliance with the other buildings that we've already been occupying.

In addition to the internal DMV-driven technology projects, there are also inventory facilities and security-related projects that are overlapping. We've had one-off meetings and discussions to make sure that those aren't overlapping with the technology projects that are going on, and that they're not overlapping with no project itself.

We've got a security system and keying installation going on. Those are two separate projects. And then we also have an asset and surplus project going on. TxDOT left behind a lot of stuff in Building 6. So we're rehoming what we can that's still useful, and we're auctioning what we don't need. But we've got to clear that building out so it's ready for Phase 2.

Update of Phase 1 design and planning is anticipated to conclude within a few months, right about the time that the Phase 2 demolition renovations and construction funding will hopefully come through. And it's at that point that we will officially begin Phase 2.

And that concludes my presentation. I'm happy to answer any questions anybody may have.

MR. PREWITT: Members, any questions?

MS. GILLMAN: Yes.

MR. PREWITT: Member Gillman?

MS. PIERCE: Yes, ma'am?

MS. GILLMAN: Marmon Mok -- Member Scott.

MR. PREWITT: Member Gillman, let me recognize that Member Scott has arrived. Welcome, Member Scott.

MR. SCOTT: Thank you. I brought my

helicopters.

MR. PREWITT: No worries. I'm sorry. Please continue, Member Gillman. Go ahead and say something.

MS. GILLMAN: Tell me, what does Marmon Mok do?

MS. PIERCE: They've been doing the architectural design. They've been helping us put together cost proposals for different needs. And as we've made adjustments to designs, they've made adjustments to the cost proposals.

And they gave us what we took forth at the legislature this year as the tangible components of Phase 1 for those two items to help us get our funding.

MS. GILLMAN: It's the architect?

MR. PREWITT: Architect engineers.

MS. GILLMAN: Do they do design -- interior design?

MS. PIERCE: Yes, yes.

MS. GILLMAN: Do they do the exterior?

MS. PIERCE: Yes, ma'am. We've already been working on a lot of that stuff.

MS. GILLMAN: I just -- I don't know that company, so I just was wanting to know if -- kind of the scope of what they do.

MS. PIERCE: They were actually the same vendor that wound up being selected for TxDOT's new building, if you've seen or heard about their new building.

MS. GILLMAN: Is it complete?

MS. PIERCE: Mm-hm. Over on Slaughter, I believe. And if you'd like to ever take a tour, let me know. I can set that up for you.

MS. GILLMAN: Okay.

MS. PIERCE: It's very nice.

MS. GILLMAN: All right. Yes, I would.

MS. PIERCE: I'll do it.

MS. GILLMAN: What about -- and the reason I'm asking is because I'm in the middle of meeting with architects also for dealerships. And so I've been thinking of all these -- kind of my laundry list. What about -- maybe I'm getting ahead of myself, only because I'm excited. But what about art and lighting and --

MS. PIERCE: You're going to love some of the new things we're going to be able to share as we move towards Phase 2, because we've already been talking about a lot of that stuff. We're looking at using elements of the motor vehicle industry in some of our designs; we're looking at using recycled products to create different designs, so we've got a lot of interesting things about that, again, I'm happy to share with you.

MS. GILLMAN: Okay. That's -- I didn't know if Marmon Mok would provide an advisor in that respect, or if you all were soliciting.

MS. PIERCE: We asked for a turnkey project because we knew we didn't have the experience ourselves, because we're still a relatively new agency compared to the other agencies. And we wanted to utilize the Texas Facilities Commission's vendors and their knowledge that we just don't have built in yet.

And so we asked for that turnkey project. So they are also subcontracting out for the other components of the project that we need, and they're the main vendor.

MS. PREWITT: Executive Director Avitia, would you like to say something?

MR. AVITIA: Yes, thank you, Chairman. For the record, Executive Director Daniel Avitia.

Member Gillman, if you would like to stay behind after this meeting, I would be happy to show you the volumes of pages that we have from Marmon Mok as our architect and engineer.

And it includes renderings, it includes all of the electrical, the mechanical. You name it, it's got everything in there, and we've got a ton. But it's also got the graphics. I tried to submit colored pencil drawings, and those didn't seem to go over well with staff, so we had to engage some true professionals.

MS. GILLMAN: Good. No, where the plugs are is not really what I'm interested in. I want to know the colors and the --

MS. PIERCE: The pretty stuff.

MS. GILLMAN: The pretty stuff, yes.

MR. AVITIA: Yes, ma'am. And we have a lot of that already, and it really is truly amazing what they've put together for our consideration. And we'd be happy to share all of that with you.

MS. GILLMAN: That's great. Thank you.

MS. PIERCE: Thank you.

MR. PREWITT: One last question: Is Marmon Mok preparing like a critical path or some kind of time line on this that is a part of what they're doing for us?

MS. PIERCE: Yes. Yes, they are.

MR. PREWITT: Very good.

MS. GILLMAN: Okay. I've got one more.

MS. PIERCE: Yes, ma'am?

MS. GILLMAN: So after architects are finished, then you go out for bid?

MS. PIERCE: Yes, ma'am.

MS. GILLMAN: And I assume -- I've never done this with the State. But I assume you -- do you get three bids from three different contractors and then choose one that you feel comfortable with?

MS. PIERCE: Again, we have a turnkey contract with TFC so that they're going to be providing all that stuff for us. They have built-in contracts, because this is what they do primarily as facilities for the various agencies.

So they've got some contracts that have already been pre-bid and they're already available and ready to them, and they're already tried and true vendors that they know are going to do a good job and give them a good value.

So they've got some of those they can call out on. And then they also will be bidding out the main meat component of the project to somebody that will have a project manager that will be answering to us and responding to our needs.

MR. PREWITT: Thank you. Are there any --

MS. GILLMAN: Thank you.

MR. PREWITT: -- other questions? Christian?

MR. ALVARADO: Yes, thank you. How are we on time line? We talked a little bit --

MS. PIERCE: We're on schedule.

MR. ALVARADO: Oh, we're on --

MS. PIERCE: We're actually on schedule. We're a little bit ahead of schedule. That's why we have a bit of a gap, and the gap's been working to our favor because we have a few weeks that we're able to spend some time with our other projects that are being driven by other parts of the agency. And we can talk to each other and kind of schedule those things out and determine who's handling what and make sure there's no redundancies.

MR. ALVARADO: That's great.

MR. PREWITT: Very good.

MR. ALVARADO: Thank you.

MR. PREWITT: If there are no other questions, thank you all. And I thank you, Mr. Hayden, for your succinct comments. And then thank you, Ms. Pierce, for your great explanation.

MS. PIERCE: My partner in crime.

MR. PREWITT: Yes, thank you all.

Next on the agenda is the accounts receivable update. We'll hear from Eric Horn.

MR. HORN: Good afternoon. Thank you, Member Prewitt. Good afternoon, Executive Director Avitia, Members of the Committee. For the record, my name is Eric Horn. I'm the Director of Accounting Operations here at TxDMV.

Today I will be briefing you on the progress of our accounts receivable system project. Materials that support my briefing can be found in your ebook on page 8. I last briefed this Committee on this project in August of 2022 following the completion of our third-party study by Gartner, which analyzed our current decentralized receivables process and provided a market scan of software options available that could support TxDMV's needs.

Gartner's final report also suggested conducting a request for information, or RFI, with the vendor community to convey TxDMV's unique system environment and gather more precise cost information for each solution.

TxDMV completed the RFI process, which included meetings and live demonstrations with interested vendors in September of 2022. The live demos included multiple systems that were recommended options from Gartner, including Microsoft Dynamics 365 Business Central. That's a mouthful there, but that was selected as the platform to implement our accounts receivable system.

Factors that went into selection decision included cost, integration with existing and future systems, familiarity with and available Microsoft resources, and configurability with TxDMV's needs, specifically in an accounts receivable system, and not a complete enterprise resource planning, or ERP, system, which we already have with the centralized accounting and payroll personnel system, or CAPPS, that is managed by the Comptroller's Office.

After selection of the software, TxDMV staff collaborated with the Department of Information Resources, or DIR, to initiate the procurement process. DIR provided guidance and suggested that we complete this process in two steps, the first of which was the procurement of the Business Central licenses that were needed by TxDMV staff.

While this is a Microsoft product, Business Central is not included in our enterprise license agreement. Because of this, TxDMV and DIR met with staff from Microsoft to discuss the scope of the overall project and to be approved to add Business Central licenses to our agreement.

Following approval, TxDMV staff issued a request for quote to interested DIR-approved bidders, and awarded that bid in January of this year for the licenses. The second step of this project was to put together a statement of work for a deliverables-based information technology services, or DBITS, contract for the implementation of the accounts receivable system.

In November of 2022, TxDMV staff, across multiple divisions, collaborated on drafting a statement of work for these implementation services in accordance with DIR's established processes.

DIR approved the draft statement of work in March of 2023 and provided a list of approved vendors to solicit bids. Bids were received this May and evaluated by a team of finance and administrative services and information technology services divisions.

This evaluation process, including negotiations, are still ongoing. Once a vendor has been selected, DIR will review the final statement of work and must approve that statement of work before work can begin. We do anticipate beginning the implementation of this project by the end of fiscal year 2023, with completion targeted by the end of fiscal year 2024.

This concludes my remarks, and I'm available for any questions that you may have.

MR. PREWITT: Members, are there any questions?

MR. HORN: Yes, ma'am?

MR. PREWITT: Member Gillman?

MS. GILLMAN: So I'm curious because I know it's a big project. I know it's a big project. But why does it take one year for it to be installed and operational?

MR. HORN: Yes, ma'am. So the study on our system by Gartner conducted -- there's 18 disparate systems that go into revenue collection. Now, the statement of work for this project is not going to tackle all 18 systems because some of those systems, while they're revenue systems, they're not receivable, so to say.

So we provide a service -- we receive the money before we provide the service. So defining accounts receivable -- you know, we provide a service and then collect the money.

So looking at the different systems that we have, we have many, many customers in each of the systems that we're looking to replace, including the complaint management system for motor carrier customers and our eLICENSING system, as well, for motor vehicle, and enforcement penalties that are receivable-based.

So not only the uniqueness of our current environment -- right? It does not allow us to just take an off-the-shelf product and implement it directly. We need to customize it, modify it to integrate with our existing systems, as well.

So part of the statement of work was looking at all of our current systems using that analysis by the study from Gartner and coming up with a time line, an implementation time line for a successful project. We didn't want to rush anything on that project as well.

MS. GILLMAN: So kind of what I heard you say is that you're going to take this system and because you have so many different sources of revenue labeled coming from different directions, you're going to sort of customize in order to make it work?

MR. HORN: Absolutely, yes. The Business Central environment -- it is an enterprise resource planning system as a whole. We're not looking to implement the entire ERP system; we're only focusing on the accounts receivable portion or module.

So it includes a lot of customization to that, to just the accounts receivable module. Yes, ma'am.

MS. GILLMAN: Well, good luck.

MR. HORN: Yes.

MS. GILLMAN: Carry on.

MR. HORN: Absolutely.

MR. PREWITT: Are there any other questions?

(No response.)

MR. PREWITT: Seeing none, thank you, Mr. Horn. But stay up here, please --

MR. HORN: Yes, sir.

MR. PREWITT: -- because we have more coming from you. Next we have a briefing on the credit cards and the regional service centers.

MR. HORN: All right. Once again for the record, my name is Eric Horn. I'm the Director of Accounting Operations here at TxDMV. I'll now brief you on the progress of our credit cards and our regional service centers, or RSCs. Materials that support my briefing for this topic can be found in your ebook on page

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As much as I'm very excited for our accounts receivable project -- and I am -- I think it's pretty safe to say that the excitement for this project across the Agency is far greater. It touches many more aspects of our Agency.

The purpose of this project is to implement an over-the-counter credit card payment solution at each of our 16 RSC locations across the state. Currently -- and since the creation of TxDMV in November of 2009 -- our RSC locations only accept cash, checks, and money orders as form of payment.

Discussions on this project have been ongoing for years and well before I came to this agency in 2020. The biggest hurdle for this project getting off the ground has been programming efforts, both internal and external, with our various systems and the Department of Information Resources, or DIR, texas.gov payment platform.

For simplicity, I will note that we currently process transactions at our RSC locations using two systems: our internal point of sales within the Registration and Title, or RTS, System, and the Texas International Registration Plan, or TxIRP, system for apportioned registration, which we have a third-party vendor that oversees programming and requirements for

TxIRP.

I was assigned to this project in fiscal year 2022 and met with DIR to better understand the requirements to implement over-the-counter credit cards. A significant finding in those meetings was that we would need to establish, onboard, and certify 32 unique service codes integrated with texas.gov's payment portal, two for each of the 16 locations, to accommodate both of those systems.

So with this information, we elected to pursue a pilot launch at our Austin RSC first so that we can validate programming updates and complete certification testing with both DIR and the Comptroller's Office.

We officially started work on this project with available funding and automation system capital budget in fiscal year 2023. While programming and onboarding efforts prioritized the Austin RSC, we have also been working on the other 15 locations simultaneously.

DIR's robust onboarding process includes payment card industry, or PCI, compliance attestation, as well as procurement of swipe devices to be installed at each of the locations.

After numerous hurdles in the procurement processes of these devices due to supply chain issues that impacted the manufacturer, I'm very happy to announce that we received each of those swipe devices for all 16 locations in April of this year.

The credit card swipe devices were our number-one risk for our time line of implementation, so receiving these was a significant milestone in this project. We are now finalizing procurement of device stands for these devices to be installed at each of the locations and are expecting to be completed with that procurement process at the end of July.

Following the devices, our next biggest risk for our project involves programming updates to both RTS point of sale and TxIRP.

Staff from the Information Technology Services Division, with input from Finance and the Vehicle Titles and Registration, or VTR, Division, have been hard at work developing an internal application that connects RTS point of sale to texas.gov's common checkout portal and meets necessary reporting requirements for reconciliation of the funds received at each location.

These programming updates are on track to be completed and released into production in late August of this year. For the programming efforts with the TxIRP system, Finance has worked closely with members of the Motor Carrier Division, MCD, and a third-party vendor to plan for the changes that are needed.

There are currently other TxIRP upgrades being completed as part of the 87th Legislature requirements, which are expected to be completed in July of this year. Once completed with these updates and barring any setbacks or change in priorities, due to new requirements from the 88th Legislative Session, the vendor plans to begin programming efforts in July and finish certification testing by the end of August of this year as well.

TxDMV staff are currently on track and plan to deploy credit card capabilities at the Austin Regional Service Center at the end of August this year, fiscal year 2023, or the beginning of September, pending approval from both DIR and the Comptroller that all onboarding requirements have been satisfied.

Following successful implementation and lessons learned from the Austin Regional Service Center, the remaining 15 locations will be deployed throughout fiscal year 2024, beginning with the Houston RSC in the first quarter.

MS. GILLMAN: Yay.

MR. HORN: This concludes my remarks. I'm available for any questions you may have.

MR. PREWITT: Members, any questions or comments. We've heard one comment from Member Gillman. Are there any others?

MS. McRAE: I have a comment, Chairman.

Eric, I'm very excited about this. This has been a long time coming. So congratulations to you and your team.

MR. HORN: Thank you very much.

MR. PREWITT: Yes, sir. Member Scott?

MR. SCOTT: Thank you very much. When you say fiscal '24, so when does fiscal '24 begin?

MR. HORN: Yes, sir. Fiscal '24 begins September 1 through August 31. So September 1 of this year will be fiscal '24.

MR. SCOTT: '24? Thank you.

MR. HORN: Yes, sir.

MR. PREWITT: Any other questions?

Yes, Executive Director?

MR. AVITIA: Chairman, Members, I, too, want to thank Eric for his leadership on both of these projects, as well as Finance, VTR, IT, MCD.

As Member McRae mentioned, these are pretty significant milestones for our Agency, and we've been talking about implementation of both an accounts receivable system and credit cards for as long as I've been with the Agency, and I'm very excited for our Agency to move forward with both projects and implement this coming fiscal year.

So thank you all.

MR. HORN: Thank you, sir.

MR. PREWITT: Yeah, thank you, Eric.

MR. HORN: Thank you.

MR. PREWITT: Keep up the great work.

MR. HORN: Yes, sir.

MR. PREWITT: All right. Now we're on to the longest briefing item of the day. Will Hilton will brief us on technology projects for 2023.

MR. HILTON: All right. Good afternoon, Chairman Prewitt, Committee Members, Director Avitia. For the record, I am Will Hilton, Deputy Chief Information Officer for the Texas Department of Motor Vehicles. I'm here today to brief the Committee on the Department technology projects.

This is a briefing item only, and no recommendations are being presented today. This item can be found beginning on page 10 of your materials. The Department currently has eight priority projects and initiatives overseen by the Information Technology Services Division, also known as ITSD.

You have already heard about two of the projects from Eric, and I'll be providing the Committee with an updated status on the rest of them, along with two closed projects today.

The follow projects are considered Governance Team, or GT, projects, and are managed by the ITSD Project Management Office, or PMO. On the project portfolio dashboard found on page 11 of your materials, you'll see that five of the eight projects have a green status and are progressing in alignment with their planned scope, schedule, and budgets.

Three of the projects are in yellow status due to schedule issues. I'll provide more details about the project status in the individual project briefings. The first group of projects I'll be discussing support improvements on the Registration and Title System, or RTS.

They include the RTS ecosystem modernization, the tax assessor-collector, or TAC, T1 upgrade, the TAC workstation refresh, and Texas by Texas. The RTS ecosystem modernization problem will replace RTS and its association applications to better serve the evolving needs of the State.

Due to the complex nature of this project, it will be divided into two phases. Phase 1 will include the following major deliverables and be completed by the end of the 2024-2025 fiscal biennium.

Updates to the existing systems: getting current on our versioning on the back end, assessment of the existing RTS ecosystem, and development of a transition plan, assessment and evaluation of available technology solutions, documentation for the quality assurance team, or QAT, review and approval, that's mandatory through DIR, the Department of Information Resources, development of procurement documents. So when we do the procurements for the system.

At this time, software updates of existing systems have been started and are in progress. Statement of work, or SOW, drafts are also being developed for both the internal and external assessments of the RTS environment. We're preparing as much as we can so we can execute as soon as we receive appropriations from the 88th Legislative Session.

The next project I'm going to brief is the TAC T1 upgrade project, which will upgrade the older T1 technology to newer metro ethernet and cellular technologies. This will increase the reliability of the network services for the TACs and provide redundant network routing in the event the primary route fails.

The project's in its first phase with an objective to upgrade 286 AT&T in-region sites. Network routers and switches will also be upgraded for these offices as part of Phase 2. Subsequent phases will transition through the remaining county offices.

The project is in green status. Upgrade to fiber of the AT&T in region sites is underway with approximately 96 percent of the circuit orders, about 235 out of 244, for sites complete or that have been canceled for various reasons. But that's just around 10 of them.

We are currently hiring contractors to perform equipment installations for the upgrade in the routers and getting the switches and firewalls installed for Phase 2. We completed job postings, and resumes are being reviewed for interviews with a target date to start on the 15th of this month. We have also started Phase 3 and identified locations that require new circuits and are in planning to get circuits ordered.

The TAC workstation refresh, next project: We'll deploy 50 percent of the workstation equipment to the TACs, establishing the operational processes and procedures to transition from a project deployment to an annual operational initiative.

This project is to deliver new workstations and printers initially to Austin, San Antonio, Pharr, Corpus Christi, and some of Houston. The project is in green status. The Austin and San Antonio regions have been completed. Pharr is in progress with work to be completed this month. Over 130 TAC offices have been refreshed with over 1,699 pieces of equipment deployed.

The next project's Texas by Texas. The Texas by Texas project provides the constituents of Texas a secure, mobile-friendly platform to do business with multiple state agencies using a single user account or single sign-on.

It allows customers to create an account linked to vehicles and establish a personalized profile with stored payment information, transaction history, preferences, and other features. Of the preferences, users can choose to receive text and email renewal reminders, which helps Texans renew their vehicle registration more efficiently.

TxDMV completed the electronic renewal notification opt-in, or ERNO, that facilitates paperless registration renewal in both TxT and IBTRS. The overall project is complete and was approved for closure in April and finished on time and within scope and budget.

Next set of projects are with webDEALER. So then webDEALER projects and initiatives include statewide webDEALER adoption, or SWA, Phase 2 and webSALVAGE. Senate Bill 604 passed during the 86th Texas Legislative Session required that webDEALER be made available to all state of Texas motor vehicle dealers.

The statewide webDEALER adoption project, also known as SWA, was initiated as a result and is currently in Phase 2 of implementation. The purpose of the SWA

Phase 2 project is to implement several priority tickets to increase application throughput, maximize workflows, and streamline processes within the system.

This project is currently in yellow status because the level of effort to complete the remaining tickets will require more time beyond the project end date. The project is in execution phase, and development is 85 percent complete. We plan on finishing the remaining tickets in the beginning of FY '24.

webSALVAGE -- the next project I'll review is webSALVAGE project. This project will expand throughput of the electronic titling processes in webSALVAGE and issuance and transfer of electronic titles in a secure manner.

This project is currently in yellow status because it is a little behind schedule due to resource constraints that cause some deviation of work to focus on fraud enhancements, as you all know.

And then the project is in execution phase with the Phase 1 deliverables being tested for the 23.3 release. Overall application development is 20 percent complete with planning on deliverables for release 23.4 to get development at 40 percent complete.

Additionally, we have identity validation solution proposals that are being evaluated for procurement to implement in Phase 4 of the project to further enhance fraud prevention for the system.

Next projects are for motor carrier projects. So motor carrier projects and initiatives include the Motor Carrier Credentialing System, or MCCS, rewrite, and the Texas International Registration Program, or TxIRP, upgrade.

The MCCS rewrite project will replace the legacy MCCS system with a modern, reliable application supported by an external vendor. The project will reduce the operational risks to the Department using improved technology to ensure long-term support and operability.

The project is in yellow status because of delays in the statement-of-work review that have impacted the schedule. It is currently in the procurement phase, with submissions of vendors expected to be complete by the 22 of this month.

The Texas International Registration Program rewrite project, TxIRP rewrite project, will improve the online user experience and reduce out-of-service fraud.

The project will improve user experiences through website responsiveness for mobile devices, automated financial capabilities, and improve reporting. The project is in green status. It is currently in the execution phase and 30 percent complete.

And the last project I'll brief on is the call center upgrade Phase 2. The objective of Phase 2 of the call center upgrade project was the implement a modern post-call survey tool that will improve customer interaction quality with the Department.

The tool has been implemented for the Consumer Relations, Motor Carrier, and Vehicle Title and Registration Divisions. The project is complete and was approved for closure in April. The project was on time and within scope and budget.

This concludes my presentation, and I'm available to answer any questions that Committee members may have.

MR. PREWITT: Members, are there any questions?

Member Scott?

MR. SCOTT: On the webDEALER on the Senate bill, it requires that webDEALER be made available to all dealers. Does it also require the dealer to use webDEALER?

MR. HILTON: I do not know that answer. I'm sorry. I don't know that.

MR. PREWITT: Recognizing Roland, please.

MR. LUNA: Good afternoon, Chairman Prewitt. Roland Luna, Deputy Executive Director. There were a number of items, Member Scott, that were discussed regarding statewide webDEALER adoption. And I just want to back up just for a little bit about this project and then I'll answer that question.

During the 87th Legislative Session, when we started this project in FY '20, we tried to improve webDEALER by system enhancements, receiving feedback from dealers, from tax assessor-collectors. And that project has been underway for several fiscal years. We will close that out at the beginning of FY '24. That's the project that Will talked about that is 85 percent complete.

During this current session that just ended, there was discussion about making webDEALER mandatory for all dealerships across the state. That is a different requirement. This was in May, in the previous session.

And what we look forward to in the future is that webDEALER would be mandatory for those dealerships to use regardless of their location. Now, with that bill -- and I think that was House Bill 718 that's going to make that requirement -- we are two years from that implementation. That won't be fully implemented until July 1 of 2025, and there is a number of discussions that we need to have with stakeholder groups, tax assessor-collectors, dealerships, both independent and franchise.

We need to work with those associations and their leadership to make sure that we address all of their concerns from a programming standpoint prior to implementation.

MR. SCOTT: But that House bill passed both Senate and the House?

MR. LUNA: Yes, sir. And it is pending, and our Government and Strategic Communications Director is here. But the last information that we've received, Member Scott, is it has not been signed yet. But we do anticipate that that will be signed by the Governor.

MR. SCOTT: Yeah, we'll be briefed on that legislative stuff tomorrow. Right?

MR. LUNA: Yes, sir.

MR. SCOTT: Another question. On the call center upgrade, I think I read that the average wait time is like five minutes.

MR. HILTON: I don't know.

Amanda, do you know on that? I'm sorry.

MR. PREWITT: Amanda, would you please come and address that. Thank you.

MS. COLLINS: Good afternoon. Amanda Collins, Director of Consumer Relations for the record. To answer your question, the average wait time for the call center is an average of six minutes.

MR. SCOTT: Average of six minutes?

MR. COLLINS: Yes, sir.

MR. SCOTT: So is -- one of the things we're trying to do on the call center -- our wait is -- reduce that, I would assume. Is that part of the project?

MS. COLLINS: The call center upgrade -- the purpose of the project was to expand our customer satisfaction survey. And we added an additional question to the survey. Initially it was three, and it was added to four, which was the overall performance of the agent.

MR. SCOTT: Okay. This may not be the appropriate place to ask this question, but it seems to me that the average wait time of six minutes is pretty excessive. Do we have a -- is there a goal there to reduce that? Or what's the -- it just seems like that's a long time.

And average -- right? -- so obviously you're going to have some that are much more. I'm just wondering what our goal is to reduce that.

MS. COLLINS: That's a great question. Amanda Collins, Director of Consumer Relations, for the record. We acknowledge that our customer demand continues to increase with the population of Texas.

Right now, the Consumer Relations is currently working on our online automation project where there's several projects where we are identifying areas how we can help and increase our efficiency to our customers that call in.

There have been several projects that I would love to present to you in the future. But for starters, I can list one, and that is our automated email responses. The Consumer Relation Division is also responsible for the Ask DMV inbox, and that is customers that email into the Texas Department of Motor Vehicles.

So we were able, currently -- as of May of 2023, we were able to save about 99 days on average, which allowed us to free up our agents and answering more calls that come in and can reduce that wait time.

MR. SCOTT: Good. Do we have a chatbot?

MS. COLLINS: Currently, we're in the process of reviewing different vendors and opportunities for AI or chatbot. I believe right now -- and I'll pass that over to our ITSD department -- but we're in the process of looking at further technology solutions that will also help the Consumer Relations Division as well.

MR. PREWITT: Does that answer your question, Member Scott?

MR. SCOTT: I guess to the degree that it can be answered at this point, yeah. It just seems like that's a long time, and I just wondered where would the initiative come to get the things done that need to be done.

MR. HILTON: Will Hilton, Deputy CR, for the record. So we are going to be sending out a request for information for adding new capabilities and a new call center to get -- when we move out of Building 6, so it should add some of that function. Now we're looking at chatbots and other automation functions that we can help CRD with.

MR. SCOTT: So if we were to start working on that, is that something that would require separate appropriations? So we'd have to wait for the next session to --

MR. HILTON: No, sir. No, sir. We should have -- we're going to send that RFI out this fiscal year or at the beginning of next fiscal year.

MR. SCOTT: Okay. So we can say that it is a priority for us to get that significant improvement --

MR. HILTON: Yes, sir.

MR. SCOTT: Okay. Thank you.

MR. PREWITT: Were there any other questions?

(No response.)

MR. PREWITT: Seeing none, thank you, Mr. Hilton.

MR. HILTON: Thank you.

MR. PREWITT: We know you have multiple priorities going on.

MR. HILTON: That's right. Thanks.

MR. PREWITT: But thank you. So with that in mind, we have nothing for closed session, Agenda Item 5, which leads us -- there are no action items as a result from closed session; there is no public comment that I know of today.

MS. MORIARTY: That's right. Laura Moriarty, General Counsel. No public comment, sir.

MR. PREWITT: So I am open for a motion for adjournment.

MS. McRAE: I move that we adjourn.

MS. GILLMAN: I'll send.

MR. PREWITT: Second from Member Gillman. Can I ask by acclamation?

MALE VOICE: Sure.

MR. PREWITT: Move to approve adjournment by acclamation. And we all agree? Okay. So moved?

All in favor, aye?

(Chorus of ayes.)

MR. PREWITT: We are adjourned.

(Whereupon, at 2:48 p.m., the meeting was adjourned.)

CERTIFICATE

MEETING OF: TxDMV Projects and Operations Committee
LOCATION: Austin, Texas
DATE: June 7, 2023

I do hereby certify that the foregoing pages, numbers 1 through 44, inclusive, are the true, accurate, and complete transcript prepared from the verbal recording made by electronic recording by Nancy H. King before the Texas Department of Motor Vehicles.

DATE: June 19, 2023

/s/ Anna Marie Reyes
(Transcriber)

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