

## MAJOR INFORMATION TECHNOLOGY PROJECTS

This memorandum provides a summary of the project management lifecycle processes, executive and legislative branch activities, and statutory provisions relating to planning and executing major information technology projects.

Project Management Lifecycle Processes	Executive and Legislative Branch Activities	Related Statutory Provisions
<p><b>Project origination</b> - Evaluate projects proposed for the next planning cycle and reach a consensus on the projects to be selected</p>	<ol style="list-style-type: none"> <li>1. Agencies identify projects to create a product or develop a service that can solve a problem or address a need within the agency.</li> <li>2. Agencies develop a project proposal, including a business case and proposed solution, for each proposed project. The business case should include information on project description, project objectives, business need or problem, proposed solution, consistency and fit with the organization's mission, cost-benefit analysis, and project risks.</li> <li>3. Agencies prioritize information technology projects, submit their information technology plan, including project information, to the Information Technology Department, and submit their information technology budgets into the budget analysis and reporting system (BARS). In most cases, the budget for a project is the initial cost estimate. The most accurate project budget is not available until the completion of the project planning process.</li> <li>4. The State Information Technology Advisory Committee, a committee created by North Dakota Century Code Section 54-59-07, reviews information regarding proposed major information technology projects for executive branch state agencies, excluding institutions under the control of the State Board of Higher Education and the judicial and legislative branches, and ranks those projects that receive the committee's affirmative recommendation. The following is a summary of the steps involved in the prioritization:               <ol style="list-style-type: none"> <li>a. The Information Technology Department sorts proposed information technology projects over \$250,000 into the following three categories:                   <ol style="list-style-type: none"> <li>(1) Projects requesting funds from the <b>general fund</b> for the investment or the ongoing maintenance costs.</li> <li>(2) Projects requesting funds from <b>federal fund</b> sources for the investment or the ongoing maintenance costs.</li> <li>(3) Projects requesting funds from other <b>special fund</b> sources for the investment or the ongoing maintenance costs.</li> </ol> </li> </ol> </li> </ol>	<p>Section 54-59-02.1 provides that the Information Technology Department shall submit information regarding proposed major information technology projects for executive branch state agencies, departments, and institutions, excluding institutions under the control of the State Board of Higher Education and the judicial and legislative branches, to the State Information Technology Advisory Committee. The State Information Technology Advisory Committee shall review the projects and rank those projects that receive the committee's affirmative recommendation. The Chief Information Officer shall submit recommendations of the State Information Technology Advisory Committee regarding the prioritizations of major information technology projects to the Information Technology Committee, the Office of Management and Budget (OMB), and the Appropriations Committees of the Legislative Assembly.</p>

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	<ul style="list-style-type: none"> <li>b. State agencies <b>self-score projects over \$250,000</b> based on return on investment, customer service benefits, internal efficiency benefits, operational necessity, and project risk.</li> <li>c. The Information Technology Department presents a preliminary report, including information regarding agencies' self-scoring, to the State Information Technology Advisory Committee. In addition, agencies present a short summary of each project to the committee.</li> <li>d. The State Information Technology Advisory Committee prioritizes projects for each of the categories.</li> <li>e. The Information Technology Department forwards the prioritized listings for each of the categories to the Information Technology Committee and OMB for consideration in the development of the Governor's budget recommendation.</li> <li>5. The Governor selects projects to be funded in the executive budget recommendation.</li> <li>6. The Information Technology Department revises the prioritized listings to reflect those projects that are funded in the Governor's budget recommendation and presents the listing to the Appropriations Committees of the Legislative Assembly.</li> <li>7. The Legislative Assembly selects projects to be funded in the legislatively approved budget.</li> <li>8. The Information Technology Department conducts a preliminary architectural review for projects funded and provides a recommendation to agencies regarding proceeding with the project.</li> <li>9. Agencies refine the business cases as appropriate for those projects funded in the legislatively approved budget.</li> <li>10. Agencies submit a copy of the final business case for a project to the Information Technology Department.</li> </ul>	<p>Section 11 of 2011 Senate Bill No. 2015 provides that each executive branch state agency, excluding entities under the control of the State Board of Higher Education, considering the development of an information technology project with an estimated cost of \$100,000 or more is to involve the Information Technology Department in the planning and study of the project for the 2011-13 biennium. A state agency must receive a recommendation from the Information Technology Department prior to proceeding with any study relating to the project.</p> <p>Section 54-59-05 provides that the Information Technology Department is to request and review information, including project startup information summarizing the project description, project objectives, business need or problem, cost-benefit analysis, and project risks, regarding any major information technology project of an executive branch agency.</p>

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<p><b>Project initiation</b> - Define the overall parameters of a project and establish the appropriate project management and quality environment required to complete the project</p> <p><b>Project planning</b> - Define the exact parameters of a project and ensure that all the prerequisites for the project execution and control are in place</p> <p><b>Project execution and control</b> - Develop the project or service that the project was commissioned to deliver</p>	<ol style="list-style-type: none"> <li>11. Agencies initiate the project by identifying the project sponsor, project manager, and project team; developing a project charter; and conducting a project kickoff meeting. A project charter is developed and executed to initiate a project and to secure commitment for the resources, including human, financial, and equipment, necessary for the project. A project charter should include information on project background, project scope, measurable project objectives, required resources, constraints, assumptions, and project authority.</li> <li>12. Agencies submit a copy of the project charter to the Information Technology Department prior to any project expenditures or signing of vendor contracts.</li> <li>13. Agencies complete planning for a project by completing and approving a project plan. A project plan should identify specific milestones throughout the project and their associated cost, schedule, and deliverables. At this time, agencies complete the budget for the project. This project budget is considered to be the baseline budget for all cost comparisons.</li> <li>14. Agencies submit a copy of the project plan to the Information Technology Department after the plan has been approved by the project sponsor.</li> <li>15. Agencies present a project startup report to the Information Technology Committee. A project startup report summarizes information from the business case, project charter, and project plan, including project description, project objectives, business need or problem, cost-benefit analysis, and project risks. A copy of the project startup report template is attached as <a href="#">Appendix A</a>.</li> <li>16. Agencies launch the project. The assigned project manager is to manage every aspect of the project to ensure that all the work is being performed correctly and on time.</li> <li>17. Agencies submit a project status report to the Information Technology Department on a quarterly basis or when a project milestone exceeds 20 percent of planned cost or schedule. The status report includes an executive summary and information on budget, schedule, issues, risks, project accomplishments, and upcoming activities.</li> </ol>	<p>Section 54-35-15.2 provides that the Information Technology Committee is to receive and review information, including a project startup report summarizing the project description, project objectives, business need or problem, cost-benefit analysis, and project risks, regarding any major project of an executive, legislative, or judicial branch agency, the State Board of Higher Education, or any institution under the control of the State Board of Higher Education.</p> <p>Pursuant to Section 54-59-23, if a project milestone exceeds 20 percent of planned cost or schedule, agencies must report to the State Information Technology Advisory Committee on corrective measures being undertaken to address any cost or time of completion issue. If agencies have not taken adequate corrective measures within 90 days after the report, agencies must report to the Information Technology Committee regarding the project.</p>

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<p><b>Project closeout</b> - Assess the project and derive any lessons learned and best practices to be applied to future projects</p>	<p>18. Each calendar quarter, the Information Technology Department prepares a large project summary report that summarizes the performance of large information technology projects and submits the report to the Information Technology Committee.</p> <p>19. Agencies formally acknowledge that all deliverables produced during project execution and control have been completed, tested, accepted, and approved by the project sponsor.</p> <p>20. Agencies complete a postimplementation review for the project in order to assess the success of the project and to capture historical information. The postimplementation review should include information on the measurement and attainment of project objectives, project budget and schedule variances, and lessons learned.</p> <p>21. Agencies notify the State Information Technology Advisory Committee if the actual cost for the project exceeded the original budget by 20 percent or more or if the final project completion date extended beyond the original project scheduled completion date by 20 percent or more.</p> <p>22. Agencies submit a copy of the postimplementation review to the Information Technology Department.</p> <p>23. Agencies present a project closeout report to the Information Technology Committee. A project closeout report summarizes information from the postimplementation review, including the project objectives achieved, project budget and schedule variances, and lessons learned. A copy of the project closeout report template is attached as <a href="#">Appendix B</a>.</p>	<p>Pursuant to Section 54-59-23, agencies must notify the State Information Technology Advisory Committee if upon the completion of the project, the budget for the project exceeded the original budget by 20 percent or more or if the final project completion date extended beyond the original project scheduled completion date by 20 percent or more.</p> <p>Section 54-59-05 provides that the Information Technology Department is to request and review information, including project closeout information summarizing the project objectives achieved, project budget and schedule variances, and lessons learned, regarding any major information technology project of an executive branch agency.</p> <p>Section 54-35-15.2 provides that the Information Technology Committee is to receive and review information, including a project closeout report summarizing the project objectives achieved, project budget and schedule variances, and lessons learned, regarding any major project of an executive, legislative, or judicial branch agency, the State Board of Higher Education, or any institution under the control of the State Board of Higher Education.</p>

**NOTE:** On July 6, 2011, Governor Jack Dalrymple signed Executive Order 2011-20 ([Appendix C](#)) relating to large information technology project contracting and monitoring. For the purposes of the executive order, a large information technology project is a project with an estimated total cost of at least \$1 million. The executive order provides that:

- Before an executive branch state agency, excluding an agency of an elected official, issues a request for proposal or enters a contract for a large information technology project, a committee of subject matter experts must review the request for proposal or contract. The committee of subject matter experts consists of an information technology contract attorney from the Attorney General's office, an Information Technology Department procurement officer, an Information Technology Department project management subject matter expert, the project sponsor, and one optional member at large from the procuring agency. At least three votes in favor of a recommendation of approval are needed before the request for proposal or contract may be forwarded to an executive steering committee for the project.

- An executive steering committee for each large information technology project must include the agency head of the contracting agency, the director of OMB, the Chief Information Officer, the project sponsor, and a large project oversight analyst. Four affirmative votes are required to make any project decisions relating to contracts, budgets, or scope changes deemed by any one member to be a major project decision.
- The contracting agency head and the Chief Information Officer must both sign all contracts, amendments, and scope changes as directed by the executive steering committee.
- There will be quarterly meetings at a time to be determined by the Governor's office to review the status of all pending large information technology projects.

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