Legislative Council

MAJOR INFORMATION TECHNOLOGY PROJECT LIFE CYCLE

This memorandum provides a summary of the project management life cycle processes, executive and legislative branch activities, and statutory provisions relating to planning and executing major information technology (IT) projects. Information related to major projects can be viewed on the Information Technology Department (ITD) project management webpage: https://www.nd.gov/itd/services/project-management. The status of major IT projects in process can be viewed on the ITD portfolio overview dashboard. A quarterly report archive of the portfolio overview dashboard is available on the ITD website.

Project Management Life Cycle Processes	Executive and Legislative Branch Activities	Related Statutory Provisions

Project origination - Evaluate projects proposed for the next planning cycle and reach a consensus on the projects to be selected	1. Agencies identify projects to create a product or develop a service that can solve a problem or address a need within the agency.
	
	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.
	
	3. Agencies prioritize IT projects, submit their IT plan, including project information, to ITD, and submit their IT budgets into the budget analysis and reporting system. 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.
	
	4. The State Information Technology Advisory Committee (SITAC), a committee created by North Dakota Century Code Section 54-59-07, reviews information regarding proposed major IT 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:
	
	  a. ITD sorts proposed IT projects over $500,000 into the following three categories:
	
	    (1) Projects requesting funds from the general fund for the investment or the ongoing maintenance costs.
	
	    (2) Projects requesting funds from federal fund sources for the investment or the ongoing maintenance costs.
		Section 54-59-02.1 provides ITD shall submit information regarding proposed major IT 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 SITAC. 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 (CIO) shall submit recommendations of SITAC regarding the prioritizations of major IT projects to the Information Technology Committee, OMB, and the Appropriations Committees of the Legislative Assembly.

Project Management Life Cycle Processes	Executive and Legislative Branch Activities	Related Statutory Provisions

	(3) Projects requesting funds from other special fund sources for the investment or the ongoing maintenance costs.
	
	  b. State agencies self-score projects over $500,000 based on return on investment, customer service benefits, internal efficiency benefits, operational necessity, and project risk.
	
	  c. ITD presents a preliminary report, including information regarding agencies' self-scoring, to SITAC. In addition, agencies present a short summary of each project to the committee.
	
	  d. SITAC prioritizes projects for each of the categories.
	
	  e. ITD forwards the prioritized listings for each of the categories to the Information Technology Committee and the Office of Management and Budget (OMB) for consideration in the development of the Governor's budget recommendation.
	
	5. The Governor selects projects to be funded in the executive budget recommendation.
	
	6. ITD revises the prioritized listings to reflect those projects that are funded in the Governor's budget recommendation.
	
	7. State agencies, including ITD, present the listing to the Appropriations Committees of the Legislative Assembly.
	
	8. The Legislative Assembly selects projects to be funded in the legislatively approved budget.
	
	9. ITD conducts a preliminary architectural review for projects funded and provides a recommendation to agencies regarding proceeding with the project.	

		Section 54-59-11.1 provides each executive branch state agency, excluding entities under the control of the State Board of Higher Education, considering the development of an IT project with an estimated cost of $100,000 or more is to involve ITD in the planning and study of the project. A state agency must receive a recommendation from ITD prior to proceeding with any study relating to the project.
	10. Agencies refine the business cases as appropriate for those projects funded in the legislatively approved budget. 11. Agencies submit a copy of the final business case for a project to ITD.	Section 54-59-05 provides ITD 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 IT project of an executive branch agency.
Project initiation - Define the overall parameters of a project and establish the appropriate project management and quality environment required to complete the project	12. 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,	

Project Management Life Cycle Processes	Executive and Legislative Branch Activities	Related Statutory Provisions
	measurable project objectives, required resources, constraints, assumptions, and project authority.	
	13. Agencies submit a copy of the project charter to ITD prior to any project expenditures or signing of vendor contracts.	
Project planning - Define the exact parameters of a project and ensure all the prerequisites for the project execution and control are in place	14. 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.	
	15. Agencies submit a copy of the project plan to ITD after the plan has been approved by the project sponsor.	
	16. 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 Appendix A. Historical project startup reports can be viewed on the ITD project management webpage.	Section 54-35-15.2 provides 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.
Project execution and control - Develop the project or service the project was commissioned to deliver	17. The agency, ITD, and OMB, in consultation with the Attorney General, approve any contracts or agreements related to the project. An executive steering committee is appointed to oversee the project, including the overall project status, contract negotiation and execution, project budgets, project schedules, and project quality.	Section 54-59-32 provides project contracts must be approved by the agency, ITD, and OMB, in consultation with the Attorney General before submission to the executive steering committee. An executive steering committee consisting of the Director of OMB or a designee of the Director, the CIO or a designee of the CIO, the head of the agency or a designee, the project sponsor, and a large project oversight analyst designated by the CIO is appointed to monitor the project and review project decisions. Any project decision declared by a member of the committee to be a major project decision requires at least four affirmative votes. Project contracts or changes to project contracts must be signed by the head of the agency or a designee and the CIO or a designee.
	18. Agencies launch the project. The assigned project manager is to manage every aspect of the project to ensure all the work is being performed correctly and on time.	
	19. Agencies submit a project status report to ITD 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.	Pursuant to Section 54-59-23, if a project milestone exceeds 20 percent of planned cost or schedule, agencies must report to SITAC 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.
	20. Each calendar quarter, ITD prepares a major project summary report that summarizes the performance of major IT projects and submits the report to the Information Technology Committee. The	

Project Management Life Cycle Processes	Executive and Legislative Branch Activities	Related Statutory Provisions
Project closeout - Assess the project and derive any lessons learned and best practices to be applied to future projects	current quarterly dashboard report and an archive of previous quarterly summary reports can be viewed in the reports section of the ITD project management oversight webpage. This summary report also includes information on major, multi-biennium "iterative" projects. A separate report for iterative projects is presented by ITD or the appropriate agency to the Information Technology Committee. A copy of the iterative report template is attached as Appendix B. 21. Agencies formally acknowledge all deliverables produced during project execution and control have been completed, tested, accepted, and approved by the project sponsor. 22. 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. 23. Agencies notify SITAC 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. 24. Agencies submit a copy of the postimplementation review to ITD. 25. 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 Appendix C. Historical closeout startup reports can be viewed on the ITD project management webpage.	Pursuant to Section 54-59-23, agencies must notify SITAC 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. Section 54-59-05 provides ITD 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 IT project of an executive branch agency. Section 54-35-15.2 provides 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.

ATTACH:3