

MEMORANDUM

TO: Joint Legislative Oversight Committee on Information Technology; Fiscal Research Division

FROM: Jim Parker, IT Programs and Procurement Director

REFERENCES: Session Law 2015-241 § 143B-1318(a). Project Management.

SUBJECT: Report to the committee on project management procedures implemented to limit the need for change requests

Sen. Tarte, Rep. Saine and Members of the Joint Legislative Oversight Committee on Information Technology,

1. Session Law 2015-241 § 143B-1318 requires the State CIO to establish procedures for all IT projects to limit the need for change requests, and report to the Joint Legislative Oversight Committee on Information Technology and the Fiscal Research Division on this process.
2. In March 2014, the Enterprise Project Management Office (EPMO) initiated a project to reform EPMO and Information Technology (IT) Project Management (PM) processes and procedures. Completed in January 2015, the project successfully delivered:
 - a. State CIO policy and direction for IT Project Management and EPMO Quality Manual (<http://ncit.s3.amazonaws.com/s3fs-public/documents/files/0100-0100-005-QMS-REV-1-0-Quality-Manual-EPMO.pdf>)
 - b. A new Quality Management System (QMS) (<http://it.nc.gov/services/service-directory/project-management/project-approval-oversight-epmo/quality-management-systems-qms>).
 - c. New processes, procedures, work instructions and forms for IT project management (<http://it.nc.gov/services/service-directory/project-management/project-approval-oversight-epmo/qms-processes-and-forms>)
 - d. New Project Change Request Process (https://ncit.s3.amazonaws.com/s3fs-public/documents/files/0300-0360-005-C-Project-Change-Request_1.pdf)
3. As required by Session Law 2015-241 § 143B-1318 and State CIO policy, the new Quality Management System (QMS) establishes the processes, procedures, work instructions and forms to manage all IT projects through a standardized, fully documented methodology overseen by the State CIO. Additionally, the QMS enables the State CIO's statutory responsibilities for participating and separate agency IT projects with respect to cost (budget), schedule, and scope completion performance.
4. The QMS includes a new Project Change Requests process. State level change requests are now only required when a project's actual spend or schedule exceeds planned parameters based on set thresholds. Agency level thresholds reside within State level parameters and now provide a metric for project leadership to take preventive or corrective action before EPMO and OSBM involvement is required.

5. A key function of the new QMS is to enable IT PMs and the EPMO to identify potential IT project cost and schedule overruns before they become unmanageable. The new change request process works in concert with all other QMS processes and procedures to reduce or minimize project change requests by:
 - a. Improving IT project planning and cost estimation during the project initiation and planning phases
 - b. Using standard IT project management tools and techniques
 - c. Performing weekly IT project reporting and EPMO review
 - d. Requiring a unique cost center for each project to enable actual cost reporting from the State's accounting system of record

Further, the new processes have been implemented in alignment with a new project portfolio management (PPM) and PM information system called "Touchdown". The EPMO is confident when agencies leverage the new processes and technology standards to manage IT Projects, the on time and on budget delivery of IT projects and programs will significantly improve.