

DAS Statewide Policy

SUBJECT: Technology Investment Strategy Development **NUMBER:** 107-004-030
And Quality Assurance Reviews

DIVISION: Information Resources Management **EFFECTIVE DATE:** 02-01-04

APPROVED:

POLICY/ PURPOSE: The Oregon Legislature has charged the Department of Administrative Services (DAS) with establishing management procedures and a quality assurance framework for the development, review, improvement, integration, security, and use of information resources. The purpose of this statewide policy is to provide state agencies with the information and direction necessary to carry out this legislative mandate.

AUTHORITY: ORS 184.475, 184.477, 291.037, 291.038

APPLICABILITY: Large scale, mission critical and complex information technology projects undertaken by State Agencies.

ATTACHMENTS: Exhibit A – Department of Human Services, Business and Technical Assessment

DEFINITIONS: “**Complex Project**” means, project efforts encompassing application development, system development, and infrastructure that exceed the thresholds identified in the Guidelines section of this policy.

“**Application Development**” means, activities related to building a program that will perform a specific function directly for the user.

“**Infrastructure**” means, everything that supports the flow and processing of information.

“**Systems Development**” means, the development of an automated application or process utilizing information technology.

“**Investment Strategy**” means, a plan, project or number of projects carried out to improve service delivery within an agency or program area. Multiple projects within an agency or program area may be combined when determining the investment strategy’s total cost.

“**Mission Critical**” means, any computer process that cannot fail during normal business hours.

“**Project**” means, a temporary endeavor undertaken to create a unique product or service.

“**Project Cost**” means, all costs within an agency that are specifically attributable to the project within the agency’s chart of accounts and that are managed and reported on throughout the project development and delivery process.

DAS Statewide Policy

POLICY NAME: Technology Investment Strategy Development
And Quality Assurance Reviews

NUMBER: 107-004-030

DEFINITIONS **(Continued):**

“Project Management” means, the application of knowledge, skills, tools, and techniques to meet project requirements.

“Quality Management” means, the processes used to ensure that the project will satisfy the needs for which it was undertaken. It includes all activities of the overall management function that determine the quality policy, objectives, and responsibilities and implements them by means such as the following:

Quality Planning – identifying which quality standards are relevant to a project and determining how to satisfy them.

Quality Assurance – evaluating overall project performance on a regular basis to provide confidence that the project will satisfy the relevant quality standards.

Quality Control – monitoring specific project results to determine if they comply with relevant quality standards and identifying ways to eliminate causes of unsatisfactory performance.

“Risk Identification” means, determining which risks might affect the project and documenting their characteristics.

“Risk Mitigation” means, seeking ways to reduce the probability and/or impact of an identified risk below an acceptable threshold.

GUIDELINES:

I. Agencies that are developing information technology investment strategies or project concepts that are mission critical and estimated to exceed \$5,000,000 in total cost, will work with DAS in developing the following documents before proceeding to the project execution phase:

- A detailed business case.
- A cost benefits analysis.
- A scope statement that broadly defines the distinguishing characteristics of the project. When properly defined, the scope of the project should remain constant even as the product characteristics are progressively elaborated.
- A high-level budget and funding estimate.
- A high-level schedule estimate.
- A high-level risk assessment.

GUIDELINES

DAS Statewide Policy

POLICY NAME: Technology Investment Strategy Development
And Quality Assurance Reviews

NUMBER: 107-004-030

(Continued):

- A high-level quality management plan.
- II. Those projects that are required by legislative action or executive mandate to have independent reviews, and information technology projects that meet three of the following criteria, shall provide for an independent quality assurance review.
- The system, application or infrastructure affected by the project is considered mission critical by the affected agency or DAS.
 - The project schedule exceeds one year in duration.
 - The project scope includes changes or enhancements to systems, applications or infrastructure managed or maintained by more than one state agency or government entity.
 - The complexity of the project is deemed medium or higher using the Department of Human Services, Business and Technical Assessment (Exhibit A) or similar tool that has been approved by DAS.
 - The total project costs are estimated to be greater than \$1,000,000.
- III. If a project requires independent quality assurance review, the agency sponsoring the project will work with DAS Information Resources Management Division (IRMD) to determine the appropriate level of review required. The agency sponsoring the project will provide an adequate level of project documentation that includes but is not limited to a business case, a clear statement of expected deliverables, an initial schedule including major milestones, an estimated project budget and copies of the systems development and project management methodologies adopted by the agency for use on the project. The level of independent quality assurance review required will be determined by DAS depending on the demonstrated maturity of the organization undertaking the project, complexity of the project, duration, and total cost of the project. Quality assurance review will be done using a peer review process utilizing staff with the appropriate level of training and experience. Participants in the peer review process can include staff from state agencies, other government entities, and the private sector. The DAS IRMD will work with the agency in determining of the level of review required and in assigning members of the peer review team. Other quality assurance review alternatives may be considered with the approval of DAS IRMD.

DAS Statewide Policy

POLICY NAME: Technology Investment Strategy Development
And Quality Assurance Reviews

NUMBER: 107-004-030

- IV. All reports generated from the quality assurance review process shall be presented to the sponsoring agency's steering committee, project manager, and DAS IRMD using report templates and formats provided by DAS IRMD. The DAS IRMD will coordinate and accept input from affected agencies prior to making reports and presentations to the JLCIMT and other legislative committees as required.

- V. Agencies are expected to conduct risk assessments for agency projects to objectively quantify strategic, economic, project management, technology, change management, operational and acquisition risks. The independent quality assurance review process will identify new risks and assess all risks throughout the project, thereby ensuring that appropriate actions are continually taken.

PROCEDURES:

<u>Step</u>	<u>Responsible Party</u>	<u>Action</u>
1.	Agency	Notify DAS IRMD when considering information technology investment strategies or project concepts that have the potential of exceeding \$5,000,000 dollars in total project costs. This includes projects that are included in base (operational) budgets. If estimated project cost is less than \$5,000,000 go to Step 4.
2.	DAS	Assign resources to assist the requesting agency in properly analyzing the information technology investment strategies or project concepts that meet or exceed the thresholds of Guideline I.
3.	Agency and DAS	Analyze the information technology investment strategies or project concepts through the development of documents described in Guideline I. Decide whether the project should move forward into the initiation stage, or if the concept needs more development, or if the concept should not go forward.
4.	Agency	At project initiation (after project concept approval by the appropriate agency governance body and before 5% of estimated project funds are expended) compare the project criteria to the threshold defined in Guideline No. II of this policy.
5.	Agency	If the project meets or exceeds the threshold criteria for independent quality assurance review (Guideline II.), submit project documentation including business case, cost estimates, schedule estimates, scope statements (expected deliverables), project charter, risk assessments (include likelihood and impact), methodologies to be followed (systems development, project management, etc.) a proposed quality management plan and other material created in the process of internally approving the project to DAS IRMD for review (cf. Guideline No. III)

DAS Statewide Policy

POLICY NAME: Technology Investment Strategy Development
And Quality Assurance Reviews

NUMBER: 107-004-030

8. Independent QA (Continued) Report omissions and/or gaps in the project’s planning, execution, control, methodologies, reporting and closing to the agency and DAS IRMD. Use report formats, templates and reporting schedules as directed by the DAS IRMD QA manager.
- Review identified risks and mitigation plans developed by the agency. Document and quantify any major risks not identified by the agency and identify any major concerns related to the agency’s mitigation plans. Report risk related information to the agency and DAS IRMD. Use report formats, templates and reporting schedules as directed by the DAS IRMD QA manager.
9. Agency Take appropriate steps to address omissions, gaps and risk issues raised by the independent quality assurance reviewer or document business reasons for not doing so. Report steps taken and progress in addressing these issues to DAS IRMD, and the appropriate legislative committees (JLCIMT) if so instructed, following the format(s) agreed to in Step No. 7 (steps 8 & 9 are reoccurring during the life of the project).
10. DAS IRMD QA Manager During the life of the project, work with the agency to address project omissions, gaps and risk issues raised by the independent quality assurance reviewer and make recommendations that can assist the agency in the successful completion of the project. If necessary, recommend that the DAS, IRMD, CIO assign additional IRMD resources to the project.
11. DAS IRMD QA Manager Prepare regular reports on the status and health of agency projects requiring independent quality assurance review. Reports shall be created from information derived from project status reports, work completed as part of Step No. 10 of this policy, and information provided by the independent quality assurance review as directed in Step No. 8. Reports shall be distributed to the appropriate legislative committees (JLCIMT), DAS, and agency management.
12. DAS IRMD CIO or designee Follow status of technology investments and provide assistance and governance from IRMD and other DAS divisions as required to insure the successful implementation of technology projects covered by this policy.