State of Texas – Project Delivery Framework

IT Project and Portfolio Management NASCIO Award Nomination

Executive Summary

A. Description of the business problem and solution

The Texas Project Delivery Framework (Framework) is an excellent model and case study for how a state with a decentralized form of government can trigger better technology investment management. By establishing, emphasizing, and championing a statewide transition from pure project delivery accountability to strategic benefits measurement, the state of Texas has catapulted its technology project portfolio capabilities to another level.

Problem Statement

The state of Texas comprises the Department of Information Resources (DIR) and over 250 other agencies and higher education institutions that DIR has, to varying extents, oversight over. Initiation, implementation, and ultimately measurement of technology project performance remain within the agency (refers to a state agency and higher education institution). Furthermore, each agency is responsible for development and deployment of project management practices that integrate with the Framework, yet provide and satisfy specific business needs.

Until the state of Texas adopted the Framework, state agencies had no consistent guidance or tools for planning and implementing major technology projects. A statewide method for project selection, control, and evaluation based on alignment with business goals and objectives was absent.

Minimal emphasis had been placed on solving business problems from a topmost perspective of business operations within agencies. Instead, accountability seemed to remain with IT staff instead of with individuals responsible for actually achieving and driving the mission of the agency. A desire to accelerate delivery of effective business improvements and outcomes propelled state leadership to evaluate practices that "blend" business needs with IT solutions.

Each agency had its own processes and governance structures for evaluating and approving projects. Different agency processes presented a wide variety of information, with different levels of detail and ways of documenting business needs, requirements, and justification for projects. Even within agencies the processes were often inconsistent or arbitrary.

The Texas Legislature approves funding for all major IT projects. But the different justification processes used by agencies presented such a diversity of information and inconsistent levels of detail that the Legislature had no way of comparing expected benefits among projects to prioritize funding or to prevent duplication among projects in different agencies.

In addition, many agencies had no consistent system to provide feedback to agency management or to the legislature during project delivery.

Finally, there was no methodology for evaluating completed projects to determine if the benefits that were forecast in the business justification were actually delivered.

Solution

The Texas Legislature adopted use of the Framework during the 79th Legislature, making the Framework mandated for use by agencies in September 1, 2005. The Framework is used for major technology projects that cost more than $1 million, take more than a year to reach operational status, and materially alter work methods of agency personnel and/or the delivery of services to agency clients.

The Framework was developed on the idea that the agency head is ultimately accountable for IT projects and whether those projects advance the agency's core mission. No other state agency has deployed practices and tools that incorporate approval by an agency head throughout various stages of project delivery. The idea is that the Framework is macro to the state enterprise, but micro to an agency's application to specific business needs. This approach is critical for ensuring broad and effective investment management in a decentralized form of government.

The Framework consists of five review gates, each serving a specific purpose during project delivery. Each gate requires the project to present a uniform set of data in a standard format. Completion of a review gate requires

that an agency head determine that a project is ready to move to the next project delivery stage. The review gates are:

- **Business Justification** – initial review gate for selection and approval of the project

- **Project Planning** – planning for both project management and technology-related activities and deliverables

- **Solicitation and contracting** – development and management of IT solicitations and contracts

- **Project Implementation** – development, testing, and deployment based on project planning deliverables

- **Benefits Realization** – for measurement and evaluation of all business outcomes.

The Framework provides guidance and tools for documentation, review, assessment, and approval of project outcomes during each review gate of project delivery. The Framework provides guidance to agency heads by presenting fundamental information on delivery of IT projects to help them assess the agency's ability to manage state investments. The Framework is developed to assist agency heads with deciding whether the project is ready to proceed to the next review gate.

Additionally, the Framework functions in concert with existing governance structures and project management processes established at the agency level. Based on Texas' decentralized form of government, the Framework promotes use through flexible integration with practices that exist at the agency level.

B. Significance to the improvement of the operation of government

The Framework has provided a significant and key improvement to the operations of Texas government by establishing a measurable foundation for technology investment management. The entire Framework provides a strong basis for evaluating benefits to business operations all across the state. In summary, the Framework presents:

- *Consistent Investment Strategy*

  The Framework established a unique and innovative method for performing, executing, and evaluating business case analysis for technology projects with government. Agencies have created tools that complement use of the Framework Business Case for project justification and ultimately for project performance measurement during benefits realization.

- *Transparent and Predictable Methods*

  The Framework functions in concert with governance structures and project management processes at the agency level by standardizing the collection and presentation of project data within and among agencies. This approach provides more reliable guidance to agency heads by presenting uniform information about IT projects. Agency heads are able to use this information to make more even-handed decisions about prioritizing projects, and assessing the management of IT projects.

  For the Texas Legislature, the Framework provides the same kind of view into IT projects across state government. This gives state leadership a more consistent basis for prioritizing projects, evaluating project management, and establishing clear lines of accountability for project outcomes.

- *Cost-effective Self-assessment and Auditing Tools*

  The Framework provides more predictable project artifacts with which agencies performing process improvement self-assessments, and auditors, can evaluate an agency's management of state assets and information resources against a state-level standard.

C. Benefits realized by service recipients, taxpayers, agency, or state

First, the Framework enforces clear lines of accountability within an agency for all major projects. The focus on business outcomes requires more explicit commitment and support from business units that the projects benefit. It also requires that the benefits be quantified in a manner that they can be verified in a post-implementation review.

In an environment in which the Framework is rigorously applied, agency heads will know their projects' status, including budgets and schedules, and will be able to provide legislators consistent and verifiable information about their projects' funding, timeframe, deliverables and usefulness across agency lines.

Since business justification is made explicit and uniform, the Legislature has a more transparent, consistent basis for selecting projects based on alignment with state and agency business goals and objectives.

It is expected that all Framework documents will be posted online. This provides the general public a view into where and how their tax dollars are being spent. Such transparency gives project management considerable

incentive to perform to the best of their ability and focus on advancing business processes that have the greatest value to the state, constituents, and the agency.

Allowing public access to documents will also allow agencies to re-use best practices such as Business Justifications and project plans. In addition, the Framework will become a baseline for training agency analysts and planners in certain project management disciplines.

Finally, the Framework compels project planners to specify many parameters and outcomes that can be audited after the project is complete. In particular, the framework requires a post-implementation evaluation to determine if the projected benefits were achieved. Making such evaluations publicly available will no doubt discourage unserious or inconsequential projects.

D. Realized return on investment, short-term/long-term payback

Evaluating the impact of Framework use on state and agency processes and results is based on improvements anticipated at the onset of Framework adoption. A state-level body exists for the state of Texas that is responsible for project review and monitoring. This Quality Assurance Team (QAT) continually evaluates project delivery results to assess the benefits of deployment of the Framework. Numerous process improvement recommendations have been initiated based on these analysis assessment results.

Short-tem Payback

Focus is placed on realized benefits such as improved involvement and accountability of agency heads with IT project solutions, consistent and uniform presentation of IT project delivery data, and meaningful mechanisms for evaluation of project funding, timeframe, deliverables and usefulness across agency lines.

Long-term Payback

A primary focus of the Framework is on achievement of business outcomes that advance the core mission of the agency. The Framework, in particular, has established a measurement foundation for post-implementation evaluation of business outcomes. In addition, consistent data obtained through use Framework deliverables across the state present future opportunities for project management advancements.

The following graphic shows an overview of Framework deliverables. Although not shown, separate deliverables exist for each of the referenced supplemental tools.

Framework Graphical Overview

REVIEW GATES				
BUSINESS JUSTIFICATION▸	PROJECT PLANNING▸	SOLICITATION AND CONTRACTING▸	PROJECT IMPLEMENTATION▸	BENEFITS REALIZATION
DESCRIPTION				
Initial review gate for selection and approval of the project	Planning for both project management and technology-related activities and deliverables	Development and management of technology solicitations and contracts	Development, testing, and deployment based on project planning deliverables	Final review gate for measurement and evaluation of all project outcomes
REQUIRED TOOLS				
• Business Case • Statewide Impact Analysis • Project Charter	• Project Plan • Communication Management Plan • Configuration Management Plan • Performance Management Plan • Risk Management Plan • Monitoring Report	• Technology Addendum – Contract Management Guide [Texas Building and Procurement Commission (TBPC)] • Acquisition Plan • Solicitation information via TBPC application • Contract Amendment and Change Order Approval	• Acceptance to Deploy • Project Closeout Report	• Post-Implementation Review of Business Outcomes
SUPPLEMENTAL TOOLS				
	• Project Plan: - Change Control Request			

	- Work Breakdown Structure
	- Project Status
	- Issues Tracking
	• Risk Management Plan:
	  - Risk Assessment Tables
	  - Risk Checklists
	  - Risk Item
	  - Risk Status			

AGENCY HEAD APPROVAL				
Business Justification Review Gate Approval	Project Planning Review Gate Approval	Solicitation and Contracting Review Gate Approval	Project Implementation Review Gate Approval	Benefits Realization Review Gate Approval