Quality Assurance Team

DIR Discover

DIR
Texas Department of Information Resources

**Transforming How
Texas Government
Serves Texans**

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Agenda

Introductions

Quality Assurance Team

- ➤ **Legislative Budget Board (LBB)**
- ➤ **Comptroller's Office (CPA)**
- ➤ **State Auditor's Office (SAO)**
- ➤ **Department of Information (DIR)**

Major Information Resources Project

Texas Project Delivery Framework

Additional Oversight

QAT Tools and Support

Introductions

Who Is the Quality Assurance Team?

Legislative Budget Board
Richard Corbell

Texas Department of Information Resources
Heather Hardy

Comptroller of Public Accounts
Brian Bowser

State Auditor's Office
Michael Clayton

LBB Update

IT Projects

Categories for IT projects in the Texas State budget

- Capital Projects (Cybersecurity, Legacy Modernization and Other IT projects)

- Data Center Services (DCS)

- Centralized Accounting and Payroll/Personnel System (CAPPS)

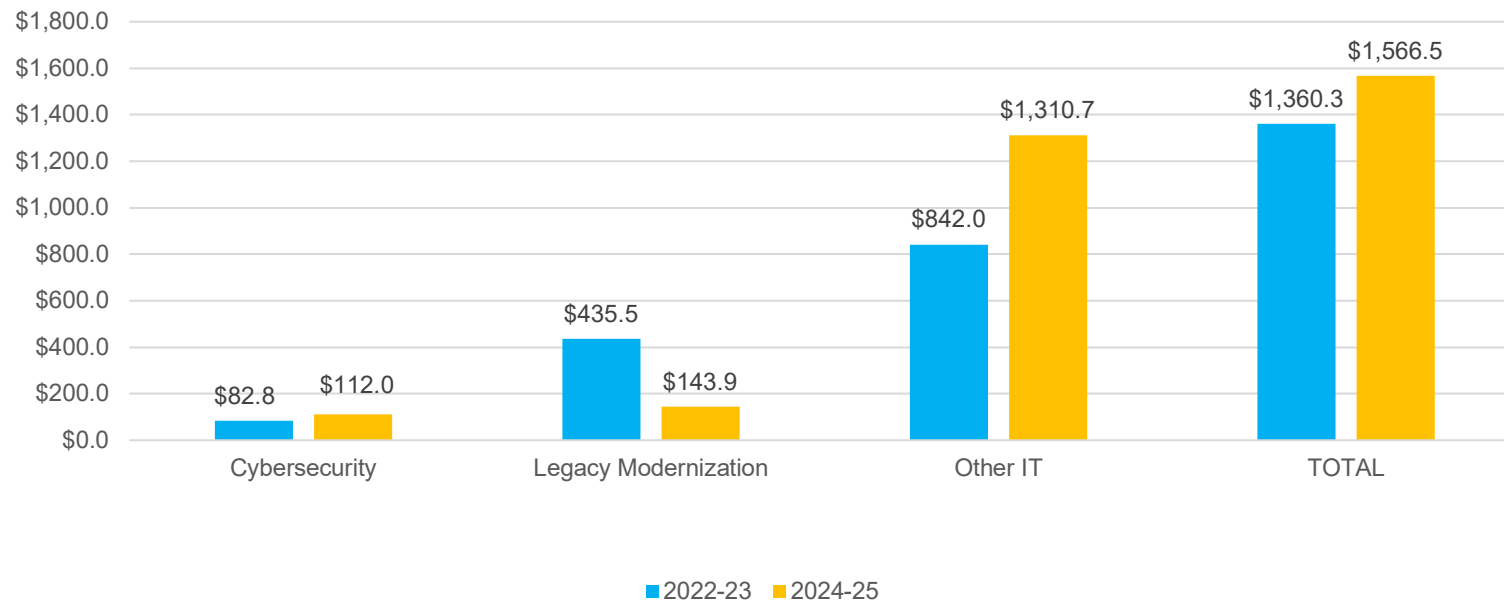- Ongoing Maintenance (Daily Operations)

Overview of State Information Technology

- Cybersecurity projects help reduce risk to the confidentiality, integrity and/or availability of existing data and information systems.

- Legacy Modernization projects are related to computer system or application programs that are operated with obsolete or inefficient hardware or software technology. Legacy systems are also more difficult and costly to maintain, less resilient, and carry a higher degree of security risk.

- Other IT projects include but are not limited to enhancements to major components of existing IT systems, development projects for process improvement projects, such as transitions to paperless processes, procurement of new systems where none currently exist, PCs, or software/hardware updates, network upgrades and general modifications to IT infrastructure.

- All IT categories may be subject to Quality Assurance Team (QAT) oversight.

2024-25 IT Funding: Overview

The following is a summary of 2022-23 IT funding compared to the 2024-25 biennium:

Information Technology Appropriations
2022-23 and 2024-25, by Classification, in Millions

	Cybersecurity	Legacy Modernization	Other IT	TOTAL
2022-23	$82.8	$435.5	$842.0	$1,360.3
2024-25	$112.0	$143.9	$1,310.7	$1,566.5

■ 2022-23   ■ 2024-25

LEGISLATIVE BUDGET BOARD

2022-23 IT Funding: Overview

The following is a summary of 2022-23 IT funding compared to the 2020-21 biennium:

Information Technology Appropriations for Fiscal Years 2020-21 and 2022-23, by Category, in Millions
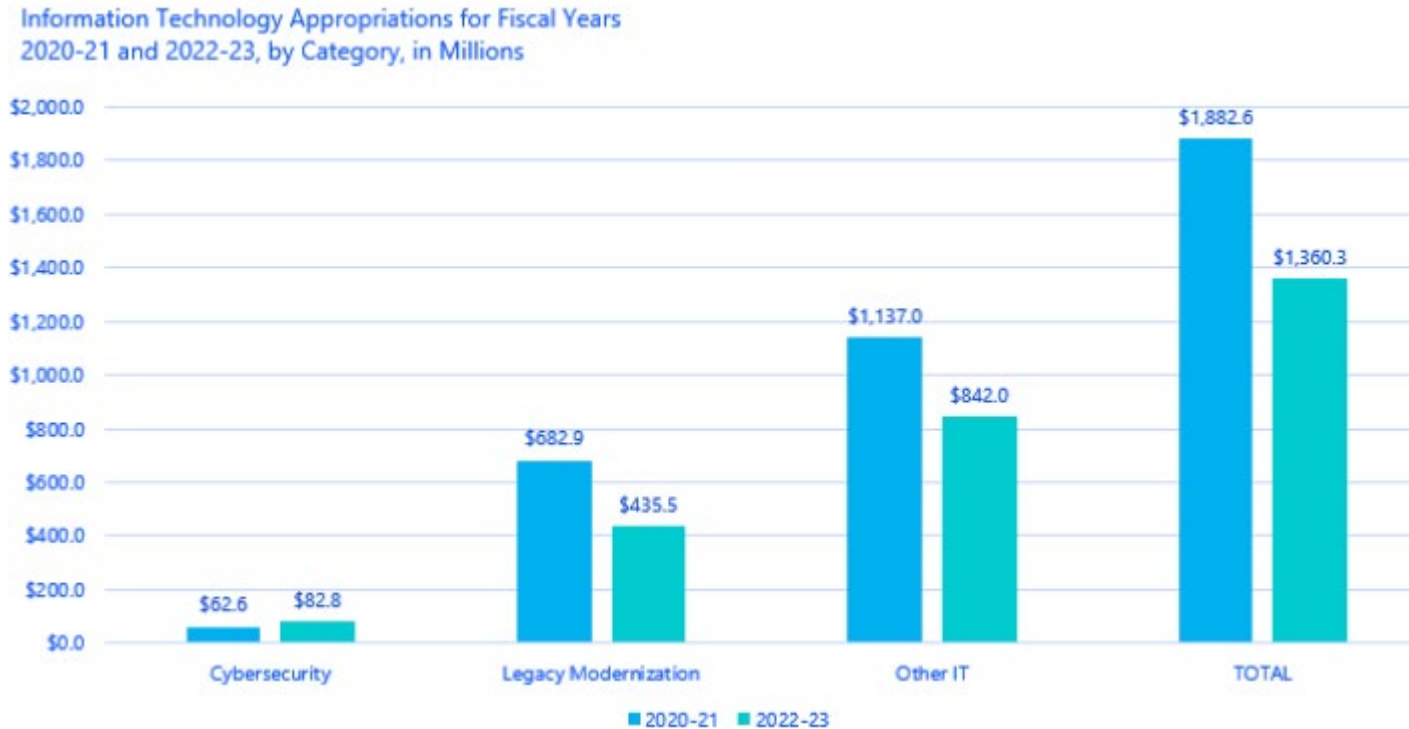
THE TEXAS STATE BUDGET PROCESS (SIMPLIFIED)

EVEN-NUMBERED YEARS

Governor & LBB provide mission statement → Each state agency prepares strategic plan → LBB sends out LAR instructions for agencies → LBB prepares draft of Budget

ODD-NUMBERED YEARS

Budget filed in both legislative chambers → After passage, budget goes to conference committee → After certification, budget sent to Governor → Budget implemented over next two fiscal years

IT Funding Legislative FAQs

When does an agency submit its Business Case for an MIRP?

- Agencies are required to submit their Business Case, Workbook and Statewide Impact Analysis for each MIRP into ABEST as part of their Biennial Operating Plan for consideration by the Legislature. After Session, the Business Cases for funded projects are approved by the QAT and letters are sent to the agencies with specifics on project start date, approved budget and monitoring requirements.

What if my MIRP originates outside of the legislative planning cycle?

- If your project is not included in your agency's Biennial Operating Plan (BOP), you must submit a BOP Amendment. Once approved by the LBB, you must submit a Business Case to the QAT.

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IT Funding Legislative FAQs

We made a request in our LAR for this project, but the scope and approach has changed since that submission. Are we required to do anything to make this change and notify QAT?

- If project scope/approach changes are needed after LAR approval by the Legislature, the agency must follow its project change process to document the change and submit a revised business case to QAT via the Statewide Project Automated Reporting (SPAR) system and by email at QAT@dir.texas.gov. Also, describe the change in the first Monitoring Report in Section 6, Project Changes.

When can we start spending money?

- For projects included in the existing Biennial Operating plan, once the BOP is approved, agencies may spend **up to 10%** of appropriated funds starting September 1.

CPA Update

# Terms and Definitions

- Comptroller of Public Accounts

  - Statewide Procurement Division

    - Procurement Oversight and Delegation

- Contract Advisory Team

- Quality Assurance Team
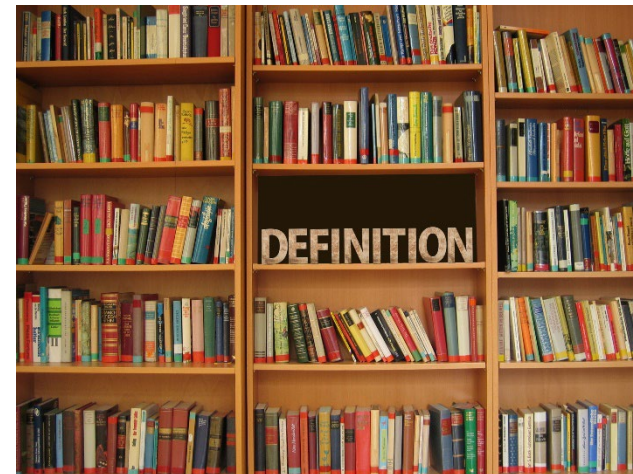
Statewide Procurement Division

Procurement Authority

➢ SPD: Central authority for the procurement of non-IT goods and services.

➢ Comptroller shall review the specifications and purchase conditions of goods and services considered for purchase.

➢ For services over $100,000 agencies must submit solicitations through the POD Portal.
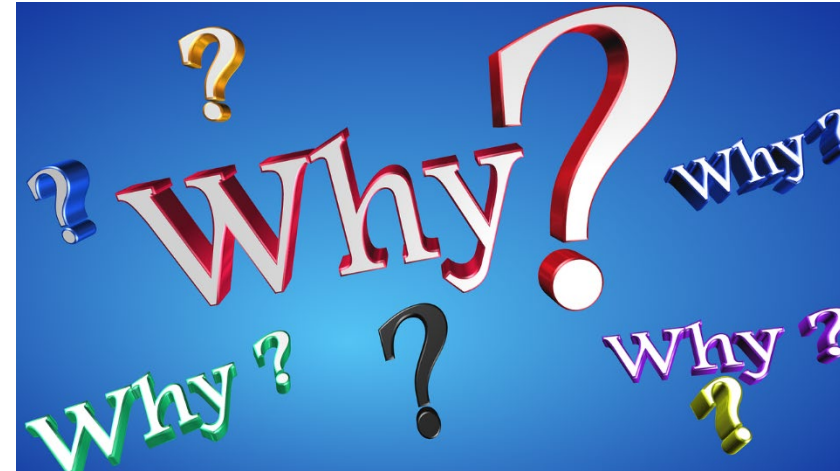
Procurement Oversight & Delegation (POD)

POD at Glance

- Reviews and delegates purchasing authority for services over $100,000

- Coordinates Contract Advisory Team (CAT) reviews for contracts valued at $5 million or more

Procurement Oversight & Delegation (POD)

POD vs CAT

- POD = Team within SPD that reviews solicitations and delegates purchasing authority for <u>services</u> over $100,000

- CAT = An interagency workgroup that reviews solicitations for <u>goods and services</u> $5 million or greater

- CAT Members: CPA, DIR, DPS, Office of Governor, HHSC, TFC, & TxDOT

Procurement Oversight & Delegation (POD)

POD Exemptions

- Double check before using an exemption.

- ESBD, CAT, and QAT still required if applicable.

Procurement Oversight & Delegation (POD)

Contract Advisory Team

CAT requirements fall under Tex. Gov. Code, Section 2262.101

- Solicitations $5 million or greater must be submitted whether SPD delegation is required or not.

- Users submit solicitations through the POD portal.

- CAT develops policy and procedures to improve statewide contracting and provides recommendations on the Texas Procurement and Contract Management Guide.

Procurement Oversight & Delegation (POD)

POD/CAT Submission Form

Delegation & Estimated Total Value

* What is the estimated total value of the contract? (This amount is the initial value plus renewals.)

$ [   ]

* How many times has this product/service been solicited by your Agency?

[   ]

* If an Agency exceeds the established dollar limit of $100,000 for services, it must seek delegated authority from the Comptroller's Statewide Procurement Division (SPD). Do you require a Delegation Letter?

-- select an option -- ▼

* The Contract Advisory Team (CAT) reviews and makes recommendations on solicitation documents for contracts that have a value of at least $5 million during the full term of the contract, including any renewal periods authorized under the contract. Do you require CAT review?

-- select an option -- ▼

* Does This solicitation include a technology component?

-- select an option -- ▼

* Is this solicitation part of a Major Information Resource Project (MIRP)?

-- select an option -- ▼

Procurement Oversight & Delegation (POD)

POD/CAT Review: Information and Reminders

✓ Allow 30 Days for Review

✓ All solicitation documents must be submitted

✓ Total Contract Value = All renewals, extension and amendments

Procurement Oversight & Delegation (POD)

POD/CAT Review Stages

✓ Received

✓ Review

✓ Comments Sent

✓ Complete

✓ (Canceled)

Procurement Oversight & Delegation (POD)

What does a review consist of?

- ✓ Solicitation Method

- ✓ Scope of Work and Deliverables

- ✓ Specifications

- ✓ All Essential Clauses

- ✓ Remedies

- ✓ Insurance

- ✓ Well Organized

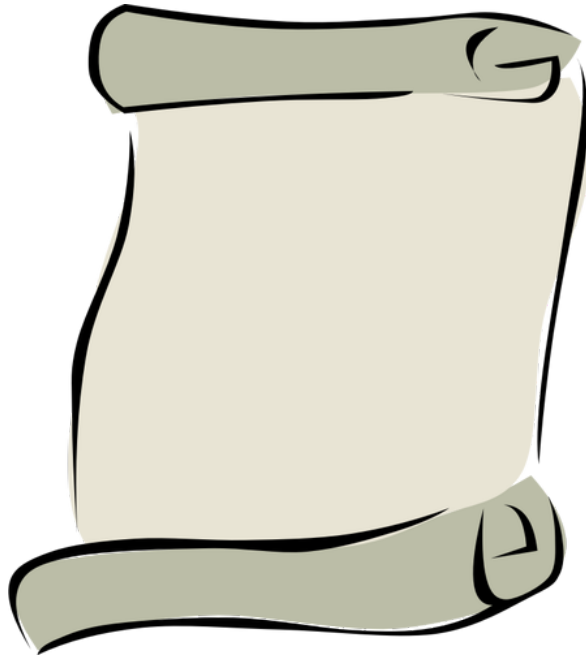- ✓ Can Vendors Make a Competitive Bid/Proposal

Procurement Oversight & Delegation (POD)

Examples of Recommendations

- **Vague Deliverables**

- **Restrictive Specification**

- **Minimum Qualifications**

- **Evaluation Criteria**

Procurement Oversight & Delegation (POD)

Post-Review Letters

- Delegation Letter

- CAT Review Letter

- Delegation and CAT Review Letter

Procurement Oversight & Delegation (POD)

Tips for a Successful Project

Collaborate early and often

- ☑ Procurement
- ☑ IT
- ☑ Infosec
- ☑ Legal
- ☑ End User

Procurement Oversight & Delegation (POD)

Additional CPA Resources

- Statewide Contracts Legal Team

- IT Project Management

Procurement Oversight & Delegation (POD)

Contact Information

Email: spd.oversight@cpa.texas.gov

Website: https://comptroller.texas.gov/purchasing/contracts/pod/

Contracting for MIRPs FAQs (cont'd)

What notifications are required for contracts?

- State agencies are required to notify QAT for the solicitation and award of all contracts pertaining to major information resources projects. First, a state agency is required to notify QAT when the agency advertises a request for proposal, request for offers, or other similar process common to participation in the competitive bidding processes of a major information resources project. The agency is also required to provide the requisition number at the time of notification (Eighty-eighth Legislature, GAA, 2024–25 Biennium, Article IX, Section 9.02(b)(2)). Finally, a state agency is required to notify QAT within 10 business days of when the agency awards a contract for any major information resources project (Eighty-eighth Legislature, GAA, 2024–25 Biennium, Article IX, Section 9.02(b)(3)).

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Contracting for MIRPs FAQs (cont'd)

What does an agency do if a contract amount is exceeded by more than 10%?

- If an overage causes a particular contract to exceed the contract amount by 10% or more, you must fill out a change order. Use the <u>Contract Amendment and Change Order Approval (CACOA) Template</u> to document any changes in scope or cost. The form must be submitted to the QAT if an amendment/change is needed. If cumulative overages cause the project to exceed current total project costs (including contractor, hardware, software licenses, full-time equivalents, etc.) by more than 10%, you must resubmit your Business Case template from Step 1: Initiate and obtain QAT reviews.

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SAO Update

OVERVIEW

The State Auditor's Office serves in an advisory-only role to QAT. We do attend most QAT meetings and provide general input to other members when requested.

We may do non-audit services projects for QAT. These projects include performing analysis of documentation submitted to QAT and making observations based on that analysis. We normally issue a report to the Legislative Audit Committee that details our observations.

The projects the State Auditor's Office performs for QAT are not audits. Generally, they involve doing interviews, analyzing IT project documents submitted to QAT, and observing any system developed as part of the IT project.

Michael Owen Clayton, CPA, CISA, CFE, CIDA Audit Manager

System Implementation Considerations

Data Migration

System Requirements

Implementation Team-including Internal Audit during planning and development can help ensure that the system has appropriate controls when developed

Cloud Based Systems- (SSAE 18) Statement for Standards for Attestation Engagements

Michael Owen Clayton, CPA, CISA, CFE, CIDA Audit Manager

DIR and QAT

DIR Role on QAT

- DIR serves as a voting member on the QAT, providing input and leadership from a technology and project management perspective.

- DIR serves as lead for the Texas Project Delivery Framework (TPDF), in conjunction with the Project Delivery Advisory Board (PDAB).

- DIR manages the Statewide Project Automated Reporting (SPAR) system of record for all MIRP information submitted by agencies; used to conduct analysis and reporting.

- DIR leads reviews and revisions as directed by statute, including Texas Administrative Code, Chapter 216.

- Regardless of subject matter, all decisions made by the QAT are made by the team, not any one agency.

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Quality Assurance Team

QAT Background

QAT is authorized (Article V, Section 133 of the General Appropriations Act, 78th Legislature) to:

- Review projects before expenditure of more than 10% appropriated funds based on analysis of project risks;
  - Make recommendations to the Legislature to reduce risk of project overruns/failures;
  - Risk is defined as the likelihood that a project will not deliver a quality solution based on scope, budget and schedule commitments made to the Legislature;

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QAT Oversight

Review

- Framework documents for projects
  - Original Project Documents
  - Revised Business Cases for projects over 10% schedule or budget.
  - Cost Benefit Analyses for projects over 50% schedule or budget.
- $10M Negotiated contracts or amendments increasing the original agreement by 10% or more.

Monitor

- Monthly/Quarterly monitoring reports of project status.
- Expanded monitoring for entities assigned "Additional Monitoring Warranted" by SAO.

Report

- Prepare QAT Annual Report.
- Report to state leadership the status of MIRPs as needed or as requested.
- Project status visible on public dashboard.

Consult during Project Initiation, Planning, and Execution

- Consult with agencies while initiating project
- During major issue resolution

QAT Tool Belt

- TGC 2054.1181

- QAT Policies and Procedures.

- Request SAO to conduct project reviews.

- Request agency project and executive team to provide analysis and plans for resolving major issues.

- May require IV&V services for >$10M projects.

- May require independent monitoring or oversight of projects.

- For poorly managed projects or excessive cost overruns, may establish a Corrective Action Plan or recommend that a project or contract be cancelled.

Major Information Resources Projects (MIRPs)

Major Information Resources Project

If the project meets the criteria below, it is considered a Major Information Resources Project (MIRP), and approval of the BOP/BOP Amendment is **required before any funds are spent.**

Texas Government Code, 2054.003

"Major information resources project" means:

(A) any information resources technology project identified in a state agency's biennial operating plan whose development costs exceed $5 million and that:
(i) requires one year or longer to reach operations status;
(ii) involves more than one state agency; or
(iii) substantially alters work methods of state agency personnel or the delivery of services to clients; and

(B) any information resources technology project designated by the legislature in the General Appropriations Act as a major information resources project.

Examples of MIRPs

Custom Development	**SaaS + Integration**	**COTS + Customization**
Legacy / Data Migration	**Enhancement or Follow-up**	**When in Doubt Contact QAT!**

MIRP FAQs

Our agency doesn't refer to IT efforts as "projects." Therefore, there isn't anything in our portfolio that would meet the definition of a Major Information Resources Project. Is there anything we need to do to report this to QAT?

- A project is defined in statute as any initiative that provides information resources technologies and creates products, services, or results within or among elements of a state agency and is characterized by well-defined parameters, specific objectives, common benefits, planned activities, a scheduled completion date, and an established budget with a specified source of funding (Texas Government Code, Section 2054.003, and Texas Administrative Code, Chapter 216).

- All efforts associated with Legislative Appropriations Request (LAR) funding must be evaluated by the agency and QAT for consideration as a MIRP.

MIRP FAQs (cont'd)

Does the MIRP designation only apply to the development of new systems?

- No. MIRPs can include both the implementation of new solutions and large enhancements of an existing system. Determining whether or not your project meets MIRP qualifications is determined largely reviewing the project's scope/schedule/budget as requested in their LAR.

We have a project that involves multiple vendors and purchase orders (POs)/demands as part of its implementation. Does this separation of work mean the project is not considered a MIRP?

- No. The project is based on the amount appropriated for the described project in the Legislative Appropriations Request (LAR). A single MIRP may have multiple vendors/demands/POs.

MIRP FAQs (cont'd)

If our project has a total project costs of $5 million, but only $4 million of that is to pay for software development, and the rest is for Staff Augmentation Services and hardware costs, is the project still classified as a MIRP?

- The development costs for a project include all project costs associated with the project's implementation. While a development project often has the largest costs associated with software purchase and customization development, all costs associated with the successful implementation of the project are to be used to determine the project's MIRP eligibility. Costs such as staffing, hardware, software licenses, contingency, professional services are all considered development costs and are calculated towards the total project cost. The project described would be classified as a MIRP.

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MIRP FAQs (cont'd)

For our agency, it is sometimes more efficient to combine multiple enhancements over 80 hours into one big project, developed by the maintenance team. If that causes the project to exceed MIRP thresholds, does that mean it must be reported as a MIRP?

- Any enhancement effort over 80 hours that is also over $5 million in total project costs must be reported as a MIRP.

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QAT MIRP Lifecycle

Project Idea!

↓

LAR/Biennial Operating Plan Development

↓

Business case package submitted in LBB's ABEST as part of Legislative Appropriations Request (LAR) and BOP

↓

Legislative session begins and business case used to help legislators decide which projects to fund

↓

Project Plan and acquisition plan submission to QAT prior to awarding solicitation or 10% expense

↓

Project starts 9/1

↓

BOP approval by LBB, Business Cases approved by QAT

↓

Legislative session ends, projects approved for funding starting 9/1

↓

Monitoring (submit monitoring reports on frequency determined by QAT).

↓

Closing (submit Post-Implementation Review of Business Outcomes (PIRBO) to QAT and document agency lessons learned.)

Texas Project Delivery Framework

- Helps agencies deliver MIRPs on-time and within scope/budget.

- Provides a consistent way for agencies to report project status and other project information to the QAT.

- Ensures that business needs and outcomes are placed ahead of technology.

Framework is a Toolset & Guide for MIRPs

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Texas Project Delivery Framework Stages

1

Initiate

- Business Case
- Business Case Workbook
- Statewide Impact Analysis

2

Plan

- Project Plan
- Acquisition Plan
- Solicitation Notice
- >$10M Contract Review

3

Execute

- Contract Award Notice
- Contract Amendment and Change Order
- >10% Over Budget or Schedule Revised BC

4

Monitor & Control

- Monitoring Reports
- IV&V Reports
- >50% Over Budget or Schedule =Cost Benefit Analysis

5

Closing

- Post Implementation Review of Business Outcomes

TGC 2054.118 (a) state agency <u>may not spend appropriated funds for a major information resources project</u> unless the project has been approved by:
(1) The Legislative Budget Board in the agency's BOP; and
(2) The Quality Assurance Team

Texas Project Delivery Framework Reference Guide

Texas Project Delivery Framework Reference Guide

Framework Step	Deliverable	Description	Submission Instructions	Frequency
STEP 1 - INITIATE	Business Case Tex Gov Code (TGC) 2054.303	Provides narrative comparison of business solution costs and project benefits based on a business case analysis process.	Submit to QAT for review prior to expending funds for the project. Agency complies with QAT recommendation or submits explanation why the recommendation is not applicable to the project under review. Review cycle: During legislative cycle, projects reviewed by August 31. Out-of-cycle, projects reviewed in business 30 days.	Submit initially. Resubmit when costs or schedule increase 10% or greater, or there is significant scope change.
	Business Case - Financial Workbook	Provides quantified estimates of business solution costs and project benefits.		
	Statewide Impact Analysis TGC 2054.303(a)(2)(A)	Provides information necessary for assessment of the project's impact on use of information technology resources across the state.	Submit with Business Case.	Once.
	Technical Architecture Assessment TGC 2054.303 (a)(2)(B)	Provides assessment of proposed technical architecture for project to ensure agency is using industry accepted architecture standards in planning for implementation.	Submit if requested by QAT. Beginning September 2020, only required by agencies with "additional monitoring" assignment from SAO and requested by QAT.	Upon QAT Request.
STEP 2 - PLAN	Project Plan TGC 2054.304 (b)	Provides general project planning information, monitoring and control methods, quality, communication, configuration, performance, and risk management.	Submit prior to spending 10% of allocated funds for the project.	Submit initially; update and resubmit as needed.
	Acquisition Plan TGC 2054.305	Provides procurement planning information for acquiring goods and/or services outside of the organization through management of solicitations and contracts.	Submit prior to issuing a solicitation for projects with a value of at least $10M. Beginning September 2020, submission required for all MIRPs from agencies with "additional monitoring" assignment from SAO.	Once.
	Solicitation Notice GAA Art. IX Sec. 9.02 (C)(2)	Provides notice of upcoming procurement solicitation.	Submit when posting a solicitation to the vendor community. For projects with a value of at least $10M must have Acquisition Plan submitted to QAT.	Each Solicitation.
	Over $10M Pre-Negotiated Draft Contract Review TGC 2054.160 (a)(1)	Provides a copy of the draft contract with proposed terms, including all appendices and attachments.	For contracts with a total value of at least $10M submit the proposed terms of the contract to QAT for review before the start of negotiations. Agency may commence negotiations after submitting.	Each Contract.
	Over $10M Unexecuted Contract Review TGC 2054.160 (a)(2) & 2054.160 (b)	Provides a copy of the final negotiated unsigned version of the contract including all appendices and attachments. Includes all contracts associated with any phase of SDLC.	For negotiated contracts of at least $10 million, submit the final unsigned contract to QAT for review. Agency must comply with QAT recommendation or submit explanation why the recommendation is not applicable.	Each contract.
	$10M or more Contract Notice of Execution GAA Art. IX Sec. 9.02(c)(3)	Provides notice of completed contract after execution.	Submit within 10 days after contract has been awarded.	Each contract.
STEP 3 - EXECUTE	Contract Amendment and Change Order TGC 2054.160 (d); TGC 2054.307 (b); GAA Art. IX Sec. 9.01(e)	Provides a justification and summary of contract amendment and change order information for QAT. Also provides proposed amendment prior to execution.	If an amendment(s) or change order(s) increases the value of a contract under $10M by 10% or more from its initial value, submit to QAT prior to its execution. Note: Agency must also notify the Governor, Lieutenant Governor, Speaker of the House, Senate Finance Committee, and House Appropriations Committee.	Each amendment or change order over 10%.
	10% or More Over Cost or Schedule Revised Business Case TGC 2054.1181(j)1	Provides justification of increases over 10% to project costs and schedule based on projected benefits.	Submit to QAT for review.	Each time project cost or schedule increases over 10%.
	50% or More Over Project Cost or Schedule OR 10% or more increase in $10M+ Contract - Cost-Benefit Analysis TGC 2054.1181(j)1	Provides a cost-benefit analysis to compare canceling or continuing any project exceeding its initial budget or schedule by 50% or more OR increasing a MIRP contract valued at $10M or more by 10% or more.	For project schedule/cost increases over 50%, submit to QAT for review prior to expending added funds. For contracts with a value of at least $10M, submit to QAT prior to executing contract amendment. In both instances, any recommendations received from QAT must be provided an agency response detailing how the agency complies with QAT recommendations or submits explanation why the recommendations are not applicable to the project under review.	Each time cost/schedule increase over 50% and/or a >$10 million contract is amended by >10%.
STEP 4 - MONITOR & CONTROL	Monitoring Report TGC 2054.1181 (g) & TGC 2054.159	Provides project status information to QAT for monitoring purposes.	Submit according to QAT directed interval.	Determined by QAT.
	IV&V and QA Reports TGC 2054.159 (f)	Provides QAT independent verification and validation reports and independent quality assurance reports.	Submit within 10 days of report receipt by agency.	Throughout project lifecycle.
STEP 5 - CLOSING	Post-Implementation Review of Business Outcomes – 6 Months TGC 2054.306	Provides the comparison of the project results at 6 months post-implementation to stated project goals and objectives.	Submit six months after project completion.	Once.

Revised 08/11/23

Link to Reference Guide:
https://dir.texas.gov/resource-library-item/texas-project-delivery-framework-reference-guide

Step 1: Initiate

Deliverable	Description/Requirement	Best Practice
Business Case/Workbook	Provides narrative comparison and quantified estimates of business solution costs and project benefits based on a business case analysis process.	Helps ensure that projects have a strong business case to pursue a solution rather than placing the emphasis on using a new technology.
Statewide Impact Analysis	Provides information necessary for assessment of the project's impact on use of information technology resources across the state.	At a minimum, a best practice would be to ensure that all divisions are sharing information on tech purchases that may be shared with other sections, e.g., software license purchases.
Technical Architecture Assessment	Provides assessment of proposed technical architecture for project to ensure agency is using industry accepted architecture standards in planning for implementation. *Only required for agencies assigned a rating of "additional monitoring warranted" by SAO and requested by QAT*	This may be reviewed by an architecture committee to ensure all projects are following the agency's strategy for architecture.

Step 2: Plan

Deliverable	Description/Requirement	Best Practice
Project Plan	Provides project planning information, monitoring and control methods, quality, communication, configuration, performance, and risk management.	The Framework project plan follows PMBOK standards and ties into the other Framework templates. Must be submitted prior to awarding a solicitation or spending more than 10% of allocated funds.
Acquisition Plan	Provides procurement planning information for acquiring goods and/or services outside of the organization through management of solicitations, contracts and/or vendor agreements. ***Provide QAT with solicitation notice within 10 days of posting on ESBD.*	Ensure full coordination between IT, Finance, Program and Procurement team.
$10M Contract Reviews	Agency provides a copy of the draft contract <u>prior to starting negotiations</u> and a second copy of the final negotiated unsigned version of the contract with proposed terms, including all appendices and attachments.	Contract reviews by QAT take <u>at least</u> 30 calendar days. Expedite requests

Step 3: Execute

Deliverable	Description/Requirement	Best Practice
Contract Amendment and Change Order Approval	For any MIRP contract amendments that increase the original contract amount by 10% or more, an agency provides a justification and summary of a contract amendment and change order information to QAT. The agency must also provide the proposed amendment prior to execution for review and comment.	For projects that will increase the value of a contract by 10% or more from its initial value, additional QAT review is required. The amendment may not be executed without QAT approval in this case.
Revised Business Case	If a MIRP exceeds its initial planned schedule or budget by 10%, the agency must submit a Revised Business Case and workbook describing the change and justifying its necessity.	Agencies are encouraged to ensure that cost estimating/requirements gathering/schedule has been constructed with all variables considered and including a contingency to avoid cost/schedule overruns.

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Step 4: Monitor and Control

Deliverable	Description/Requirement	Best Practice
Monitoring Report	Agency submits project status information (monthly or quarterly) to QAT for monitoring purposes.	Monitoring reports identify potential risks early and allow teams to work to mitigate them effectively.
IV&V Reports & Quality Assurance Reports	Agency submits independent verification and validation reports and independent quality assurance reports within 10 days of receipt.	IV&V is recommended for all projects valued at $10 million or greater.
Cost-Benefit Analysis	Agency submits a cost-benefit analysis to compare canceling or continuing any project that has exceeded its original project schedule or budget by 50% or more.	Agencies are encouraged to ensure that cost estimating/requirements gathering/schedule has been constructed with all variables considered. Any need increasing budget or schedule by 50% or more should be reviewed to determine if it should be a new phase rather than added to the in-flight effort.

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Step 5: Close

Deliverable	Legislative Change/Requirement	Best Practice
Post-Implementation Review of Business Outcomes – 6 months	Agency provides the comparison of the project results at 6 months post-implementation to stated project goals and objectives, Lessons Learned over the life of the project, and final cost/ROI reporting.	The PIRBO tells the story of the project, tying the original business case to the end results and whether objectives were met. The Lessons Learned exercise is intended to help agencies identify and apply opportunities for improvement to future project strategy.

The best practice is always to construct your Business Case/Outcomes with the PIRBO in mind.

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Framework FAQs

What determines a MIRPs "start date"

- For all MIRPs, the project start date is defined in the QAT approval letter, sent to the agency after the Business Case is submitted. A project "starts" as soon as resources (FTE or Staff Aug) are assigned to complete tasks associated with the project planning, procurement, and/or implementation. Many times, the implementation start date is months or even years after the project's actual start date.

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Framework FAQs (cont'd)

I need to hire a contractor to complete the Framework Documents. Can I use project funds for this?

- If the project meets the criteria of a Major Information Resources Project (MIRP), approval by the Legislative Budget Board (LBB) of the Biennial Operating Plan (BOP) or a BOP Amendment is required before any project funds are spent, including on contractors. Once BOP/BOP Amendments are approved, a project can only spend up to 10% of allocated funds prior to the QAT review of the project's Business Case, Business Case Workbook, and Statewide Impact Analysis.

Framework FAQs

My project follows an Agile methodology. How do I enter milestones in Framework documents?

- For projects following an Agile methodology, the stages of the project do not adhere to sequential phases the same way a traditional waterfall approach does. An Agile approach allows for an indefinite number of incremented releases before the overall development effort is deemed completed. Include important tasks associated with deliverables, similar to milestones/schedules for Waterfall projects. Examples could include identifying epics, increments of sprints, feature/product completions, or business milestones, performance indicators, in addition to typical IT project management milestones.

Framework FAQs (cont'd)

We are planning a vendor solution for this project, so any milestone targets are tentative based on the vendor selected and their project work plan. How do we handle this?

- The Framework documents are required to be completed using the best information the agency has at the time. While procuring a vendor can change some milestones, each agency is required to provide a plan for how the project will be managed and high-level project approach, procurement strategy and what the outcomes will be. QAT recommends planning your milestones based on what you know now and have dates by which key goals/targets must be accomplished to ensure a successful project implementation.

Framework FAQs (cont'd)

How do I update my project scope, schedule, and/or cost when there are changes?

- Follow your agency's change management process (as defined in the project's QAT Project Plan) to document the change. In addition, note and describe the change in Section 6 Project Changes of the next Monitoring Report and in the Project Changes field in SPAR following the change. Update applicable fields in both, as needed (do not change initial start date and cost). If the change is an increase of 10% or more, a revised business case and business case workbook are required to be submitted to QAT. If the change is an increase of 50% or more, a cost-benefit analysis is required to be submitted to QAT.

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Framework FAQs (cont'd)

My project is for an institution of higher education (IHE). Is it exempt from completing Framework documentation?

- Subsequent to September 1, 2021, QAT oversight may apply to any information resources technology project of an institute of higher education assigned additional monitoring pursuant to Texas Government Code, Section 2261.258(a)(1), if the development costs for the project exceed $5.0 million. Details on Additional Oversight requirements are available on the DIR website.

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Best Practices

Best Practices

- Break large projects into smaller, more manageable projects with schedules of less than 28 months and budgets of less than $10.0 million.

- Use agile procurement for procurements that have a moderate level of uncertainty and complexity.

- Consider using modular contracting by dividing large contracts up into individual standalone modules instead of large monolith systems.

- Use of open-source software for less reliance on proprietary software; open-source software does not charge users a licensing fee for modifying or redistributing its source code.

- Include security/accessibility planning starting at the initiation phase of the project.

Reference: QAT Annual Report

Best Practices (cont'd)

- Leverage DIR's Shared Technology Services Program for project delivery needs related to cloud, application development, maintenance, security, and other technology solutions

- Utilize agile development and user-centered design

- Engage in IV&V services for projects over $10M

- Defer new scope to a later phase or follow-on project

- Require remediation of system test defects and any performance-testing deficiencies before allowing project to proceed to the user-acceptance testing phase

- Include network performance and capacity testing

- Assign a dedicated and empowered agency product owner (different from a project or program manager) to lead development efforts.

Shared Technology Services

✓ **Shared Technology Services (STS) are a set of managed IT services that Texas government organizations can use to accelerate their service delivery in a reliable, modern, and secure manner.**

Time and Money

Flexibility

Peace of Mind

Multi-sourcing Services Integrator (MSI)

- Marketplace
- Service Management
- Business Management
- Operations Management
- Customer Relationship Management

Data Center Services
- Texas Private Cloud
- Public Cloud Manager
- Mainframe Services
- Technology Solution Services
- Print, Mail, and Digitization

Texas.gov
- Constituent Payment Portal
- Texas by Texas Digital Assistant
- Identity Solutions

Managed Security Services
- Device Monitoring
- Incident Response
- Assessments

Open Data Portal
- Official State Repository of Publicly Available Electronic Data

Additional Oversight

SAO Agency Rating – 86th Legislature

TGC 2261.258

25 agencies identified

Assign a rating to each agency:

- Additional Monitoring Warranted
- Reduced Monitoring Warranted
- No Additional Monitoring Warranted

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25 State Agencies

Agencies
Department of Family and Protective Services
Department of State Health Services
Health and Human Services Commission
Higher Education Coordinating Board
Commission on Environmental Quality
Department of Criminal Justice
Department of Public Safety
Department of Transportation
General Land Office and Veterans' Land Board
Office of the Attorney General
Parks and Wildlife Department
Teacher Retirement System
Texas Division of Emergency Management
Texas Education Agency
Texas Facilities Commission
Texas Lottery Commission
Texas Military Department

Higher Eds
Texas A&M University
Texas A&M University System
Texas Tech University
Texas Tech University Health Sciences Center
The University of Texas at Austin
The University of Texas Southwestern Medical Center
The University of Texas System Administration
University of Houston

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TAC 216 Revision

Minimum requirements:

- Acquisition Plans required for all MIRPs
- Monthly Monitoring Reports as required by SAO designation
- Contract Closeout Report at Contract Termination

New Additional Project-Specific Requirements

- Monitoring Reports submitted by 3/31/23 for agencies with an "Additional Monitoring Warranted" designation will be analyzed to determine individual project risk level.

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QAT Project Performance Metrics

The QAT has defined the following project performance indicators, to be submitted with the project's approved monitoring report:

Cost	**Cost is calculated using the Earned Value calculation Cost Performance Index (CPI).** • CPI = (Earned Value) / (Actual Cost) • Green > = .90 • Yellow > = .80 & <.90 • Red <.80
Schedule	**Schedule is calculated using the Earned Value calculation Schedule Performance Index (SPI).** • SPI = (Earned Value) / (Planned Value) • Green >=.90 • Yellow >=.80 & <.90 • Red <.80
Scope	**Measures the cost impact of scope-related change requests.** • Green >=10% • Yellow >10% & <=20% • Red >20%
Quality	**Derived primarily from product quality measures reported throughout project lifecycle from the approved Quality Register.**

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Level of Additional Monitoring

QAT evaluates, based on any project within the "Additional Monitoring Warranted" agency, with the following criteria met:

- Projects will be evaluated considering all factors to determine true risk.

Additional Monitoring Level	Approach 1 Using Performance Indicators Only (Schedule, Cost, Scope, Quality)	Approach 2 Percent over budget/behind schedule
High	At least 1 red and 1 yellow for 2 consecutive reporting periods	50% over
Medium	2 yellow indicators for 2 consecutive reporting periods	10% over
Low	Up to 1 yellow in any reporting period	0-9% over

Approach to Additional Oversight

	Risk Management	QA Services	Independent Project Monitoring	Project Management
High	• Executive Steering Committee • Agency adopts/procures/ implements Enterprise Risk Management Tools	• Hire QA vendor and/or independent code testing	• Hire IV&V • Executive Steering Committee	• Hire additional PM • Cost-Benefit Analysis → cancel project consideration
Medium	• Load individual risks into SPAR QAT review of risks/agency walkthrough monthly/quarterly	• Regular updates to Quality register or QASP • Agency follow up every reporting with QAT	• Regular meeting with project management team • Survey of team members • At QAT discretion IV&V	• Additional details for monthly monitoring report.
Low	• Monthly Monitoring Report	• QASP or additional items in Quality Register	• Monthly Monitoring Report	• Monthly Monitoring Report

Process At A Glance

QAT	→	DIR	→	QAT	→	DIR	→	DIR
Determines Risk Level		Recommends Additional Oversight Measures from matrix		Notifies Agency of Additional Oversight		Implements Additional Oversight with agencies		Reports Additional Monitoring Activity in Annual Report

Agency Impact

- **All new projects (not currently in flight) start at low level of additional monitoring**

    If agency is removed from SAO additional monitoring list, and agency is currently in low level of additional monitoring → can go back to quarterly monitoring as directed by QAT.

- **Projects assigned medium additional monitoring will be at that level for at least a 1-year period and can request moving to a low level if project conditions warrant after the 1 year of medium level additional monitoring.**

- **Project assigned high additional monitoring will maintain any procured services, e.g., IV&V, QA services, additional PM for the life of the project.**

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Tools and Support for QAT Reporting

QAT Tools

SPAR – This is the DIR system in which all MIRP Framework and reporting is uploaded. It requires DIR-provided login credentials.

QAT Dashboard – This is the LBB public dashboard that shows the status of all active MIRPs.

Texas Project Delivery Framework (TPDF) templates – Required templates for MIRPs, including Business Case and Monitoring Report.

TPDF Reference Guide – Quick reference showing Framework document process and templates.

QAT website
- Training resources, including Framework webinars, available 24/7.
- Standard Operating Procedures (SOPs) for reviewing Framework deliverable submissions.

QAT Policy and Process Guide – New version contains all QAT policy/process for MIRPs.

Project Classification Method – Document agencies can use to classify IT projects as small, medium, or large in size.

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QAT Support

In addition to the 24/7 webinars covering MIRP Framework documents on the <u>QAT website</u>, you can reach out at any time to request training or information:

- <u>qat@dir.texas.gov</u>
- <u>projectdelivery@dir.texas.gov</u>

Presubmission reviews of Framework documents

- Request a review of your draft Framework documents to ensure you are on the right track at <u>qat@dir.Texas.gov</u>. We'll offer feedback and subject matter expert guidance as applicable.

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