

Information Technology Policy

IT Planning and Projects

ITP Number ITP-BUS001	Effective Date September 18, 2012
Category Business	Supersedes None
Contact ra-ITCentral@pa.gov	Scheduled Review February 2022

1. Purpose

This Information Technology Policy (ITP) establishes guidance for business proposals, information technology (IT) project approval, and the assignment and responsibility of project managers to ensure agency IT Projects align with the Commonwealth’s goals and objectives.

2. Scope

This ITP applies to all departments, boards, offices, commissions, and councils under the Governor’s jurisdiction (hereinafter referred to as “agencies”). Agencies not under the Governor’s jurisdiction are strongly encouraged to follow this ITP.

3. Definitions

3.1 Business Proposal: An artifact designed to influence a targeted audience of a solution to a business opportunity or problem.

3.2 Commercial Off the Shelf (COTS): The purchase of products that are standard manufactured products rather than custom, or modified products. COTS application software is built and delivered usually from a third-party vendor and can be purchased, leased or even licensed.

3.3 Cost-to-Carry: Current level of services. The focus is on activities and intended accomplishments. When budgeting, Cost-to-Carry includes the future cost consequences of current program policy.

3.4 Infrastructure: Refers to the enterprise’s entire collection of hardware, software, networks, data centers, facilities and related equipment used to develop, test, operated, monitor, manage and/or support information technology services.

3.5 IT Investments: The purchase or procurement of any IT service that meets that following criteria:

Criteria
Solicitations for information technology (RFP, ITQ/RFQ or IFB) or Sole Source procurements in the amount of \$250,000.00 or greater.
This includes: <ul style="list-style-type: none"> The purchase of cloud-based IT Services IT Hardware (i.e. desktops/laptops, network and telecommunication); Other IT Services or Software in which the product currently exists on a contract or there is an existing license agreement already approved by appropriate legal entities

Purchases from an existing Enterprise/Statewide contract that is in the amount of \$250,000.00 or greater
All procurements for a product other than a named standard, regardless of dollar value
Contract amendments or change orders in which the amendment is \$250,000.00 or greater or when the original investment value was \$250,000.00 or greater regardless of amendment costs.
<p>Special procurements regardless of dollar value:</p> <ul style="list-style-type: none"> • New software; • Facilities Hardening; • Servers and Server Storage; • Digital Document Management; or • Production level printing, finishing, or mailing equipment and/or software solutions <p>New Software: applies to the acquisition of software when one or more of the following conditions exist regardless of dollar threshold:</p> <ul style="list-style-type: none"> • The product does not currently exist on a contract. • There is no existing license agreement that has been approved by appropriate legal entities.
Emergency Purchase Orders (EPO) or Sole Source agreements that are associated to a public facing website, application, or service, unless there is a threat to public health, welfare, or safety. The EPO requirements are defined here .

Note: Procurements that do not require IT resources to acquire or implement do not need to be submitted through this process.

3.6 IT Operations: Commonwealth-sponsored ongoing routine IT activities or business processes which include, but are not limited to, reportable activities which support existing IT products or services throughout their defined service lifecycle, and do not meet the planning and classification criteria for an IT Project as defined in this ITP.

3.7 IT Project: A Commonwealth-sponsored IT Project is an undertaking that is not a routine operation or business process, but a specific set of tasks that are planned, organized, tracked, and executed by multiple resources, and has a defined start and end date. IT Projects are classified in one of three Investment Classes: Run, Grow, or Transform.

- **Run:** Projects focused on running and maintaining the business or technical capabilities and services.

Criteria	Description
Modifications or enhancements to an existing service	The maintenance or improvements of existing functionality, services and capabilities that are essential to day-to-day operations.
Re-platforming effort / Software upgrade	Performing essential upgrades to existing platforms and/or Infrastructure
Routine maintenance	Performing scheduled preventative and corrective maintenance on information systems
Compliance	Essential IT activities or initiatives that ensure regulatory or policy compliance

- **Grow:** Projects focused on enhancing or expanding existing business capabilities and services.

Criteria	Description
Re-architecture of an existing system	Initiatives that redesign the information system that extends the useful life or enhances existing service and/or capabilities
Expansion of existing service and/or capabilities	Expanding the scope of the existing service offering and capabilities across multiple lines of business or new customers
Business process re-engineering an existing service	Redesign of core business process to improve the operations, performance and/or quality of the existing service

- **Transform:** Projects focused on establishing new business capabilities and services or completely transforming business models.

Criteria	Description
New service offering and/or capabilities	A new service is created to support a new line of business or change in business model
New or Emerging/ disruptive technology	Use of or integrating with emerging/disruptive technologies
New delivery channel	Utilizing an innovative/transformational approach to providing service delivery to customers
New revenue opportunity	Implementation of IT solutions that enable new revenue streams

3.8 Legacy: Any application or a platform that is based on older technologies (i.e., software, hardware, and Infrastructure) that continues to provide core services to an organization.

3.9 Major Change Request: An alteration to an existing IT Project that meets the following criteria:

Criteria
Changes to the scope, the approach or strategy of the initial business proposal.
Requires new or different technology.
Not aligned to Governor, program, or technology priorities.
Financial impact of 20% of the initial planned implementation cost or greater than or equal to a change request of \$250,000.00 This includes the cumulative individual change request when they equal or exceed \$250,000.00 or 20% of the initial planned implantation cost.
Schedule impact of 20% or more than the initial baseline end date for projects that are defined as Mandated or Governor Priority projects.
Requires IT resources and/or services from a different organization (internal or external) to complete defined activities with specific deadlines. <i>(This does not include general meetings, calls or other collaborative events).</i>
Requires a new procurement.

3.10 Migration: The moving from one operating environment to another or involving moving to new hardware, new software, or both. For example: Migration of data from one database to another kind of database, moving from one database to another, or switching platforms (from one operating system to another operating system).

3.11 Modernization: The transition or transformation of existing IT assets to enhance performance, functionality, reliability, scalability, security, quality of service, and/or revitalize applications or extend the useful life of computing platforms and Infrastructure used to support business operations.

3.12 Modify: To rewrite, rebuild, and/or re-architect Legacy applications to create new or enhanced existing functionality, Service Oriented Architecture (SOA) components/service offerings, update computer programming language or database software, protocols, and/or integrate new technologies or services. In addition, this includes the rebuilding and/or re-architecting hardware platforms and Infrastructures to meet capacity or performance needs of the business and running the Legacy applications, with no major changes (configuration only), on a different platform.

3.13 Modifiable Off the Shelf (MOTS): COTS product whose source code can be modified to meet customer requirements.

3.14 Outsourced Services: Activities, functions, and/or solutions delivered through third party entities (e.g., hosted services over the internet or some other mechanism, contracting, or other outsourced service delivery model).

3.15 Project Scaling Process: The Project Scaling Process is used to assist in the evaluation process and determining the Project Level of status reporting required.

3.16 Project Level: IT Project categorization based on complexity, visibility, duration, and cost. A Project Level score determines the Level of a Project, with a higher-level project representing a more rigorous project management process.

- o **Level One:** 75-100 score
- o **Level Two:** 50-74 score
- o **Level Three:** < 50 score

3.17 Project Request Process (PRP): Investment review process for agency requests of IT Project approvals.

3.18 Program Revision Request (PRR): A formal request to be submitted to support new programs or major changes in existing programs.

3.19 Re-hosting: The transitioning of Legacy applications and infrastructure with no major changes (configuration only) to enterprise cloud services (i.e., private, public, or hybrid) using contracted host services offerings.

4. Objectives

- Ensure alignment with Governor's initiatives
- Ensure alignment with annual budget planning and re-budget cycles
- Ensure alignment with legislative, regulatory, and other mandated requirements
- Ensure proper and consistent categorization of IT Projects and IT investments
- Facilitate alignment with IT Project portfolios

- Ensure routine, timely, accurate reporting of project initiatives

5. Policy

IT Projects are defined by the following categories and sub-categories (page 4 table). For any Outsourced Services utilizing Software as a Service (SaaS), Platform as a Service (PaaS), or Infrastructure as a Service (IaaS), agencies must follow the guidance set in ITP-BUS011 *IT Service Organization Management and Cloud Requirements*.

Category	Sub-category	Description
Replace	COTS	Procurement, configuration, and implementation of a COTS product to replace the Legacy application. This assumes no modifications or customization to the base COTS product.
	COTS with Modifications	Procurement, configuration, and implementation of a COTS product to replace the Legacy application that will involve modifications or customization to the base COTS product.
	Custom Development	Custom build of a new application to replace the current or Legacy application.
	Outsourced Services	The procurement, configuration, and implementation of new cloud or other contracted hosted services offerings, including SaaS, PaaS and IaaS to replace the current or Legacy applications.
Modernize	Application Modify	To rewrite, rebuild, and/or re-architect Legacy applications to create new or enhanced existing functionality, SOA components/service offerings, integrating new technologies or services, rebuilding and/or re-architecting hardware platforms and Infrastructures to meet capacity or performance needs of the business.
	Migration	Moving or upgrading a current or Legacy system with the same functionality from one operating environment to another or involving moving to new hardware, new software, or both.
	Application Re-hosting	Transitioning the current or Legacy applications and Infrastructure, with no major changes (configuration only) to enterprise cloud services (private, public, or hybrid) using contracted host services offerings.
New	COTS	Procurement, configuration, and implementation of COTS products, third party software for the development of new business solutions. This assumes no modifications or customization to the base COTS product.
	COTS with Modifications	Procurement, configuration, and implementation of a COTS product that will involve some modifications or customization to the base COTS product for the development of new business solutions.
	Custom Development	Custom build of a new business solutions.
	Outsourced Services	The procurement, configuration, and implementation of new cloud or other contracted hosted services offerings, including SaaS, PaaS and IaaS for the development of new business solutions.

Business Proposals and IT Projects

Effective July 1, 2020, agency program areas, in coordination with IT, must complete the OPD-BUS001A *Business Proposal* and receive approval from the agency's Secretary or designee for IT Projects and IT Investments as defined in the Submission Criteria guidance prior to submitting an IT Project request.

A *Business Proposal* is also required for Major Change Requests as defined in the Submission

Criteria guidance, but do not require a new IT Project Request. Major Change Requests will be included as part of the existing project.

Agency business program areas and the business proposal owner are accountable for facilitating the OPD-BUS001A *Business Proposal* documentation and obtaining the appropriate approvals. The agency's Secretary or designee must approve OPD-BUS001A *Business Proposal* before submitting and obtaining the other required approvals on the OPD. All required signatory personnel are responsible for ensuring that the information on the completed OPD-BUS001A *Business Proposal* align with the Commonwealth's guiding principles and strategic objectives.

All Business Proposal's must contain a cost estimate, that includes both internal and external costs. These are business planning estimates used to ensure there is the necessary funding and are based on the information known at the time of submission. Estimates may change as requirements are further defined.

The approved OPD-BUS001A *Business Proposal* is required to be submitted as part of the IT Project request intake process. IT Project requests may be rejected if an approved OPD-BUS001A *Business Proposal* is not submitted.

IT Project Request Submission

Agencies must complete the Project Request Form (see Section 7 for details) to submit IT Project and IT Investment requests to receive Executive approval.

All IT Projects with an investment class of "Grow" or "Transform" that have an estimated cost of greater than or equal to \$250,000 shall include a Cost Benefit Analysis (CBA) template that will be attached to the IT Project Request. A CBA will not be required for projects mandated by state or federal law.

IT Project Approval Requirement

All IT Projects with an Investment Class of "Run", "Grow" or "Transform" must be approved by all Executives through the IT PRP prior to project initiation.

Refer to the definition of IT Project in this ITP for Investment Class criteria for IT Projects.

Project Manager Assignment

Agencies implementing IT Projects that exceed \$1 million must assign a project manager.

Project Health Status

Senior IT leadership and project managers must update project health statuses on a weekly basis for accurate reflection of the health for all projects under their management. The health status is to be reported in the enterprise project management tool and provides a status on the:

- Project Health

On Plan No Management Attention Needed	Needs Attention Management Attention May Be Needed	Red Management Attention Needed
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Health Indicators for scope, schedule, and budget are all in green status.	A health indicator for scope, schedule, or budget is in yellow status and no indicators are in red status.	A health indicator for scope, schedule or budget is in red status.
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- Scope Health

Green No Management Attention Needed	Yellow Management Attention May Be Needed	Red Management Attention Needed
<p>No change requests have been submitted OR change requests submitted will not impact baselined schedule and/or budget.</p> <p>Assumptions: Scope has been approved</p>	<p>A change request has been submitted that may impact the baselined schedule and/or budget.</p> <p>Assumptions: A risk has been logged to identify the potential change in scope and there may be impacts to schedule and budget.</p> <p>Once analysis has been completed and the impacts are known, the indicator would change back to green or red.</p>	<p>A change request has been submitted that will impact the baselined schedule and/or budget.</p> <p>Assumptions: The actual impacts will be defined in the schedule or budget indicator.</p> <p>Once the changes have been approved by sponsor or appropriate governance committees, the indicator would return to green.</p>

- Schedule Health

Green No Management Attention Needed	Yellow Management Attention May Be Needed	Red Management Attention Needed
<p>There is no schedule variance OR schedule variance will not impact the planned completion date for the current release or overall project.</p> <p>Assumptions: Schedule has been approved</p>	<p>Schedule variance of 2 weeks or less for projects over 6 months in length. Schedule variance of 10% or less for projects less than 6 months.</p> <p>Assumptions: Project Manager has the discretion to adjust the thresholds based on the constraints of the project.</p> <p>Days are based on business days.</p> <p>Once the changes have been approved by sponsor or appropriate governance committees, the indicator would return to green.</p>	<p>Schedule variance greater than 2 weeks for projects over 6 months in length. Schedule variance greater than 10% for projects less than 6 months.</p> <p>Assumptions: Project Manager has the discretion to adjust the thresholds based on the constraints of the project.</p> <p>Days are based on business days.</p> <p>Once the changes have been approved by sponsor or appropriate governance committees, the indicator would return to green.</p>

- Budget Health

Green No Management Attention Needed	Yellow Management Attention May Be Needed	Red Management Attention Needed
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<p>There is no budget variance</p> <p>Assumptions:</p> <p>Budget has been approved</p> <p>There is project funding available</p>	<p>Budget variance is 10% or less than the baselined budget based on the Estimate at Complete (EAC).</p> <p>Assumptions:</p> <p>There is project funding available</p> <p>Once the changes have been approved by sponsor or appropriate governance committees, the indicator would return to green.</p>	<p>Budget variance that is greater than 10% of the baselined budget based on the EAC.</p> <p>Assumptions:</p> <p>No project funding is available</p> <p>Once the changes have been approved by sponsor or appropriate governance committees, the indicator would return to green.</p>
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If the project health is in either a red or yellow status, the following fields need to be updated within the enterprise project management tool:

Field	Description
Reason for Indicator Change	Define what caused the health indicator to change to yellow or red.
Project Impacts	Define what impacts have resulted from the indicator changing to yellow or red.
Get Back to Green Actions	Define the actions that are needed to get the project back into a green status.

Application Inventory

IT Projects associated with applications of any type (SaaS, COTS, MOTS, custom-built) are required to submit an entry of the application into the Application Inventory tool (see Section 7 References for location of inventory). Approval of the project is contingent upon a satisfactory entry of the application data in the Application Inventory tool. Refer to ITP-SFT000 *Software Development Life Cycle (SDLC) Policy* for details on software decision principles and the Application Inventory tool.

6. Responsibilities

Agencies under the Governor's Jurisdiction are to adhere to the requirements outlined in this ITP including:

- Prior to requesting an IT Project, obtain approval from the Agency's Secretary or designee of the OPD-BUS001A *Business Proposal*.
- Coordinate with business program areas in the development of agency priorities that will facilitate the necessary IT strategic initiatives.
- Collaborate with IT to determine if there are existing IT solutions that meet the business requirements and to help develop an accurate project estimate.

The Office of Administration will:

- Manage the IT Project request/reporting solutions.
- Provide support for any questions or issues that arise relating to the Business Proposal or IT PRP.

7. Related ITPs/Other References

Commonwealth policies, including Executive Orders, Management Directives, and IT Policies are published on the Office of Administration's public portal:

<http://www.oa.pa.gov/Policies/Pages/default.aspx>

- Management Directive 205.34 Amended *Commonwealth of Pennsylvania Information Technology Acceptable Use Policy*
- Management Directive 310.37 *Approving, Monitoring, and Accounting for New Information Technology Application Projects*
- ITP-ACC001 *Information Technology Digital Accessibility Policy*
- OPD-BUS001A *Business Proposal* – [OPD-BUS001A Business Proposal Word Document](#)
- Cost Benefit Analysis/Return on Investment Template – [CBA Template](#)
- Project Request Form: <http://OAProjectIntake.oa.pa.gov>
- ITP-BUS011 *IT Service Organization Management and Cloud Requirements*
- ITP-SFT000 *Software Development Life Cycle (SDLC) Policy*
- [Application Inventory Tool](#) (CWOPA limited access only)
- [Enterprise Service Catalog](#) (CWOPA access only)

8. Authority

Executive Order 2016-06 *Enterprise Information Technology Governance*

Executive Order 2019-04 *Establishing a "Citizen-First" Government and Promoting Customer Service Transformation*

9. Publication Version Control

It is the [Authorized User](#)'s responsibility to ensure they have the latest version of this publication, which appears on <https://itcentral.pa.gov> for Commonwealth personnel and on the Office of Administration public portal: <http://www.oa.pa.gov/Policies/Pages/default.aspx>. Questions regarding this publication are to be directed to RA-ITCentral@pa.gov.

10. Exemption from This Policy

In the event an agency chooses to seek an exemption from the guidance within this IT policy, a request for a policy waiver is to be submitted via the enterprise IT policy waiver process. Refer to [ITP-BUS004 IT Policy Waiver Review Process](#) for guidance.

This chart contains a history of this publication's revisions. Redline documents detail the revisions and are available to CWOPA users only.

Version	Date	Purpose of Revision	Redline Link
Original	09/18/2012	Base Document	N/A
Revision	01/28/2015	EPMO not approving infrastructure related projects, remove reference to IaaS and PaaS from Outsourced Services definition, revision of "COTS with Modifications" entry in Category/Type table. Formatting revisions.	N/A

ITP-BUS001 *IT Planning and Projects*

Revision	10/03/2017	<p>Removed Objective section</p> <p>Removed IT Central/PRF upload direction</p> <p>Removed budget threshold for required OA/OIT approval</p> <p>Revised title of ITP</p> <p>Renamed Category Type to Sub-category</p> <p>Expanded Definitions section; added criteria for Strategic/Non-strategic projects</p> <p>Revised Policy section to include guidance on project requests, strategic planning, project health reporting, and application inventory</p>	N/A
Revision	10/04/2018	<p>Revised IT Project type, criteria, approval requirements</p> <p>Added Project Health status and criteria guidance</p> <p>Requirement to provide additional data when Project Health status is yellow or red</p> <p>Revised IT Strategic Plan outputs</p>	Revised IT Policy Redline 10/04/2018
Revision	07/19/2019	<p>Moved ITP to Business Domain from Project Management Domain</p> <p>Replaced “IT Strategic Plan” language with “IT Annual Plan”</p> <p>Amended organizational responsibilities throughout</p> <p>Added IT Operations definition</p> <p>Clean up language throughout</p>	Revised IT Policy Redline 07/19/2019
Revision	04/6/2020	<p>Removed “Annual” throughout</p> <p>Added terms in Definitions section</p> <p>Added OPD-BUS001A and guidance</p>	Revised IT Policy Redline 4/6/2020
Revision	2/4/2021	<p>Added criteria to support submission of IT Investments and Major Change Requests</p> <p>Updated approval alignment</p> <p>Removed references to the IT Planning Process</p>	Revised redline <2/4/2021>