

# Information Technology Policy

## *IT Annual Planning and Projects*

<b>ITP Number</b> ITP-BUS001	<b>Effective Date</b> September 18, 2012
<b>Category</b> Business	<b>Supersedes</b> None
<b>Contact</b> <a href="mailto:ra-ITCentral@pa.gov">ra-ITCentral@pa.gov</a>	<b>Scheduled Review</b> July 2020

### 1. Purpose

Establishes guidance for annual information technology (IT) project approval, and the assignment/responsibilities of project managers to ensure agency IT projects align with the commonwealth's high-level goals and objectives.

### 2. Scope

This ITP applies to all departments, boards, commissions and councils under the Governor's jurisdiction. Agencies not under the Governor's jurisdiction are strongly encouraged to follow this ITP.

### 3. Definitions

**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.

**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.

**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.

**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.

**IT Project:** A Commonwealth-sponsored 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 as 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 of 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

**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.

**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).

**Modernization:** The transition or transformation of existing information technology (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.

**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 integrating 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. Running the legacy applications, with no major changes (configuration only), on a different platform.

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

**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).

**Project Scaling Process:** The project scaling process is used to assist in the evaluation process and determining the project level of status reporting required.

**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.

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

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

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

**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 proper and consistent categorization of IT projects
- 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 *Commonwealth Cloud Computing Services Requirements*.

Category	Sub-category	Description
<b>Replace</b>	<b>COTS</b>	Procurement, configuration, and implementation of a Commercial Off the Shelf (COTS) product to replace the legacy application. This assumes no modifications or customization to the base COTS product.
	<b>COTS with Modifications</b>	Procurement, configuration, and implementation of a Commercial Off the Shelf (COTS) product to replace the legacy application that will involve modifications or customization to the base COTS product.
	<b>Custom Development</b>	Custom build of a new application to replace the current or legacy application.
	<b>Outsourced Services</b>	The procurement, configuration, and implementation of new cloud or other contracted hosted services offerings, including Software as a Service (SaaS), Platform as a Service (PaaS) and Infrastructure as a Service (IaaS) to replace the current or legacy applications.
<b>Modernize</b>	<b>Application Modify</b>	To rewrite, rebuild, and/or re-architect legacy applications to create new or enhanced existing functionality, Service Oriented Architecture (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.
	<b>Migration</b>	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.
	<b>Application Re-hosting</b>	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.
<b>New</b>	<b>COTS</b>	Procurement, configuration, and implementation of Commercial Off the Shelf (COTS) products, third party software for the development of new business solutions. This assumes no modifications or customization to the base COTS product.
	<b>COTS with Modifications</b>	Procurement, configuration, and implementation of a Commercial Off the Shelf (COTS) product that will involve some modifications or customization to the base COTS product for the development of new business solutions.
	<b>Custom Development</b>	Custom build of a new business solutions.
	<b>Outsourced Services</b>	The procurement, configuration, and implementation of new cloud or other contracted hosted services offerings, including software as a Service (SaaS), Platform as a Service (PaaS) and Infrastructure as a Service (IaaS) for the development of new business solutions.

### IT Project Request Submission

Agencies shall complete the Project Request Form (see Section 7 for details) to submit IT project requests to the Office of Administration, Office for Information Technology (OA/OIT).

### IT Project Approval Requirement

All IT projects with an Investment Class of "Grow" or "Transform" must be approved by the applicable governance body prior to project initiation. All IT projects that require a Program Revision Request (PRR) must be reviewed and approved by the Commonwealth CIO prior to project initiation.

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

<b>On Plan</b> No Management Attention Needed	<b>Needs Attention</b> Management Attention May Be Needed	<b>Red</b> Management Attention Needed
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.

- Scope Health

<b>Green</b> No Management Attention Needed	<b>Yellow</b> Management Attention May Be Needed	<b>Red</b> Management Attention Needed
<p>No change requests have been submitted <b>OR</b> change requests submitted will not impact baselined schedule and/or budget.</p> <p><b>Assumptions:</b> Scope has been approved</p>	<p>A change request has been submitted that <b>may</b> impact the baselined schedule and/or budget.</p> <p><b>Assumptions:</b> A risk has been logged to identify the potential change in scope and that 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 <b>will</b> impact the baselined schedule and/or budget.</p> <p><b>Assumptions:</b> 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

<b>Green</b> No Management Attention Needed	<b>Yellow</b> Management Attention May Be Needed	<b>Red</b> Management Attention Needed
There is no schedule variance <b>OR</b> schedule variance will not impact the planned completion date for the current release or overall project.	Schedule variance of <b>2 weeks or less</b> for projects over 6 months in length. Schedule variance of <b>10% or less</b> for projects less than 6 months.	Schedule variance <b>greater than 2 weeks</b> for projects over 6 months in length. Schedule variance <b>greater than 10%</b> for projects less than 6 months.

<p><b>Assumptions:</b> Schedule has been approved</p>	<p><b>Assumptions:</b> Project Manager has the discretion to adjust the thresholds based on the constraints of the project.  Days are based on business days.  Once the changes have been approved by sponsor or appropriate governance committees, the indicator would return to green.</p>	<p><b>Assumptions:</b> Project Manager has the discretion to adjust the thresholds based on the constraints of the project.  Days are based on business days.  Once the changes have been approved by sponsor or appropriate governance committees, the indicator would return to green.</p>
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- Budget Health

<p style="text-align: center;"><b>Green</b> No Management Attention Needed</p>	<p style="text-align: center;"><b>Yellow</b> Management Attention May Be Needed</p>	<p style="text-align: center;"><b>Red</b> Management Attention Needed</p>
<p>There is no budget variance</p> <p><b>Assumptions:</b> Budget has been approved There is project funding available</p>	<p>Budget variance is <b>10% or less than</b> the baselined budget based on the Estimate at Complete (EAC).</p> <p><b>Assumptions:</b> There is project funding available  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 <b>10%</b> of the baselined budget based on the Estimate at Complete (EAC).</p> <p><b>Assumptions:</b> No project funding is available  Once the changes have been approved by sponsor or appropriate governance committees, the indicator would return to green.</p>

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.

IT Annual Plans:

The IT annual planning process is a continual activity that cumulates with a submission of IT annual plans to OA/OIT by predetermined deadline that is established by the Deputy Secretary for Information Technology office. The annual plan and other deadlines will be communicated by the OA in a timely manner prior to submission deadlines.

Senior IT leadership under the Governor’s jurisdiction are required to submit to OA/OIT an annual fiscal year-based IT annual plan detailing high-level IT objectives over a three-year period. The annual plan will document agency business goals and IT initiatives. These plans are

required to be reviewed and updated quarterly to determine the overall health status of the IT annual plan.

### 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.

**OA** will:

- Manage the annual planning and IT project request/reporting solutions.
- Communicate all required deadlines for IT annual plan and IT project requests.
- Review and communicate decisions (approval/denial) for IT projects request submissions classified Grow or Transform.

## 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 *Commonwealth of Pennsylvania Information Technology Acceptable Use Policy*
- Management Directive 310.37 *Approving, Monitoring, and Accounting for New Information Technology Application Projects*
- Project Request Form: <http://OAProjectIntake.oa.pa.gov>
- ITP-BUS011 *Commonwealth Cloud Computing Services 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*

## 9. Publication Version Control

It is the 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](mailto: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 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
Revision	10/03/2017	Removed Objective section Removed IT Central/PRF upload direction Removed budget threshold for required OA/OIT approval Revised title of ITP Renamed Category Type to Sub-category Expanded Definitions section; added criteria for Strategic/Non-strategic projects Revised Policy section to include guidance on project requests, strategic planning, project health reporting, and application inventory	N/A
Revision	10/04/2018	Revised IT Project type, criteria, approval requirements Added Project Health status and criteria guidance Requirement to provide additional data when Project Health status is yellow or red Revised IT Strategic Plan outputs	<a href="#">Revised IT Policy Redline 10/04/2018</a>
Revision	07/19/2019	Moved ITP to Business Domain from Project Management Domain Replaced "IT Strategic Plan" language with "IT Annual Plan" Amended organizational responsibilities throughout Added IT Operations definition Clean up language throughout	<a href="#">Revised IT Policy Redline 07/19/2019</a>