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**State of California**  
**Department of Technology**

**Information Technology Project Oversight  
Framework (IT-POF)**

**Project Management Risk Assessment**

**Preparation Instructions**

**Statewide Information Management Manual – Section 45B**

**July 2016**

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# INTRODUCTION TO THE PROJECT MANAGEMENT RISK ASSESSMENT

## 1.0 Overview

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The Project Management Risk Assessment aids in assessing the maturity of an organization as a whole and their ability to carry out projects. This is a tool for Agencies/state entities to evaluate the maturity of their project management capability. The Project Management Risk Assessment will evaluate such elements as:

- Organizational commitment to a well-defined, mature project management process
- Existence of predicated management commitment, functions, and systems
- Competence of participants in any project management endeavor
- Organizational project management environment (e.g., tools, infrastructure) and how well these are integrated
- Measurement metrics in the organization and how well they are used and any applicable past performance
- Organization's continuous improvement process

These instructions describe how an Agency/state entity may complete the Project Management Risk Assessment that is required as part of the Project Approval Lifecycle's Stage 1 Business Analysis and Stage 2 Alternatives Analysis. Through this assessment, Agencies/state entities must provide adequate information and any necessary supporting documentation to demonstrate sufficient project management capability to handle a project of the size and complexity being proposed. Specifically, the information must establish that the Agency/state entity has the capability and capacity to successfully plan and execute the proposed project. As part of this evaluation, the Agency/state entity must perform a self-assessment as part of the Stage 1 Business Analysis and Stage 2 Alternatives Analysis. The "Required Stage" column in the Project Management Risk Assessment template identifies which questions must be answered in each stage of the project approval lifecycle.

**Stage 1 Business Analysis** – The first part of the Project Management Risk Assessment is to be completed as part of the Stage 1 Business Analysis. The resulting Stage 1 Business Analysis Project Management Risk score should be entered into Section 1.12.6 (Project Management) of the Stage 1 Business Analysis template. This score will be verified by the Department of Technology during the Gate 1 Collaborative Review meeting.

**Stage 2 Alternatives Analysis** - The second part of the Project Management Risk Assessment is to be completed as part of the Stage 2 Alternatives Analysis. The resulting Stage 2 Alternatives Analysis Project Management Risk score should be entered into Section 2.12.8.1 (Project Management Risk Assessment) of the Stage 2 Alternatives Analysis template. This score will be verified by the Department of Technology during the Gate 2 Collaborative Review meeting.

## 2.0 Assessment Criteria

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The Project Management Risk Assessment has four major subsections;

1. Organization
2. Governance
3. Processes
4. Proposed Project Manager Capability

The organizational assessment is not a precise science as it involves a certain degree of subjectivity. The Project Management Risk Assessment evaluation factors take the overall state of the Agency/state entity's project management capability into consideration. In addition to these factors, the Agency/state entity's mitigation strategies to handle any high risk areas are also part of the assessment process. Each question is rated on a scale of 0 – 5, zero representing the ideal state (no risk) and five representing the non-ideal state (very high risk). While some factors may have greater impact (e.g., absence of a well-defined Project Management (PM) process that is consistently used by all) than others (e.g., Past PIERS showing weaknesses that have been remedied), weighting is not assigned to individual factors as they cannot be consistently assigned to different types of projects. To ensure scoring consistency across all organizations, follow the guidelines provided in Table 1 below. The table provides the "ideal state" conditions (0) and the "unacceptable" conditions (5). Please score using these guidelines, your scores will be verified by the Department of Technology during the collaborative review meetings for Stage 1 and Stage 2 of the Project Approval Lifecycle.

Table 1: Scoring Guidelines

Attribute	Criteria
<b><u>Organization</u></b>	
<b>Does the organization have a dedicated Project Management Office (PMO)?</b>	<p>0 – Organization has a PMO office with a dedicated chief and dedicated project management staff. Whenever a project is started, the organization seeks the services of a project manager. Staff are all trained and experienced in project management methodologies and have Project Management Professional (PMP) certification.</p> <p>5 – No PMO Office and no trained project managers. Staff are assigned to project manager roles to fill a void and not based on skills.</p>

<p><b>Does the Organization have well-defined project management processes?</b></p>	<p>0 – Organization has well-defined and well publicized project management processes that are based on industry best practices (Project Management Body of Knowledge – PMBOK) that are well understood, communicated and well-accepted throughout the organization.</p> <p>5 – No project management processes are defined; any existing processes are ad hock and not based on industry best practices.</p>
<p><b>Business team and information technology (IT) team relationship</b></p>	<p>0 – Business team and the IT team work well together. They have a good working relationship and collaborate with the goal of solving problems and achieving objectives. They meet regularly and agree on priorities and resources. Both work together to solve business issues and have regular status meetings. IT is looked at as an extension to the business team. They have regular meetings to discuss IT portfolio to prioritize workload based on schedule, cost, budgets and resource availability.</p> <p>5 – Business team and IT team do not work well together.</p>
<p><b>Staff uses established processes</b></p>	<p>0 – The organization is very process oriented. Processes, including project management processes, are accepted by staff and adopted by as a way of conducting day-to-day business. Project management processes are used by all projects and are part of their normal process.</p> <p>5 – There is not control of what processes various projects and staff use. There is no formal process in place to ensure that the right processes are followed.</p>
<p><b>Of the projects in the past, how many project managers were state staff?</b></p>	<p>0 – The organization had several projects ranging in size and complexity and all of them had project managers assigned from the PMO. They do not use contractors to manage projects. The state project manager actively manages projects, not a project manager in name only.</p> <p>5 – Most of the organization’s projects were managed by contractors. If there is a state project manager assigned, he/she is a project manager in name only, not actively managing projects.</p>

<p><b>Staff commitment to the project</b></p>	<p>0 – Staff believes that the project will improve the organization’s effectiveness and performance and is committed to this project and its success. This is not a project that is being mandated by executive management with little buy in from staff. Staff do not believe that this project is an exercise in futility. They regard this project as very important and of high value to the organization and themselves.</p> <p>5 – Staff is not committed to the project and do not see any benefit of the project (or sees negative benefits).</p>
<p><b>Teamwork across the organization</b></p>	<p>0 – All parts of the organization (procurement, contracts, human resources, legal, business units, etc.) work together and support each other towards a common goal. They all support the projects and are committed to their success.</p> <p>5 – There is no teamwork across the organization.</p>
<p><b>History of delivering projects within budget/scope/schedule</b></p>	<p>0 – Inventory of the projects undertaken by this organization in the past three to five years shows that they were completed within 10 percent of the original estimates (exclude re-baselines and SPRs) for budget, scope and schedule.</p> <p>5 – Most of the projects undertaken by this organization exceeded 15 percent of the original estimated cost, schedule or scope.</p>
<p><b>Special Project Reports (SPRs) in the past</b></p>	<p>0 – No projects needed SPRs in the past five years.</p> <p>5 – Many projects needed SPRs in the past five years.</p>
<p><b>History of suspended and/or terminated projects</b></p>	<p>0 – The organization has no history of suspended or terminated projects</p> <p>5 – There is a history of projects that were suspended and/or terminated due to lack of performance.</p>
<p><b>Negative or unaddressed report findings in the recent past by control/legislative/other entities</b></p>	<p>0 – There are no reports from any of the control/legislative/other entities with negative or derogatory information.</p> <p>5 – Many derogatory reports from control/legislative/other entities.</p>

<p><b>Do past Post Implementation Evaluation Reports (PIERs) show any pattern of weakness?</b></p>	<p>0 – PIERs for projects completed in the past five years show consistent patterns of strengths in project management and no patterns of problems.</p> <p>5 – PIERs for projects completed in the past five years show consistent patterns of weakness in project management and does not show any improvements.</p>
<p><b>Conducts regular project review meetings at all levels</b></p>	<p>0 – Projects have regular project meetings, executive review meetings, sponsor briefing meetings, technical meetings, meetings with the control agencies and review and gating meetings. Meetings are well documented and action items or issues are followed up.</p> <p>5 – There are no (or very few) formal meetings held at various levels. No formal definition for meetings and reviews exists in the organization.</p>
<p><b>Collaborative environment</b></p>	<p>0 – Executive management works collaboratively and there is an atmosphere of cooperation among all the units of the organization.</p> <p>5 – Executive management has limited opportunities for collaboration.</p>
<p><b>History of contract dispute ending in loss, contractor filing claims, contract termination due to dispute</b></p>	<p>0 – The organization has demonstrated ability to manage contract from initial bid process to final contract execution. There is no past history of contractual issues</p> <p>5 – The organization had many contractual issues in the past.</p>
<p><b>Tolerance to risk in this organization</b></p>	<p>0 – Organization has strong risk management processes to analyze and identify risks. The organization is adverse to risks, takes calculated risks and manages these well.</p> <p>5 – Organization does not have risk management processes.</p>
<p><b>History of projects of similar size/complexity</b></p>	<p>0 - Organization has undertaken and successfully completed many projects of similar size and complexity in the past five years.</p> <p>5 – No history of projects completed successfully in the past five years.</p>

<b><u>Governance</u></b>	
<b>Does the organization have a project governance structure?</b>	<p>0 – The organization sets up a governance structure for all projects and the proposed project has a well-defined one.</p> <p>5 – There is no defined governance structure for projects.</p>
<b>Executive representation in the governance structure</b>	<p>0 – The organization’s governance structure includes representation from executive management for this project as well as other projects that this organization has undertaken.</p> <p>5 – No executive representation in the governance structure.</p>
<b>How well are the governance roles and responsibilities defined?</b>	<p>0 – All lines of business in the organization are represented in the governance structure and their roles are well-defined. Governance structure has high level management and executive representation.</p> <p>5 – There are no defined governance structure roles and responsibilities.</p>
<b>Are there steering committees for all projects?</b>	<p>0 – All of the organizations projects have steering committees.</p> <p>5 – None of the organizations projects have steering committees.</p>
<b>Sponsorship commitment to the project</b>	<p>0 – The sponsors have a true commitment and stake in the project.</p> <p>5 – The sponsor is a figurative head and has no commitment to the project</p>
<b>Are there well-defined escalation procedures in place?</b>	<p>0 – Everyone from executive management to project staff understand the escalation procedure for issue escalation. All staff feel comfortable going through the chain without the fear of reprisal.</p> <p>5 – There is no well-defined escalation process.</p>
<b>Management team commitment to the project</b>	<p>0 – Management team concurs with the sponsor and is fully committed to the project.</p> <p>5 – Management team is not committed to the project and does not see any benefit to the business or themselves.</p>



<b><i>Processes</i></b>	
<b>Well-defined business processes and practices in place</b>	<p>0 – The business process that this project is addressing is very well-defined. The processes are documented and agreed upon by all. If it is an existing process, the processes are followed by all. If it is a new process, the organization is committed to this process and there is acceptance on the need for the new process.</p> <p>5 – The business processes are not well-defined or very loosely defined.</p>
<b>How well does the organization's project management practices and processes meet PMBOK best practices?</b>	<p>0 – The project management processes are based on and comply with PMBOK best practices.</p> <p>5 – None at all.</p>
<b>Is there a demonstrated and repeatable process in place?</b>	<p>0 – Organization has used project management processes several times in the past three – five years. They had to make very few tweaks to this process.</p> <p>5 – They have tried many different processes and have not been able to successfully leverage a consistent process.</p>
<b>Does the organization have well-defined project management deliverables?</b>	<p>0 – Organization has a minimum set of project management deliverables and standards defined. Compliance with deliverables are tracked and reviews are defined.</p> <p>5 – The project management deliverables are not defined or there are no minimal standards.</p>
<b>Are there well-defined review/gating processes in place?</b>	<p>0 – The organization conducts regular project reviews and has a formal gating process in place to approve the project to move forward from one phase to another.</p> <p>5 – No reviews or gating processes in place.</p>
<b>Is there a well-defined quality assurance (QA) process in place?</b>	<p>0 – The organization has a dedicated QA group or QA personnel (not to be confused with test group). They have a well-defined and documented QA process, based on standards (IEEE, PMBOK). They develop a QA plan for all the projects they manage. The QA ensures reviews and approvals of deliverables.</p> <p>5 – None.</p>

<p><b>Are there scope management processes and tools in place?</b></p>	<p>0 – Organization has a scope management process in place. Scope changes go through a formal change process. A scope management plan is developed for all the projects they manage. Organization has a formal way of defining scope (e.g., requirements document).</p> <p>5 – None.</p>
<p><b>Are there risk management processes and tools in place?</b></p>	<p>0 – Organization has a well-defined risk process. This process is based on best practices (PMBOK). Organization develops risk management plans for all the projects they manage. Risk management tools (e.g., Risk Radar) are regularly used as a part of their project management process.</p> <p>5 – None.</p>
<p><b>Are there change management processes in place?</b></p>	<p>0 – Organization has a formal change management process in place. The level of authority for each level (project manager, project director, sponsor, etc.) to approve different levels of change is well-defined. Organization has a Change Control Board (CCB) established and uses RACI (i.e., responsible, accountable, consulted, informed) analysis.</p> <p>5 – None.</p>
<p><b>Are there schedule management processes in place?</b></p>	<p>0 – Organization has a schedule management process in place. Scheduling tools and techniques are in place and are used routinely by staff to manage schedules. Critical path management process is used. Schedule management process addresses how deviations should be handled and is followed. Organization develops a schedule management plan for all the projects and Schedule Performance Index (SPI) is one of the indexes used as a measure of project health.</p> <p>5 – None.</p>
<p><b>Number of projects in which the project management process has been used</b></p>	<p>0 – 100 percent of all projects use the standard project management processes.</p> <p>5 – None to very few projects use project management processes.</p>

<p><b>Are there cost management processes in place?</b></p>	<p>0 – Organization has a cost management process in place. Cost management process addresses how deviations should be handled. Organization develops a cost management plan for all the projects they manage. Cost performance index (CPI) is one of the indexes used as a measure of project health.</p> <p>5 – None.</p>
<p><b>Are there communication processes in place?</b></p>	<p>0 – Organization has a communication management process in place. A communication plan is developed for all the projects they manage. These plans are detailed and address all the stakeholder's needs. There are communication and collaboration tools in place (e.g., SharePoint, e-mail lists). A RACI analysis or a similar responsibility determination is performed.</p> <p>5 – None.</p>
<p><b>Are there configuration management processes and tools in place?</b></p>	<p>0 – Organization has well-defined and documented configuration control process in place. Organization uses configuration control tools and techniques. These tools have been in place for at least two – three years. A well-defined release management process that aligns well with the configuration control process exists. Release management function is independent from the development function.</p> <p>5 – None.</p>
<p><b><u>Proposed Project Manager Capability</u></b></p>	
<p><b>Proposed project manager's experience</b></p>	<p>0 – Project manager has at least five - 10 years of experience managing projects. Project manager has managed one or two projects of similar type, size and complexity.</p> <p>5 – Project manager has one year or less experience managing projects or has not successfully delivered a project of this type, size and complexity.</p>
<p><b>Proposed project manager's track record</b></p>	<p>0 – Project manager has an impeccable track record of completing projects under budget, on time and within scope.</p> <p>5 – Project manager has a poor track record of completing projects under budget, on time and within scope.</p>

<p><b>Is the proposed project manager PMP certified?</b></p>	<p>0 – Project manager is currently PMP certified and has held PMP certification for at least three years. 5 – Project manager is not PMP certified.</p>
<p><b>Project manager's experience with the business processes</b></p>	<p>0 – PM had prior experience with the business process on hand for at least two – three years. 5 – PM has no or very little prior business process experience and is new to this business process.</p>
<p><b>Project manager's business domain knowledge</b></p>	<p>0 – Project manager has thorough knowledge of business domain impacted by this project. He/she will be able to understand the business risks and understand the issues and bring the right players together to resolve issues. 5 – Project manager is very new to the business and has very little domain knowledge.</p>
<p><b>Does the project manager have sufficient technical background/skills?</b></p>	<p>0 – Project manager possesses the required technical savvy or astuteness. He/she will be able to understand the technical risks and understand the issues and bring the right players together to resolve issues. Project manager understands the technology that will be deployed in this project. 5 – Project manager has no or very little technical skills and knowledge and relies on technical staff to provide technical expertise.</p>
<p><b>Have the sponsors assigned sufficient number of project management staff?</b></p>	<p>0 – Based on the size and complexity of the project, there is sufficient project management and support personnel assigned to the project. 5 – There is not sufficient project management staff assigned to the project.</p>

<p><b>Project manager's commitment to the project</b></p>	<p>0 – Project manager believes that the project will improve the organization's effectiveness and performance and is committed to this project and its success. Project manager believes that this project is very important and of high value to the organization and a great opportunity for personal/career growth.</p> <p>5 – Project manager is not committed to the project and is not enthusiastic about the project goals and outcomes.</p>
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### **3.0 Submittal Requirements**

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For Stage 1 Business Analysis instructions, see SIMM Section 19A, Section 1.12.6. For Stage 2 Alternatives Analysis instructions, see SIMM Section 19B, Section 2.12.8.1.

### **4.0 Additional Justification Documentation**

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Attach additional documentation as needed to describe the ratings you have provided in the Project Management Risk Assessment that the Department of Technology should consider in evaluating your Stage 1 Business Analysis and Stage 2 Alternatives Analysis.