IT POLICY LETTER

	NUMBER: **ITPL 09-01**
SUBJECT: **CALIFORNIA PROJECT MANAGEMENT METHDOLOGY AND OTHER ASSOCIATED INFORMATION**	DATE ISSUED: APRIL 9, 2009
	EXPIRES: Until Rescinded
REFERENCES: Government Code Section 11545 and 11546 May 15, 2008, Supplemental Report of the 2007 Budget Act Item 0502-001-9730 1 State Administrative Manual Sections 4819.31(5), 4819.34, and 4910 Statewide Information Management Manual Sections 17, 45, and 200	ISSUING AGENCY: OFFICE OF THE STATE CHIEF INFORMATION OFFICER

Note: Agency Information Officers (AIO) and Department Chief Information Officers (CIO) are requested to forward a copy of this Information Technology Policy Letter (ITPL) to their respective Project Management Office(s) and Information Technology (IT) Project Managers.

DISTRIBUTION	Agency Secretaries Agency Information Officers Department Directors Department Chief Information Officers
PURPOSE	Given the increasing complexity of IT projects, many of which integrate multiple technologies and business processes, the state has a well defined need for a standardized enterprise project management capability to maximize the quality and productivity of IT efforts while minimizing risks. Accordingly, this Information Technology Policy Letter (ITPL) announces the release of the California Project Management Methodology (CA-PMM) as the state's methodology for managing IT projects. This ITPL also discusses the CA-PMM Reference Manual and Toolkit, along with associated policies for using the CA-PMM. The publication of the CA-PMM Toolkit and Reference Manual for use by agencies[1] and departments represents a significant step toward strengthening IT project management in the state, and as such will serve as the state's IT project management standard.

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[1] When capitalized, the term "Agency" refers to one of the state's super Agencies such as the State and Consumer Services Agency or the Health and Human Services Agency. When used in lower case, the term "agency" refers to any office, department, board, bureau, commission or other organizational entity within state government. Within this ITPL, "agency" and "department" are used interchangeably.

BACKGROUND   As described in Government Code Sections 11545 and 11546, the Office of the State Chief Information Officer (OCIO) has responsibility and authority to guide the application of IT in California State government. This includes improving efficiencies in developing and implementing IT and establishing policies for strengthening project management.

In the May 15, 2008, *Supplemental Report of the 2007 Budget Act Item 0502-001-9730 1* (Supplemental Report), the OCIO described a series of actions it would take to strengthen the state's project management capabilities. This included establishing the CA-PMM as the project management standard, along with establishing a standard project governance structure and recommended qualifications for IT Project Managers.

POLICY   Effective immediately, the CA-PMM is the state's standard methodology for IT project management. The CA-PMM introduces new policies related to improved project management and modify some existing policies. All departments and associated state and contractor staff must use the new CA-PMM. This includes IT projects approved by the OCIO and IT projects approved by Agencies and departments under their delegated approval authority pursuant to State Administrative Manual (SAM) Section 4819.34.

The Reference Manual describes the CA-PMM, while the Toolkit (in Microsoft Excel format) is the mechanism for implementing the CA-PMM. We note that some skill in Excel is needed to effectively use the Toolkit. Included within the CA-PMM "Initiating" portion of the Reference Manual and Toolkit are modifications to the project governance structure as discussed in the Supplemental Report. The new and revised policies are described below.

1. **CA-PMM Toolkit Implementation –** The CA-PMM Toolkit will be implemented as follows:

   - **IT Projects approved after January 1, 2009:**

     o Use of the CA-PMM Toolkit will be required for all new IT projects approved after January 1, 2009. As previously discussed, this includes IT projects approved by the OCIO and IT projects approved by Agencies and departments under their delegated approval authority pursuant to State Administrative Manual (SAM) Section 4819.34.

   - **IT Projects approved prior to January 1, 2009:**

     o For instances where existing OCIO-approved IT projects are well underway with final solicitation responses already submitted, use of the CA-PMM Toolkit will be not be required. In all other cases, AIOs and CIOs should work with their OCIO Program Management Office (PMO)

representative to discuss the circumstances under which the CA-PMM Toolkit should be used.

2. **IT Project Complexity –** The "IT Project Complexity Assessment" within the CA-PMM replaces the current criticality rating methodology and will be used to determine the level of project oversight for new project proposals (i.e., Feasibility Study Reports) and project change proposals (i.e., Special Project Reports) submitted for approval after January 1, 2009.

   An excerpt of the CA-PMM IT Project Complexity Assessment is included in SIMM Section 17 D. The CA-PMM Complexity Assessment replaces the existing Criticality Rating in Section 2, "Project Classification for Oversight," of the *IT Project Oversight Framework* currently included as SIMM Section 45. Please note that the remaining portions of SIMM Section 45 remain in effect.

3. **Status Reporting –** Use of the CA-PMM Project Status Report within the CA-PMM is required for all IT projects regardless of the project approval date.

   Beginning May 2009, the Project Manager and Project Sponsor shall complete and submit the CA-PMM Project Status Report to their OCIO PMO representative by the fifth working day of the month in which Independent Project Oversight Reports (IPOR) are submitted to the OCIO.

   For instances where IPORs have not been submitted to the OCIO (typically for low criticality projects), the CA-PMM Project Status Report must be submitted to the OCIO PMO representative every six months beginning no later than July 31, 2009.

   SIMM Section 17 D includes the Project Status Report excerpt. The portions completed and forwarded to the OCIO should be the "Project Manager to Sponsor", and the "Sponsor to Steering Committee" Status Reports.

   Please note that use of the CA-PMM Project Status Report is in addition to the existing Independent Project Oversight Report (IPOR) reporting requirements currently in effect, and should be submitted independently of the IPOR.

4. **CA-PMM Training Requirements –** Project Managers and project team leads are required to be trained in the use of the CA-PMM. Project Sponsors and executives are encouraged to participate in relevant CA-PMM training. Project Managers will also be required to become "Cal-Qualified" (CalQ) before they may be assigned to manage an IT project, unless granted an exception by the OCIO. AIOs and CIOs must ensure project members are appropriately trained and certified.

   SIMM Section 17 E describes the required training, the timeframes for meeting the training requirements, and the process for documenting a Project Manager's certification. Most

of the CalQ requirements may be met through previous training or experience.

5. **Scheduling Software –** To facilitate electronic review when project schedules are requested by the OCIO, Project Managers shall prepare and maintain project schedules using Microsoft Project (2007 or later) for all projects approved after January 1, 2009.

   For projects approved prior to January 1, 2009, Project Managers may continue to use their existing project scheduling tool(s), but should transition to Microsoft Project (2007 or later) at an appropriate time.

6. **Use of Additional or Supplemental Project Management Tools –** In addition to using the CA-PMM Toolkit, departments may use other automated project management tools (e.g., risk management databases). However, when submitting any project management documentation to the OCIO, the submission must be in the CA-PMM Toolkit format. This will enable the OCIO to collect project management data in a standardized format.

The CA-PMM was developed to provide agencies and departments with a standardized tool to effectively manage their IT projects. Currently, the OCIO is requesting submittal only of the Project Status Report excerpt previously discussed as part of its project oversight role at this time.

Similarly, the Concept Statement Toolkit will be used by Agencies and departments to request OCIO approval of IT Project Proposals as part of the annual Information Technology Capital Plan (ITCP) development process. Specific instructions for the preparation and submittal of the Concept Statement Toolkit as part of the ITCP will be provided in a separate ITPL.

Finally, no other Toolkit components are requested to be submitted to the OCIO at this time. However, the OCIO may request other Toolkit components separately as part of its project oversight role.

SAM AND SIMM CHANGES

SAM Section 4819.31 has been updated to require the use of the CA-PMM by all agencies. In addition, SAM Section 4910, which defines the CA-PMM, will be added to the SAM. These additions to the SAM are included in this ITPL as Attachment A.

SIMM Section 17 located at http://www.cio.ca.gov/Government/IT_Policy/SIMM.html replaces SIMM Section 200 in its entirety. SIMM Section 17 includes the following:

- **SIMM Section 17 A –** The CA-PMM Reference Manual and a "Getting Started" Summary to read before downloading the Toolkits.

- **SIMM Section 17 B –** The CA-PMM Concept Statement

Toolkit for IT Project Proposals.

- **SIMM Section 17 C –** The CA-PMM Toolkit.

- **SIMM Section 17 D –** The CA-PMM Toolkit excerpts and submittal instructions for:

    o IT Project Complexity Assessments

    o Project Status Reports

    o Required Skills and Skill Gap Plan

- **SIMM Section 17 E –** The training requirements for IT Project Managers, project team leads, executives, and Sponsors, along with CA-PMM training information and recommended qualifications for IT project managers.

CONTACT

Questions should be directed to your OCIO PMO representative. A listing of PMO Managers and Principals, their departmental assignments, and departmental delegated cost thresholds can be found at the OCIO Web site located at: http://www.cio.ca.gov/staffAssignments.html.

SIGNATURE

/s/

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Teri Takai,
Chief Information Officer
State of California

Note: The new addition to SAM Section 4819.31 is item #5. Subsequent items in Section 4819.31 have been renumbered.

4819.31 BASIC POLICY
(Revised 04/09)

Each state agency is required to:

1. Establish and maintain a Disaster Recovery Plan, so that it will be able to protect its information assets in the event of a disaster or serious disruption to its operations, and submit the plan or its update to the Office of Information Security and Privacy Protection (OISPP) as outlined in the Disaster Recovery Plan Quarterly Reporting Schedule (SIMM Section 05). See SAM Sections 5350-5355.

2. Establish an ongoing information management strategic planning process to support the accomplishment of its overall business strategy (i.e., its strategy to carry out its programmatic mission) and submit its strategic plan to the OCIO for approval. See SAM Section 4900.2.

3. Adopt standards for an agency information technology infrastructure consistent with SAM Section 4900.1.

4. Prepare annually an IT Capital Plan for long-term planning of the state's strategic IT investments. See SAM Section 4904.

5. Use the California Project Management Methodology (CA-PMM) as described in SAM Section 4910 for managing all IT projects.

6. Conduct a feasibility study in order to establish the business case for each proposed information technology project (development or acquisition) and obtain approval of the FSR from the OCIO, or, if approval authority has been delegated to the agency director, from the agency director before expending any resources on the project. See SAM Sections 4819.34-4819.35.

7. Manage information technology projects following the established IT Project Oversight Framework (SIMM Section 45) minimum requirements, to ensure that projects are completed on-time, within budget, and that they accomplish the objectives defined in their FSRs. See SAM Section 4800.

8. Protect the integrity of its information management capabilities and databases and ensure the security and confidentiality of information it maintains.

9. Establish an ongoing acquisition planning process to develop IT Procurement Plans (ITPP) for IT project acquisition of IT goods and services as determined by the Department of General Services.

If an agency fails to meet these requirements, the agency will be required to obtain the OCIO approval before expending any resources on information technology projects.

The project approval process is described in SAM Section 4819.34.

4910 CALIFORNIA PROJECT MANAGEMENT METHODOLOGY
(New 04/09)

The California Project Management Methodology (CA-PMM) is based on project management best practices as described in the Project Management Institutes' Project Management Book of Knowledge (PMBOK). The purpose of the CA-PMM is to provide consistent project information regardless of the state agency that is managing the project to provide policymakers greater visibility as to the status of IT projects and enable project executives, control agencies and other interested parties to review and evaluate the status of IT projects as well as provide informed direction and guidance to IT Project Managers.

The CA-PMM provides the framework for the entire Project Management Life Cycle from project concept to maintenance and operations. Included in the CA-PMM are a set of templates to support the Project Management Life Cycle and a Reference Manual that contextualizes the different elements of the Project Management Life Cycle. See SIMM Section 17 for the Toolkits, the Reference Manual, and the specific conditions for utilizing the CA-PMM.