

Memo To: Agency Heads
Agency IT Coordinators
Agency Procurement Liaisons
Assistant and Special Assistant Attorney Generals

From: Pam Sharp, Director, Office of Management and Budget
Mike Ressler, Interim CIO, Information Technology Department

Subject: Law Changes Related to Information Technology Projects

The purpose of this memo is to inform you about new laws that went into effect on August 1, 2013, and notably, the creation of Executive Steering Committees that are required to provide oversight of major information technology projects for all executive branch agencies.

1. Major Information Technology Projects

SB 2034

[SB 2034](#) codified aspects of Governor Dalrymple's Executive Order 2011-20 which directed implementation of an enhanced oversight process for large scale IT projects. Governor Dalrymple [rescinded the Executive Order](#) effective August 1 when the new section of law became effective.

Effective August 1, agencies with IT projects with a total cost of \$500,000 or more must comply with the requirements of the new law:

[N.D.C.C. § 54-59-32. Major information technology projects - Appointment of executive steering committees.](#)

1. An executive branch state agency, excluding institutions under the control of the state board of higher education, proposing to conduct a major information technology project as described in subsection 10 of section 54-35-15.2, the department, and the office of management and budget, in consultation with the attorney general, shall collaborate on the procurement, contract negotiation, and contract administration of the project. The agency, the department, and the office of management and budget, in consultation with the attorney general, shall approve the solicitation, contract, or agreement, and any amendments relating to the project before submission to the executive steering committee as provided in subsection 3.
2. The procurement officer and primary project manager for a major information technology project must meet the qualifications established by the department and the office of management and budget.
3. An executive steering committee must be appointed to oversee each major information technology project. The agency project sponsor shall serve as chairman of the committee. The executive steering committee must consist of the director of the office of management and budget or a designee of the director, the chief information officer or a designee of the officer, the head of the agency contracting for the project or a designee, the project sponsor, and a large project oversight analyst designated by the chief information officer. The executive steering committee shall monitor the overall status of the project and review project decisions, including negotiation and execution of contracts, approval of project budgets, implementation of project schedules, assessment of project quality, and consideration of scope changes. Any project decision declared by a member of the committee to be a major project decision requires at least four affirmative votes.
4. An agreement or contract, including an amendment, revision, or scope change, for a major information technology project may not be entered unless signed by the head of the contracting agency or a designee and the chief information officer or a designee of the officer.

Implementation:

ITD and OMB, in consultation with the Attorney General’s office, are developing guidelines for IT procurement, including qualifications for major IT project procurement officers. Note: This new code does not replace NDCC § 54-59-23 or STD009-05. Large Project Oversight will still apply to all projects that meet the criteria.

ITD has issued the qualification for a primary project manager. You can see those qualifications in the attached FAQ document. If you have any questions related to this, please contact Dave Eckenrode deckenrode@nd.gov.

ITD has prepared a list (below) of all known IT projects believed to be subject to this law. Please contact itdprocurement@nd.gov if you have a major IT project not on this list, to initiate a new project, or if you have any questions.

IT Project List	
Agency	Project Name
Adjutant General	Dispatch Console System (CEB)
Adjutant General	Statewide Records Management System (RMS) aka CAD Phase II
Adjutant General	Computer Aided Dispatch - Phase III -
Adjutant General	Statewide Seamless Base Map
Adjutant General	Statewide Seamless Base Map - Phase II
Adjutant General	Statewide Seamless Base Map - Phase III
Attorney General	Identification Arrest Prosecution (Part of Criminal History Replacement)
Bank of ND	CashPLUS
Department of Commerce	Website Rewrite
Department of Health	ND Immunization Information System Enhanced Interoperability
Department of Health	WIC EBT (waiting for Grant approval)
Department of Human Services	5010
Department of Human Services	Eligibility
Department of Human Services	ICD 10 (Legacy)
Department of Human Services	Mainframe Migration Analysis
Department of Human Services	Medicaid Systems Project
Department of Human Services	Operating Rules (Legacy)
Department of Human Services	ND Verify
Department of Human Services	Vocational Rehabilitation Information System Replacement
Department of Public Instruction	eTranscripts
Department of Public Instruction	North Dakota State Longitudinal Education Data System
Department of Transportation	Automatic Vehicle Location (AVL)
Highway Patrol	Enhanced CVISN Automated Routing
Information Technology Department	Health Information Exchange
Information Technology Department	North Dakota Statewide Longitudinal Data System (formerly EdSmart) Phase II
Information Technology Department	K-12 Identity Management
Information Technology Department	Billing System Rewrite
CJIS	Electronic Case Management
Job Service North Dakota	WYCAN (Wyoming, Colorado, Arizona, North Dakota Consortium)
Job Service North Dakota	Workforce Data Quality Initiative

IT Project List	
Agency	Project Name
OMB	PeopleSoft Recruiting Solutions
Secretary of State	SOS File 2.0 (DPS)
Tax Department	TAP - Business Registration & Webfile
Veterans Home	Electronic Medical Records
Workforce Safety and Insurance	Information Technology Transformation Program
Information Technology Department	STAGenet Transport (2015) RFP

SB 2033

[SB 2033](#) amended [N.D.C.C. 54-35-15.2\(10\)](#) to change a major information technology project to “a project with a total cost of five hundred thousand dollars or more.” It also amended section 54-59-05(8), and section 54-59-23 to align with that new threshold.

[N.D.C.C. § 54-59-05. Powers and duties of department.](#)

8. [“ITD”] may request and review information regarding any information technology project of an executive branch agency with a total cost of between one hundred thousand and **five hundred thousand dollars** as determined necessary by the department. The department shall present the information to the information technology committee on request of the committee.

[N.D.C.C. § 54-59-23. Information technology projects - Reports.](#)

1. An executive, legislative, or judicial branch agency, except for institutions under the control of the state board of higher education, shall report to the state information technology advisory committee according to guidelines developed by the department and reviewed by the state information technology advisory committee regarding the plan for and status of any information technology project that is estimated to cost more than **five hundred thousand dollars**.

2. IT Project Planning

Section 5 of [SB 2021](#) enacted a new section of law related to IT project planning. This codified the session law from section 11 of SB 2015 approved in the 2011 session.

[N.D.C.C. § 54-59-11.1. Information technology project planning.](#)

Each executive branch state agency, excluding entities under the control of the state board of higher education, considering the development of an information technology project with an estimated cost of one hundred thousand dollars or more shall involve the information technology department in the planning and study of the project. A state agency must receive a recommendation from the information technology department prior to proceeding with any study relating to the project.

Implementation: Each agency currently working on or planning to start an information technology project with an estimated cost of \$100,000 or more must notify the Information Technology Department. For more information or to initiate the process, go to <http://www.nd.gov/itd/service-info/involving-itd-project-origination> or contact [Jeff Quast](#) (328-1993).

Attached is a list of some common questions and answers for you.



If you have any additional questions, please feel free to contact [Sherry Neas](#) (328-1726) or [Gary Vetter](#) (328-4316) in our offices.

Sincerely,

A handwritten signature in blue ink that reads "Pam Sharp".

Pam Sharp
Director, OMB

A handwritten signature in black ink that reads "Mike J. Ressler".

Mike Ressler
Interim CIO

FAQ for IT Legislative Changes

1. Who is considered an “executive branch agency”?

Executive branch agencies are agencies with elected heads or with heads appointed by the governor, excluding the state board of higher education. If you are unsure if you are an “executive branch agency” as contemplated by this law, you are advised to consult with your attorney.

2. What is meant by an “IT project?”

Typically, an IT project is defined as a temporary endeavor undertaken to create a unique, technology-based, product, service, or result. For the purposes of this definition, all projects with a technology component are assumed to be IT projects unless deemed otherwise by the CIO.

3. When is an executive branch agency “proposing to conduct” a project?

An executive branch agency may be considered to be ‘proposing to conduct’ a project if one or more of the following exist:

- a. Budget planning cycle identifies project request for funding
- b. IT plan includes the project
- c. SITAC ranking identifies a project
- d. Legislature mandates a project
- e. Reporting of a project in accordance with N.D.C.C. § 54-59-11.1.
- f. Interim project is identified by agency

4. What is included in the “total cost” of a project?

The total cost of a project includes all costs required to fully resolve the business needs that are preventing the organization from meeting one or more areas of its mission, vision, or strategic objectives. Examples of costs include, but are not limited to:

- a. Efforts to charter the project
- b. Conducting various solution selection processes including RFI, RFP, and contract negotiations
- c. All implementation costs including any initial hardware, licensing, maintenance, or other startup investments required to conduct the project
- d. Risk related funds
- e. And associated closing costs

5. What defines a “major IT project” in accordance with NDCC § 54-35-15.2(10) and NDCC § 54-59-32?

An IT project is considered a ‘major IT project’ if its total costs are \$500K or greater.

6. When should the executive steering committee be formed?

An executive steering committee may be formed at any time after an executive branch agency is proposing to conduct a project, but must be formed prior to approving the project charter. A proposed project must be chartered before any planning activities (e.g., analysis, RFP, alternate procurements, etc.) can occur. The composition and responsibilities of the ESC for major IT projects is specifically defined in NDCC § 54-59-32.

FAQ for IT Legislative Changes

- 7. Are existing projects “grandfathered,” meaning that if a major IT project was in progress on July 31, 2013, does it need to adhere to the new rules, or is it exempt?**

The law applies to all major IT projects in progress as of August 1, 2013, regardless of when they began.

- 8. What are the project manager qualifications to manage a major IT project?**

For major information technology projects with a budget between \$500,000 and \$1 million, the project manager must demonstrate past experience managing at least one project of similar size, scale and complexity, or multiple projects of a lesser size, scale and complexity.

For major information technology projects with a budget over \$1 million with only one project manager, that individual is required to have previously managed an information technology project which has spanned an 18 month timeline, been subject to STD009-05, and had complexities requiring coordination of work between multiple entities. The project manager must hold the project management professional credential (PMP) and have sufficient experience in North Dakota project management practices.

For major information technology projects with a budget over \$1 million with multiple project managers, the primary project manager must have previously managed or co-managed an information technology project budgeted for at least \$1 million, which must have spanned at least an 18-month timeline, been subject to STD009-05, and had complexities requiring coordination of work between multiple entities. The primary project manager must hold the project management professional credential (PMP) and have sufficient experience in North Dakota project management practices.

- 9. Who will determine if a project manager meets the qualification necessary to manage a major IT project?**

The CIO is responsible for determining if a project manager meets the qualifications necessary to manage a specific size major IT project.

Upon review of minimum qualifications additional information may be required to determine the individual’s qualifications specific to the project to be managed.

- 10. What are the procurement officer qualifications to manage a major IT procurement?**

OMB and ITD are developing training specific to IT procurement. Procurement officers will also be required to have demonstrated Level 3 procurement experience. OMB may grant a provisional major IT certification to agency procurement officers with demonstrated experience in major IT procurements.