



Quality Assurance Team

Policies and Procedures Manual

Version 2.0

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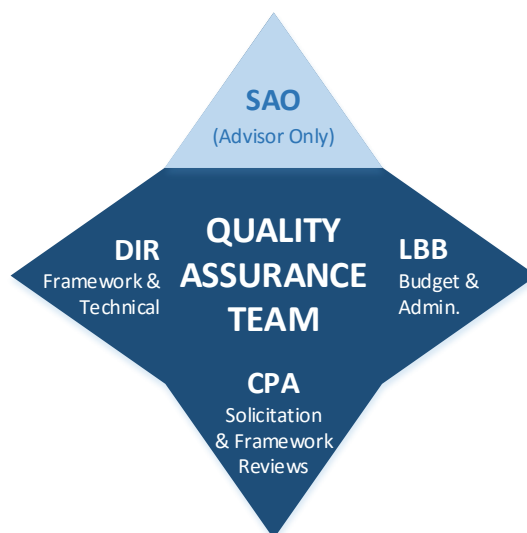
Overview

This overview summarizes the major steps involved in initiating, monitoring, and completing a major information resources project.

What is QAT?

The Quality Assurance Team (QAT) is an interagency workgroup established to provide on-going oversight of “major information resources projects” that receive appropriations from the Texas Legislature. All state agencies are subject to QAT oversight, with the exception of institutions of higher education and self-directed semi-independent state agencies.

QAT members include the Comptroller of Public Accounts (CPA), the Department of Information Resources (DIR), and the Legislative Budget Board (LBB). The State Auditor’s Office (SAO) serves as an advisor to QAT.



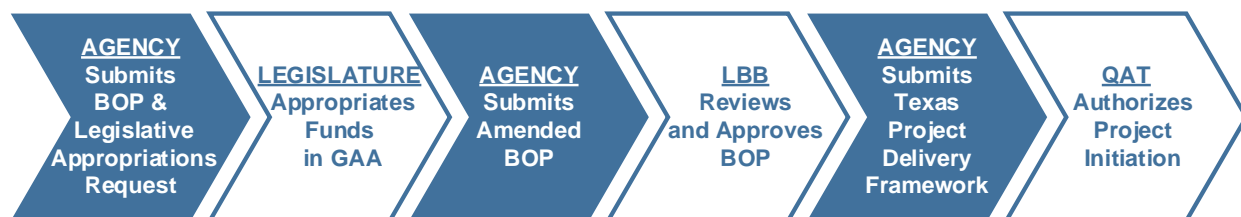
What Types of Projects are Subject to QAT Oversight?

A “major information resources project” is any technology project identified in a state agency’s Biennial Operation Plan (BOP) which:

- Is specifically identified as such by the Legislature in the General Appropriations Act; or
- Has development costs exceeding \$1 million and:
 - Requires one or more years to reach operational status; or
 - Involves more than one state agency; or
 - Substantially alters work methods of state agency personnel or the delivery of services to clients.

How are Projects Identified for QAT Oversight??

Before a state agency can initiate a major information resources project: (1) the project is required to be included in the agency’s BOP; (2) the project is required to receive funds from the Legislature in the General Appropriations Act (GAA), and (3) the agency’s BOP is required to be approved by the LBB:



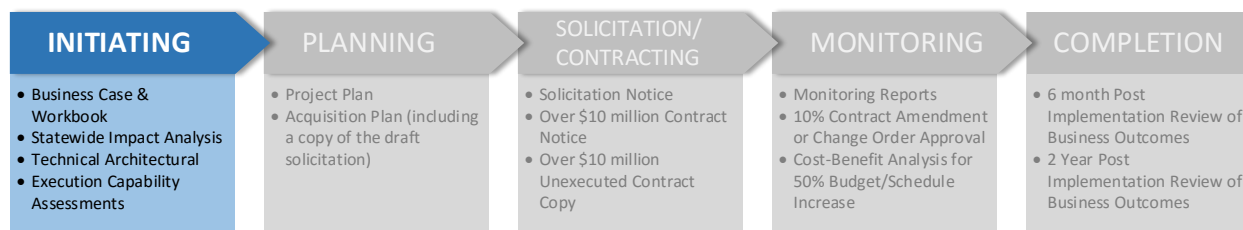
State agencies may be required to submit updated BOP information to initiate a project outside of the biennial budget cycle shown above.

Initiating QAT Projects

Texas Project Delivery Framework (framework) documents are required to be filed with QAT for each major information resources project before the project can be initiated. The project initiation and monitoring flowchart in Appendix A specifies the timeframe for filing each framework document. **Template framework documents are available on the DIR website.**

Documents required for project initiation include:

- Business Case: Narrative comparison of business solution costs and project benefits based on a business case analysis process.
- Business Case Workbook: Quantified estimates of business solution costs, project benefits, and return on investment.
- Statewide Impact Analysis: An assessment of the project's impact on use of information technology resources across the state.
- Execution Capability Assessment: Analysis of an agency's capacity for implementing the project, with the goal of reducing risk and increasing the probability of successful completion.
- Technical Architecture Assessment: Review of whether the proposed technical architecture for the project uses industry accepted standards.



Completed framework documents can be filed electronically with QAT via email at QAT.lbb@lbb.state.tx.us. QAT may provide feedback on the framework documents submitted by a state agency before granting approval. In general, this feedback seeks to minimize project risk and ensures that benefits will outweigh any costs associated with the project. **The Business Case and Business Case Workbook are required to be evaluated and approved by QAT before a project may proceed. The Statewide Impact Analysis, Technical Architecture Assessment, and Execution Capability Assessment must be filed with QAT prior to proceeding with project.**

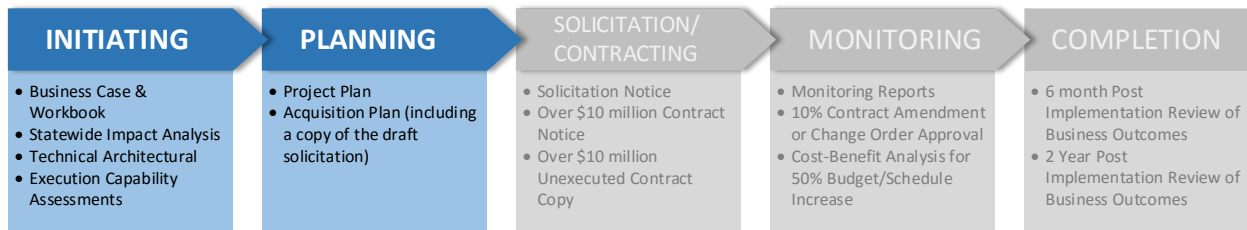
QAT Planning Oversight

State agencies are required to submit certain project planning documents after QAT approves the project's initiation documents. All major information resource projects must include a Project Plan, for which QAT may provide feedback. **State agencies are required to file a Project Plan with QAT before they spend more than 10 percent of allocated funds or issue a contract solicitation for the project.** Agencies must submit the following framework documents to QAT before commencing the procurement process:

- Project Plan: General planning information, monitoring and control methods, quality, communication, configuration, performance, and risk management.

- **Acquisition Plan:** If a major information resources project involves a procurement, an Acquisition Plan is required to be filed with QAT. This should also include a copy of the draft solicitation(s) before being posting.

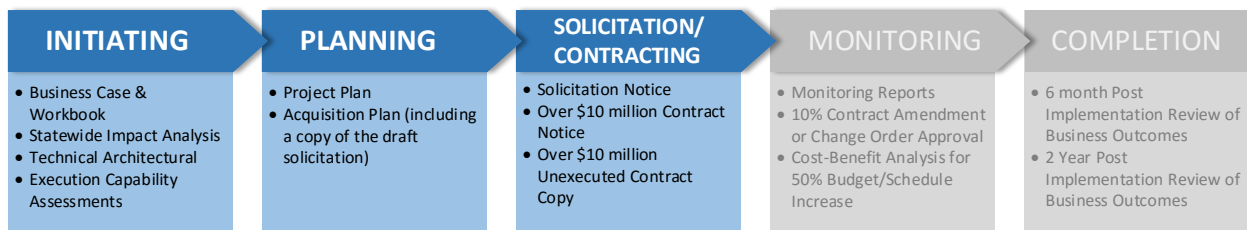
Many major information resource projects involve multiple procurements, and the Acquisition Plan helps QAT understand how a particular state agency will define the parties' roles, measure vendor performance, and control changes to a project's scope.



QAT Solicitation/Contracting Oversight

Many QAT-monitored projects involve the acquisition of technology related goods and/or services from vendors. Once an Acquisition Plan is filed with QAT, an agency may proceed with forming and advertising solicitations. **State agencies are required to notify QAT when they advertise any solicitation for a major information resources project.** This includes all requests for proposals, requests for bids, or the commencement of any other competitive bidding process. This notification is required to include the requisition number for each solicitation advertised.

QAT is required to provide additional oversight on certain high value contracts. **QAT must review and approve major information resources project contracts valued over \$10 million before contract execution, and state agencies are required to notify QAT within 10 business days of awarding such a contract.** QAT reviews contracts for consistency with the best practices established by the Texas Contract Management Guide and the State of Texas Procurement Manual, with the goal of minimizing contractual risk and ensuring project funds are spent consistent with Legislative intent for appropriated funds.



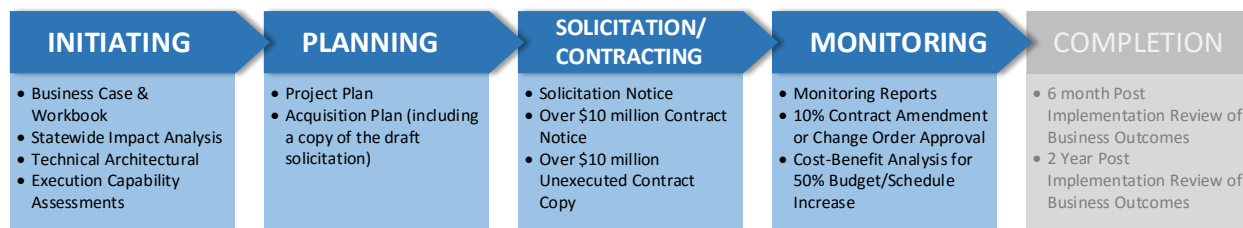
A contract for a major information resource project valued over \$10 million is not valid without written approval from QAT prior to its execution. QAT may provide feedback on the contract document, or may waive the contract review and approval requirement at its discretion.

QAT Project Monitoring

When QAT approves the initiation of a project by a state agency, it will provide the agency with a schedule specifying the date by which the first Monitoring Report is to be submitted, and the frequency at which subsequent Monitoring Reports are to be submitted throughout the lifespan of the project. **QAT reserves the right to subsequently adjust the frequency of Monitoring Reports based on its assessment of the project's risk.**

Monitoring Reports are submitted to QAT throughout the implementation of major information resource projects. In addition, agencies are required to provide QAT with copies of third party quality assurance or independent verification and validation reports within 10 days of receipt. QAT monitors these reports for increases to project cost and scope; delays with regards to the project's schedule; and impairments to the quality of the goods or services provided. **If a project experiences substantial cost, schedule, or scope increases, the agency is required to submit an updated Business Case and Business Case Workbook to QAT and an explanation of the increases within 30 days.**

Additional requirements apply to change orders and amendments that significantly alter the cost of a contract for a major information resources project. **If an amendment or change order for a major information resources project increases the value of a relevant contract by 10 percent or more from its initial value, that amendment is required to be reviewed and approved by QAT prior to its execution.** QAT may provide feedback on the amendment, or may waive the review and approval requirement. Such amendments or change orders are not valid without written QAT approval.



QAT may initiate a Project Review at any time based on issues that arise during project monitoring. The purpose of such reviews is to identify the cause of any performance issues. State agency personnel and vendors are required to cooperate with QAT when it conducts such reviews. SAO documents the reviews' findings. Finally, QAT may adjust the project's monitoring level or initiate more in-depth monitoring of the project based on these results.

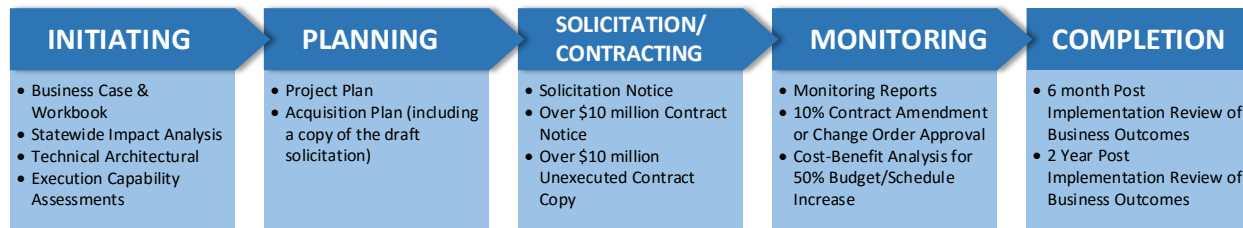
Project Completion

Agencies are required to complete and file two Post-Implementation Reviews of Business Outcomes with QAT:

- Initially, within six months of completion of a major information resources project; and
- A final version to be completed two years after project completion.

A template for this document can be found on the DIR website. Post-implementation reports help QAT determine whether a project has met its planned objectives or other expectations. In addition to other quality assurance activities, QAT may request a demonstration of any

completed major information resources project to determine if the project is functioning as intended.



The information presented in this overview is a summary of the major steps involved in initiating, monitoring, and completing a major information resources project. This overview does not enumerate all requirements pertaining such projects to be satisfied by a state agency. The remainder of this document sets forth the legal basis for QAT oversight as well the requirements to be followed by agencies with regards to such oversight.

The following symbols will be included throughout the remainder of the document:



Requires Agency Action



Requires QAT Approval

Please feel free to direct any questions about QAT policies and procedures to QAT@lbb.state.tx.us

Background

The Legislature established the Quality Assurance Team (QAT) to provide on-going oversight of major information resources projects that receive appropriations. The QAT was created by the enactment of Article V, Section 133 of the General Appropriations Act by the 73rd Legislature (effective September 1, 1993). The provisions creating QAT were later codified in the Information Resources Management Act (Texas Government Code, Chapter 2054). The Information Resources Management Act requires the Comptroller of Public Accounts (CPA), the Department of Information Resources (DIR), the Legislative Budget Board (LBB), and the State Auditor (SAO) to create a QAT to perform duties specified in the Act and other law; specify in writing the responsibilities of CPA, DIR, LBB and SAO; and create an automated project review system (Texas Government Code, Section 2054.158(a)). The Act specifies that SAO serves on QAT as an adviser (Texas Government Code, Section 2054.158(c)). Pursuant to the Act, the responsibilities of CPA, SAO, LBB and DIR are detailed in the QAT Charter.

The QAT charter provides:

- Each of the four entities is required to appoint one representative to QAT.
- CPA's appointed representative will provide reviews for solicitations and framework deliverables.
- DIR's appointed representative will provide QAT input from a technology and project management perspective.
- LBB's appointed representative will provide QAT input from a legislative budgeting perspective.
- SAO's appointed representative will to provide QAT input from an independent advisory perspective. SAO performs independent audits, reviews, and non-audit services at the request and on behalf of QAT.
- One representative of QAT is required to serve as a facilitator to ensure focus on fulfilling QAT's responsibilities. The facilitator's responsibilities include scheduling and presiding over QAT meetings; preparing and forwarding meeting agendas in advance of meetings; and coordinating meetings with agencies.
- Each QAT representative, or their respective entity, is authorized to designate one or more analysts to fulfill responsibilities as approved by QAT.
- LBB is required to provide administrative support to ensure that QAT's responsibilities are fulfilled in an efficient manner. The administrative assistant's responsibilities include the preparation and distribution of minutes and other materials, as appropriate, for each QAT meeting.

Applicability

QAT's oversight authority pertains to state agency major information resources projects.

"State agency" is defined as a department, commission, board, office, council, authority, or other agency in the executive or judicial branch of state government that is created by the constitution or a statute of Texas, including a university system or institution of higher education (Texas Government Code, Section 2054.003(13)).

"Major information resources project" is defined as any information resources technology project identified in a state agency's Biennial Operation Plan (BOP) whose development costs exceed \$1 million and that: requires one year or longer to reach operations status; involves more than one state agency; or substantially alters work methods of state agency personnel or the delivery of services to clients. The definition of "major information resources project" also includes any information resources technology project designated by the Legislature in the General Appropriations Act as a major information resources project (Texas Government Code, Section 2054.003(10)).



Each state agency is required to submit a BOP to QAT (as well as to the DIR, LBB, SAO, and the governor) each state fiscal biennium (Texas Government Code, Section 2054.100(a)). QAT oversight is based on the submission and approval of the BOP.

Subsequent to September 1, 2014, an institution of higher education is not required to prepare or submit a plan or report generally required of a state agency under the Information Resources Management Act (Texas Government Code, Chapter 2054) except to the extent expressly provide by a rule adopted by DIR on or after September 1, 2013 (Texas Government Code, Section 2054.1211). Additionally, an institution of higher education's BOP is required to include only operational projects and infrastructure projects, and statutory provisions providing instructions for preparing the plan are prohibited from requiring the plan of an institution of higher education to include other projects (Texas Government Code, 2054.100(d)). Accordingly, QAT's oversight authority does not apply to institutions of higher education. Additionally, for similar reasons, QAT's oversight authority does not apply to other state agencies that are not required to submit BOPs (e.g. Self-Directed Semi-Independent agencies).

QAT General Duties

The Texas Government Code and the General Appropriations Act specify QAT's four general duties.



First, QAT review and approval of certain information is required before a state agency may expend appropriated funds for a major information resources project (Texas Government Code, Section 2054.118(a)(2); Texas General Appropriations Act, Article IX, Section 9.02(b), enacted by the 85th Legislature (2017)). **QAT approval is required for a state agency contract for development of a major information resources project with a value expected to exceed \$10 million to be valid (Texas General Appropriations Act, Article IX, Section 9.01(d), enacted by the 85th Legislature (2017)).**



QAT approval is also required for an amendment of a state agency contract with a value that exceeds \$1 million to be valid when:

- the expected total value of the contract subsequent to the amendment exceeds the total value of the initial contract awarded by 10 percent or more;
- or the expected total value of an element in the contract subsequent to the amendment exceeds the total value of the same element in the initial contract awarded by 10 percent or more (Texas General Appropriations Act, Article IX, Section 9.01(f), enacted by the 85th Legislature (2017)).

Second, QAT is required to evaluate major information resources projects to determine: if the projects are operating on time and within budget (Texas Government Code, Section 2054.1181(d)); and whether the final results of the projects meet expected outcomes and outputs (Texas General Appropriations Act, Article IX, Section 9.02(i), enacted by the 85th Legislature (2017)).

Third, QAT is required to report on the status of projects in the state's major information resources project portfolio to state leadership (Texas Government Code, Section 2054.1183; Texas General Appropriations Act, Article IX, Section 9.02(f), enacted by the 85th Legislature (2017)).

Fourth, QAT is required to develop and recommend policies and procedures to improve state agency information resources technology projects; procedures to improve the implementation of state agency information resources technology projects by including considerations for best value and return on investment; and provide annual training for state agency procurement and contract management staff on best practices and methodologies for information technology contracts (Texas Government Code, Section 2054.158(b)).

DIR Consultation and Coordination with QAT

DIR or its executive director is required to coordinate or consult with QAT. First, DIR is required to coordinate with QAT to develop contracting standards for information resources technologies acquisition and purchased services (Texas Government Code, Section 2054.051(h)(1)).

Second, DIR, in consultation with QAT (as well as the Information Technology Council for Higher Education and LBB), is required to review existing statutes, procedures, data, and organizational structures to identify opportunities to increase efficiency, customer service, and transparency in information resources technologies (Texas Government Code, Section 2054.066(a)).

Finally, the state strategic plan for information resources management is required to be prepared by DIR's executive director, in coordination with QAT (as well as state agency information resources managers) for review and approval by DIR's governing board (Texas Government Code, Section 2054.092(a)).

Chief Procurement Officer Coordination with QAT

The Chief Procurement Officer of Texas, employed by CPA, is required to coordinate with QAT (and DIR). The Chief Procurement Officer is authorized to review major contract solicitations (i.e. solicitations for a contract that has a value of at least \$1 million) for information resources projects monitored by QAT (Texas Government Code, Section 2155.091(b)(4)). The Chief Procurement Officer is required to coordinate with QAT (and DIR) to conduct such a review and make appropriate recommendations to CPA and the Legislature based on the review. While the Chief Procurement Officer is granted the authority to review major contract solicitations, DIR or the appropriate state agency retains the authority to award a statewide information resources contract as authorized by law (Texas Government Code, Section 2155.091(d)).

Identification of Major Information Resources Projects

To perform its general duties, QAT maintains a portfolio of the state's major information resources projects. A major information resources project is added to the portfolio when QAT receives information that a state agency intends to pursue such a project, and a project is removed from the portfolio upon the project's closure.

Although QAT may identify projects for inclusion in the portfolio in number of ways, the primary source of information used by QAT to add projects to the portfolio is the state agency's BOP, including amendments to the plan. **Each state agency is required to submit BOP to the QAT (as well as to the DIR, LBB, SAO, and the governor) each biennium (Texas Government Code, Section 2054.100(a)).** The plan is required to describe the agency's current and proposed projects for the biennium, including how the projects will:

- benefit individuals in this state and benefit the state as a whole;
- use, to the fullest extent, technology owned or adapted by other state agencies;
- employ, to the fullest extent, DIR's information technology standards, including Internet-based technology standards;
- expand, to the fullest extent, to serve residents of Texas or to serve other state agencies;
- be developed on time and on budget;
- produce quantifiable returns on investment; and
- meet any other criteria developed by DIR or QAT (Texas Government Code Section 2054.100(b)).

As soon as a project is added to state's major information resources project portfolio, it is assigned a risk status by QAT. The risk status is updated by QAT as the project progresses.

A state agency is required to amend its BOP when necessary to reflect changes in projects during a biennium. At a minimum, an agency is required to amend its BOP to reflect significant new or changed information resources initiatives or information resources technologies initiatives contained in the agency's legislative appropriations request (Texas Government Code, Section 2054.100(c)).

Regardless of the source used by QAT to identify major information resources projects, QAT notifies an agency when one of its projects is added to the state's QAT portfolio via email or letter.

Approval of Major Information Resources Project Documentation and Contracts



A state agency is prohibited from spending appropriated funds for a major information resources project unless the LBB has approved it as part of the BOP, and the QAT has approved certain project information (Texas Government Code, Section 2054.118(a); Texas General Appropriations Act, Article IX, Section 9.02(b), enacted by the 85th Legislature (2017)).



The LBB is required to approve a state agency's BOP no later than September 1 following the legislative session. LBB approval is contingent on the Legislature appropriating funds for proposed projects. QAT approval of project plans occurs subsequent to LBB approval of the BOP. **For projects included in an amendment to a state agency's BOP, QAT is required to review and approve project documentation within 30 days of the date LBB approves the amendment.**

QAT's approval of project contains the following information: (1) the initial estimated project cost; (2) the initial planned start date; (3) the frequency with which Monitoring Reports are to be submitted to QAT; and (4) the due date for the first Monitoring Report. The Monitoring Report is due within 30 days after the reporting period.



The Texas Project Delivery Framework (Texas Government Code, Section 2054.301 *et seq.*) provides general guidelines for the creation and submission of documents pertaining to major information resources projects. **A state agency is required to submit the documents to QAT when the agency files its legislative appropriations request in ABEST (Texas Government Code, Section 2054.303(b)).**



A state agency is required to prepare each document required by the framework in a manner consistent with DIR guidelines (Texas Government Code, Section 2054.302(a)). DIR, in consultation with LBB and SAO, is required to develop and provide guidelines and forms for the documents required by the framework (Texas Government Code, Section 2054.302(b)). **A state agency is required to use the following forms, provided by DIR, in order to comply with the above requirements:**

1. The Business Case Template which requires state agencies to provide a narrative comparison of business solution costs and project benefits based on a business case analysis process;
2. The Business Case Workbook which requires state agencies to provide quantified estimates of business solution costs, project benefits, and return on investment; and
3. The Statewide Impact Analysis Template which requires state agencies to provide information necessary for assessment of the project's impact on the use of information technology resources across Texas.

4. The Execution Capability Assessment which identifies the agency's organizational strengths and any weaknesses to be addressed before the agency initially spends appropriated funds.
5. The Technical Architecture Assessment which evaluates the proposed technical solution for the project.



A state agency proposing to spend appropriated funds for a major information resources project is required to first conduct an execution capability assessment for each project. The purpose of this assessment is to: (1) determine the agency's capability for implementing the project; (2) reduce the agency's financial risk in implementing the project; and (3) increase the probability of the agency's successful implementation of the project. A state agency is required to submit to QAT (in addition to DIR and LBB) a completed readiness assessment before the agency initially spends appropriated funds for a major information resources project (Texas Government Code, Section 2054.1184).

Finally, CPA is prohibited from authorizing the expenditure of appropriated funds by a state agency until written approval of the project is received from QAT (Texas General Appropriations Act, Article IX, Section 9.02(b), enacted by the 85th Legislature (2017)).



After the Legislature appropriates funds for a project, QAT assigns it a risk level based on review and analysis of documentation provided by the agency. **QAT is required to analyze a major information resources project's risk to determine whether to approve an agency's expenditure of appropriations made by the Legislature for that purpose.** When conducting a review, QAT is required to comply with DIR rules and guidelines. A state agency is required to provide QAT any information necessary for QAT to determine a project's potential risk. QAT is authorized to approve a project without review through official written notification (Texas Government Code, Section 2054.1181(f); Texas General Appropriations Act, Article IX, Section 9.02(b), enacted by the 85th Legislature (2017)). QAT updates projects risk status as the project progresses and updated project information is received.

QAT requires that agencies are to report all costs associated with a major information resources project. The overall costs relating to a major information resource project, such as agency personnel services and agency personnel fringe benefits are required to be reported to QAT during the monitoring of the project.

Project Plans, Acquisition Plans, and Notification of Solicitation and Award



For each major information resources project that includes a major contract (i.e. a contract that has a value of at least \$1 million), agencies are required to provide QAT with a Project Plan and an Acquisition Plan (also referred to as a Procurement Plan). Agencies are also required to provide certain notices to the QAT for major contracts associated with major information resources projects.

Project Plan



A state agency is required to file a Project Plan with QAT (and DIR) before the agency:

- **spends more than 10 percent of allocated funds for the project or major contract;**
- **or first issues a vendor solicitation for the project or contract (Texas Government Code, Section 2054.304(b)).**

A project plan provides general planning information, monitoring and control methods, quality, communication, configuration, performance, and risk management. A project plan documents overall governance, and provides a planning blueprint for both project management and technology-related activities and deliverables. The project plan should be updated throughout the life time of the project.

A state agency is prohibited from issuing a vendor solicitation for the project and posting the solicitation in the state business daily unless the Project Plan has been submitted to the QAT (Texas Government Code, Section 2054.304(c)). The project plan should demonstrate how the agency considered incorporating into the project the applicable best practices recommended in QAT's annual report (Texas Government Code, Section 2054.304(d)). Finally, a state agency contract for a major information resources project is required to comply with the requirements in CPA's contract management guide (Texas Government Code, Section 2054.304(e)).

A state agency is required to use the Project Plan Template, provided by DIR, in order to comply with the above requirements. The Project Plan Template requires a state agency to provide information regarding general planning, monitoring and control methods, quality, communication, configuration, performance, and risk management.

Acquisition Plan

Before issuing a vendor solicitation for a project, agencies are required to develop, consistent with DIR guidelines:



- **a procurement plan with anticipated service levels and performance standards for each vendor; and**
- **a method to monitor changes to the scope of each contract (Texas Government Code, Section 2054.305).**

A state agency is required to use the Acquisition Plan Template, provided by DIR, to comply with the above requirement. DIR guidelines specify that the Acquisition Plan is required to be submitted to QAT. The Acquisition Plan Template requires a state agency to provide a wide range of information regarding a project from procurement planning through management of solicitations and contracts.

Required Notices for Major Contracts



There are several requirements relating to the notice to be provided by a state agency to QAT with regards to the solicitation and award of contracts pertaining to major information resources projects. **First, a state agency is required to notify QAT when the agency advertises a request for proposal, request for offers, or other similar process common to participation in the competitive bidding processes of a major information resources project.** The agency

is also required to provide the requisition number at the time of notification (Texas General Appropriations Act, Article IX, Section 9.02(c)(2), 85th Legislature (2017)).



Second, a state agency is required to notify QAT within 10 business days of when the agency awards a contract for a major information resources project that is equal to or greater than \$10 million (Texas General Appropriations Act, Article IX, Section 9.02(c)(3), enacted by the 85th Legislature (2017)).

Amending a Contract for Development of a Major Information Resources Project and Other Significant Changes



Several requirements pertain to amending a contract for the development of a major information resources project. **First, a state agency is required to notify QAT (as well as the Governor, Lieutenant Governor, Speaker of the House, Senate Finance Committee, House Appropriations Committee), prior to amending a contract for development of a major information resources project**, when the expected total value of the contract subsequent to the amendment exceeds the total value of the initial contract awarded by 10 percent or more (Texas General Appropriations Act, Article IX, Section 9.01(e), enacted by the 85th Legislature (2017)).



Second, an amendment to a contract for development of a major information resources project with a total value that exceeds \$1.0 million is not valid without prior written approval from QAT when:

- the expected total value of the contract subsequent to the amendment exceeds the total value of the initial contract awarded by 10 percent or more; or
- the expected total of an element in the contract subsequent to the amendment exceeds the total value of the same element in the initial contract awarded by 10 percent or more (Texas General Appropriations Act, Article IX, Section 9.01(f), enacted by the 85th Legislature (2017)).



To obtain approval for such an amendment, **a state agency is required to provide to QAT a copy of the final version of the amendment, including all appendices and attachments, signed by the vendor but not the state agency** (Texas General Appropriations Act, Article IX, Section 9.01(g), enacted by the 85th Legislature (2017)).

For the amendments described above, a state agency is required to use the Contract Amendment and Change Order Approval Template. Additionally, DIR guidelines require a state agency to submit an updated version of the Business Case Template if the current expected project cost exceeds the initial expected project cost by 10 percent or more, whether or not the increase in expected cost is a result of a contract amendment.

A state agency or institution of higher education is prohibited from using funds appropriated in the Texas General Appropriations Act to pay for a contract for goods or services unless it conducts a cost-benefit analysis to compare canceling or continuing any contract related to a major information resource project subject to QAT monitoring *that is more than 50 percent over budget or over schedule*. **QAT is required to reapprove the cost-benefit analysis for the**



project to continue (Texas General Appropriations Act, Article IX, Section 17.10(b)(2), enacted by the 85th Legislature (2017)).

Additionally, if a state agency cancels a contract for development of a major information resources project, which if amended would be subject to the above specified requirements, and issues a solicitation for identical or similar goods and/or services for development of the same project, then the contract being procured will not be valid unless the state agency:

- provides a copy of the final version of the contract, including all appendices and attachments, signed by the vendor but not the state agency, to QAT; and
- **and obtains prior written approval of the contract from QAT (Texas General Appropriations Act, Article IX, Section 9.01(h), enacted by the 85th Legislature (2017)).**



Finally, in lieu of approving an amendment or a related contract pursuant to the procedures specified, QAT is authorized to waive the requirements by providing written notice to the state agency seeking approval of the amendment or contract (Texas General Appropriations Act, Article IX, Section 9.01(i), enacted by the 85th Legislature (2017)).

Monitoring and Tracking of Major Information Resources Projects

Unless waived by the LBB, QAT must require a state agency to:

- quantitatively define the expected outcomes and outputs for each major information resources project at the outset;
- monitor cost; and
- evaluate the final results to determine whether expectations have been met (Texas General Appropriations Act, Article IX, Section 9.02(i), enacted by the 85th Legislature (2017)).

Additionally, for the entire life cycle of each major information resources project, QAT is required to monitor and report on performance indicators (developed by DIR) for each project, including schedule, cost, scope, and quality (Texas Government Code, Section 2054.159(a)). QAT is required to place a major information resources project on a list for more intense monitoring if QAT determines that a project is not likely to achieve the performance objectives for the project (Texas Government Code, Section 2054.159(c)). QAT is also required to closely monitor monthly reports for such projects, based on criteria developed by DIR, to determine whether to recommend to DIR's executive director the need to initiate corrective action for the projects (Texas Government Code, Section 2054.159(d)).

QAT maintains a Project Portfolio Report as a baseline of projects included in the state's project portfolio. The QAT annual report provides a snapshot of project information including the status of projects as they progress through the quality assurance review cycle.

Projects are monitored once a project is approved by QAT. Although QAT sets a monitoring schedule at the time a project is approved, QAT may change the reporting frequency based on

various factors. QAT will notify an agency of any changes made to the monitoring schedule via email or letter.



Once the project is initiated, project performance is monitored for the duration of the project. **A state agency is required to use the Monitoring Report Specifications Template to prepare a Monitoring Report to be submitted to QAT.**

At a minimum, QAT tracks the following information provided in the Monitoring Report:

- Project name
- Agency name
- Project status
- Risk status
- Current Estimated Project Cost
- Current Estimated Project Start and Finish Dates.

The last Monitoring Report submitted by a state agency is required to contain the final (actual) project cost and finish date.



Finally, a state agency is required to provide to QAT, within 10 business days of receipt, any verification and validation report, or quality assurance report required to be produced for a major information resources project pursuant to a federal or state statute, rule, policy and or procedure. Other verification and validation reports, or quality assurance reports are required to be provided to QAT upon request (Texas General Appropriations Act, Article IX, Section 9.01(c), enacted by the 85th Legislature (2017)).

SAO Review of Major Information Resources Projects

SAO, at the request of QAT, may conduct reviews of state agency major information resources projects. A project review is initiated by QAT when project performance, project completion or other issues are identified during monitoring. SAO will notify an agency that one of its projects is selected for review by scheduling a project review meeting and providing the agency with a copy of the project review agenda.

SAO and the agency will make a list of the individuals whose attendance will be required at the project review meeting. Attendees may include agency and contractor project personnel, subject matter experts, project sponsors, executive leadership, and other stakeholders.

After a project review is complete, SAO documents the project review results and findings, including a summary of project performance and of any Monitoring Report discrepancies. QAT may choose to take action based on these results and findings.

Closure and Verification of Major Information Resources Projects



A state agency is required to prepare a post-implementation evaluation report to determine if the project met its planned objectives or other expectations, after completion of a major information resources project. The agency is required to provide the evaluation report to QAT (as well as the agency's executive director) (Texas Government Code, Sections 2054.306 and 2054.1182; Texas General Appropriations Act, Article IX, Section 9.02(c)(4), enacted by the 85th Legislature (2017)).



A state agency is required to use the Post-Implementation Review of Business Outcomes Template, provided by DIR, in order to comply with the above requirements. The Post-Implementation Review of Business Outcomes Template will require state agencies to compare the results of a project with the agency's stated project goals and objectives. **A state agency is required to submit the Post-Implementation Review of Business Outcomes within six months of project closure and again two years after closure.**

After implementation of a major information resources project, QAT conducts project verification which consists of validation of closure and review of post-project results. QAT validates project closure based on analysis of various sources of information, with a specific focus on the planned project life cycle described in the Project Plan. QAT is authorized to request a state agency to provide proof of closure. For example, QAT is authorized to require a project demonstration to determine if the project is functioning as intended after a major information resources project has been completed (Texas General Appropriations Act, Section 9.02(j), enacted by the 85th Legislature (2017)). QAT determines the validity of the agency's interpretation of full project closure based on information provided.

After project verification is complete, QAT reviews project results including the Post-Implementation Review of Business Outcomes. Finally, QAT removes the project from the state's major information resources projects portfolio

Reporting QAT Findings and Making Legislative Recommendations

QAT is required to report on the state's major information resources project portfolio. Specifically, by December 1st of each year, QAT is required to report on the status of major information resources projects to the Governor, Lieutenant Governor, Speaker of the House of Representatives, presiding officer of the committee in the House of Representatives with primary responsibility for appropriations; and presiding officer of the committee in the Senate with primary responsibility for appropriations (Texas Government Code, Section 2054.1183(a); Texas General Appropriations Act, Article IX, Section 9.02(f), enacted by the 85th Legislature (2017)).

The annual report is required to include:

- the current status of each major information resources project; and
- information regarding statutorily developed performance indicators for each major information resources project at each stage of the project's life cycle (Texas Government Code, Section 2054.1183(b)).

The Annual Report summarizes trends based on issues identified with the state's project portfolio and includes the status of projects, including QAT assignment of risk status, estimated project costs, project cost to date, and other information. After submitting the report to state leadership, QAT posts the report on the QAT website.

Additionally, a state agency, not later than December 1 of each odd-numbered year, is required to complete a review of the operational aspects of the agency's information resources deployment following instructions developed by DIR (Texas Government Code, Section 2054.0965(a)). A state agency is required to send its information resources deployment review to QAT for analysis (Texas Government Code, Section 2054.097(a)). Members of QAT are authorized to report to the governor and the presiding officer of each house of the Legislature that an agency's deployment decision is not in compliance with the state strategic plan, a state statute, or DIR rules or standards (Texas Government Code, Section 2054.097(b)).

Finally, QAT is required to develop and recommend policies and procedures to improve state agency information resources technology projects and procedures to improve the implementation of state agency information resources technology projects by including considerations for best value and return on investment (Texas Government Code, Sections 2054.158(b)(1) and 2054.158(b)(2)). QAT identifies and communicates general recommendations related to major information resources projects directly to the Legislature. While agencies retain ultimate responsibility for project management and success, QAT may provide recommendations to enhance an agency's ability to satisfy commitments made to state leadership. For example, QAT may recommend that the Legislature review initial project commitments and provide feedback to the agency, thereby establishing clearer project goals and expectations.

Other QAT Actions

In addition to the actions previously mentioned, state law requires QAT to provide annual training for state agency procurement and contract management staff on best practices and methodologies for information technology contracts (Texas Government Code, Section 2054.158(b)(3)).

State law authorizes QAT to perform several other actions. These actions fall into three categories:

- Requiring assistance from other agencies;
- Requiring certain information to be provided by state agencies; and
- Taking remedial action.

QAT is authorized to require assistance from other agencies. First, on request by QAT, SAO is required to audit and review major information resources projects and the information provided by state agencies (Texas Government Code, Section 2054.1181(h); Texas General Appropriations, Article IX, Section 9.02(d), enacted by the 85th Legislature (2017)).

Second, on request by QAT, the CPA is required to provide assistance regarding: verifying the accuracy of information provided by state agencies on project costs; and determining a state agency's compliance with certain requirements (Texas Government Code, Section 2054.1181(i); Texas General Appropriations, Article IX, Section 9.02(e), enacted by the 85th Legislature (2017)).

QAT is also authorized to require certain information to be provided by state agencies, including:

- the status of a major information resources project;
- the costs for a major information resources project;
- the risk associated with a major information resources project; and
- a major information resources project's general potential for success (Texas Government Code, Section 2054.1181(g)).

Additionally, QAT is authorized to require independent verification and validation services of all projects, expected to result in more than \$10.0 million of overall lifetime expenditures.

Moreover, QAT is authorized to require independent project monitoring, project status reporting, project expenditure reporting, or any additional information necessary to assess a project's ongoing potential for success (Texas General Appropriations, Article, IX, Section 9.02(c)(1), enacted by the 85th Legislature (2017)).

QAT is also authorized, without regard to the source of funds associated with the expenditures for a major information resources project and without regard to method of finance of an appropriation associated with such a project, to request information and impose the requirements or additional actions, as provided in statutory provisions relating to the oversight of major information projects (i.e. Texas Government Code, Section 2054.1181), on all projects regardless

of whether undertaken entirely or partially by: outsourcing or contracting of any sort; or agency employees (Texas General Appropriations, Article IX, Sections 9.02(c)(5) and 9.02(c)(6), enacted by the 85th Legislature (2017)).

Finally, QAT is authorized to take remedial action with regards to state agency major information resources projects. QAT, if it determines that a major information resources project is poorly managed or has excessive cost overruns, is authorized to: establish a corrective action plan, including modifications to the design, deployment, or costs related to the project; or discontinue the project, subject to LBB approval (Texas Government Code, Section 2054.1181(e)).

APPENDIX A

