WaTech
Washington Technology Solutions

WaTech's Office of the Chief Information Officer

Annual Independent Recommendations on Oversight of IT Projects

December 31, 2022

Table of contents

Introduction and Purpose

The 2022 supplemental operating budget provides WaTech's Office of the Chief Information Officer funding for experienced information technology (IT) project managers to provide critical support to agency IT projects under WaTech oversight. Per Section 150(1)(a) these project managers:

(i)   Provide master level project management guidance to agency IT stakeholders;

(ii)   Consider statewide best practices from the public and private sectors, independent review and analysis, vendor management, budget and timing quality assurance and other support of current or past IT projects in at least Washington state and share these with agency IT stakeholders and legislative fiscal staff twice annually, and post these to the statewide IT dashboard; and

(iii)   Provide independent recommendations to legislative fiscal committees by December of each calendar year on oversight of IT projects to include opportunities for accountability and performance metrics.

This report is the fourth annual report providing independent recommendations on oversight of IT projects. It reflects a new requirement introduced in 2022 (see item (iii) above) to include opportunities for accountability and performance metrics.

The observations and recommendations included in this report by the Project Management Partners (PMPs) are the result of engagement with WaTech and customer agencies as well as industry best practice research. Many of the recommendations in Table 1 have already been incorporated into the Oversight Transformation (OT) project in progress at WaTech. The OT project includes WaTech leadership and staff as well as business and technical leadership from state agencies and is tasked with completing a comprehensive review and refinement of the oversight process.

Observations and Recommendations on Oversight of IT Projects

The observations and recommendations included in this report by the PMPs are the result of engagement with WaTech and customer agencies as well as industry best practice research.

Many of the recommendations in this report have already been incorporated into the Oversight Transformation (OT) project. Accountability and performance measures are currently in development.

Table 1: 2022 New Recommendations

	Observation	New Recommendation(s)
1	**Evaluation and measurement of oversight effectiveness is difficult to assess.** Project success and failure are determined by many variables. Assessing a single point of failure or the effectiveness of a single entity is difficult. However, with the implementation of critical key performance indicators (KPIs), key trends can be assessed and the effectiveness of oversight can be inferred.	1. As part of the OT project, define and document "critical" KPIs (including target measures) to study oversight effectiveness and identify continuous improvements. 2. Implement changes to policies to incorporate tracking and evaluation of "critical" KPIs.
2	**The oversight and attention required for all projects is not equal.** Most "major" projects are placed under oversight because the Legislature designates them as subject to 701 of the operating or transportation budget. WaTech designates other projects (a minority) through an evaluation process using the ITPA tool.	1. Consider proceeding with criteria for scalable (right-sized) rules and standards for oversight based on risk level and project need. Seek to adapt oversight processes to fit the nature of the investment per the WaTech Project Approval and Oversight Process Assessment recommendation to establish risk-based oversight levels and scalable oversight requirements. 2. Create classifications (tiers) of oversight for projects based on thresholds defined in Policy 121 and the ITPA tool. 3. Align and scale oversight requirements, reporting, and templates (technology budgets, investment plan, etc.) to each classification (tiers). 4. WaTech should consider re-evaluating criteria for recommending which projects are gated in the annual IT Decision Package Recommendation Report. Update, if needed, Policy 121 to revise the criteria that will drive the evaluation of the level of oversight required for each project.

Observation	New Recommendation(s)
	5. Evaluate how scalable oversight can benefit both the projects and agencies' experience of the gated funding process.
	6. Evaluate the current Oversight Consultant (OC) workload against "major" project thresholds:
	a. Quantify the total time spent against the total project budget and complexity.
	b. Determine which gated funded projects are not classified as "major" projects.
Agencies at times perceive WaTech policies and practices as compliance efforts and not as a proactive strategic partnership. Agencies can struggle with the oversight process especially the timeliness and value add that it brings to projects. This is compounded by the lack of a full contingent of OC resources due to turnover that exasperates the timeliness issue and impacts the proactive partnerships that the OCs desire with agencies. OCs are highly experienced and knowledgeable senior resources with IT and project backgrounds. They thrive on complex problems and mitigation strategies. Frequently they anticipate serious issues and help agencies avoid problems. When OCs are not engaged as trusted partners it can take away from their impact and effectiveness.	1. Create an organizational change management project with these objectives:
	a. Assess agency perception of oversight. Use this as a baseline.
	b. Plan and conduct engagement activities with agencies to:
	i. Align on how the OCs and PMPs can partner with and provide value to agencies before, during and after their projects.
	ii. Educate and discuss how WaTech partners with agencies and advocates on their behalf within the authorizing environment.
	iii. Discuss agency key needs and perceptions with agencies.
	iv. Continue to build overall trust, awareness, and desire for agencies to engage with WaTech oversight as strategic partners in their projects.
	2. Establish a direct consultative service provided by OCs and PMPs for critical points in a project.
	3. Establish a regular cadence of information sharing and exchange with the external quality assurance providers who are providing services to the state of Washington – a facilitated workshop where their perspectives on common issues and good practices can be captured.
	4. OT has two components – compliance and strategic consulting. Consider creating a

(Row label: **3**)

	Observation	New Recommendation(s)
		statewide awareness campaign to promote strategic consulting capabilities.
4	**The OC team is often overallocated due to both project load and attrition.** This drives a heavy workload for the OCs and results in them being spread too thin to support their portfolio of projects. Major projects under oversight can suffer due to the reduced time that an OC or a PMP can dedicate to understanding each project's respective needs and challenges, thereby reducing the role of the OC to fiduciary compliance and limiting agency perception of the OC as a trusted partner and advisor. Assuming that the OT project successfully defines levels of oversight requirements based on tiers, the project load will remain high for each filled OC position. WaTech is currently funded for six permanent, full-time OC positions. This requires a portfolio of approximately 20 projects per consultant.	1. Assess workloads and refine the oversight staffing model that supports the anticipated workload, if required. Establish targets for OC time spent on projects at each oversight tier. Higher risk projects require more hours of oversight. Minimize time spent on smaller projects. 2. Consider and implement new OC recruitment methods to increase the pool of qualified candidates when filling vacancies such as a recruitment staffing company and more sourcing on LinkedIn to fully staff the OC team. 3. Consider and implement additional retention strategies to retain experienced OCs. 4. One objective of the OT project is to "engage with a consultant-based mindset that conveys an advisory, participatory, and partnership intent." OCs will need to invest time into each project to develop a level of understanding necessary to provide meaningful advisory, participatory, and partnership consultation.

Progress on Previous Observations and Recommendations

Please note that the table below represents observations and recommendations outstanding from prior annual reports, along with updates on WaTech's progress towards addressing the recommendations.

Table 2: Prior Recommendations Status

	Observation	Recommendation(s)	Progress in 2022
1	**WaTech processes, templates and requirements overwhelm agencies.** Although the intent of the gated funding process is to ensure detailed project planning and agency accountability, many projects continue to have trouble completing WaTech templates and report unbudgeted costs to comply with WaTech requirements.	1. Evaluate the effectiveness of the gated funding process in contributing to project success or fiscal responsibility. 2. Engage WaTech, OFM and select agency staff to conduct a lean (process improvement) exercise to identify opportunities for streamlining or simplifying the gated funding process without compromising value. 3. Prioritize the Plante Moran-created oversight improvement initiative within WaTech.	The recommendations from the prior report—including evaluating the effectiveness of gated funding—are a major focus of the OT project underway. The gated funding process remains in place as required by legislation and so that projects receive funding to proceed based on success criteria.
2	**There is room for improvement in project design and discovery efforts.** Agencies continue to submit project documentation that points to a deficiency of planning, data gathering and critical thinking.	1. Enable and encourage agencies to perform a thorough project design effort.	WaTech messaging has continued to encourage early and careful project design. WaTech offers consultation and training upon request.
3	**Overconfidence and lack of experience affect IT projects negatively.** State project managers and project sponsors continue to leverage the best practices that are published by WaTech and will benefit from additional training in 2023 if feasible to provide.	1. Identify or develop training offerings to build essential skills for project managers and project sponsors. 2. Make it easier for project managers and sponsors to follow best practices.	Remains valid in 2022.

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