



EXECUTIVE CHAMBERS
HONOLULU

DAVID Y. IGE
GOVERNOR

December 10, 2015

ADMINISTRATIVE DIRECTIVE

NO. 15-02

TO: All Executive Branch Department Heads

SUBJECT: Program Governance Requirements for Act 119 and Enterprise Information Technology Projects

The purpose of this Administrative Directive is to institute a mandatory governance process for Executive Branch information technology (IT) programs and projects ensuring they achieve intended objectives and provide return on investment for the people of Hawai'i. Through this new IT governance, we have an opportunity to restore the public's trust in government by making reforms that increase efficiency, reduce waste, and improve transparency and accountability.

Under my authority, the Office of Enterprise Technology Services (ETS) has the responsibility for statewide oversight and program governance for all Executive Branch enterprise-wide information technology (IT) and modernization projects, as well as IT modernization projects identified under the General Appropriations Act of 2015 (Act 119, 28th Hawai'i State Legislative Session). As such, all IT modernization projects that meet any of the following criteria must adhere to the program governance process described in this memorandum, effective immediately:

- all IT development and modernization projects under Act 119 or any future related legislation or budget bills;
- all IT projects that require technology resources estimated at \$1,000,000 or greater; or
- enterprise projects identified by the Chief Information Officer, typically those that will leverage business and operational efficiencies and benefits for multiple departments or agencies.

In order to verify that IT and modernization projects are properly initiated, evaluated for return on investment (ROI), planned, funded and executed, this governance process must be followed as administered by ETS. Proper governance will ensure that State funds appropriated for IT development and modernization projects will be subject to an efficient review and approval process along with the essential State oversight to

maximize project success. Improvements and enhancements to business operations and workflow processes gained through various modernization initiatives will improve government services and overall service delivery.

All Act 119 or enterprise projects must satisfy the specific project phase review gates to ensure project execution and associated expenditures are sufficiently evaluated and receive approval by the appropriate governing body as referenced below. Proper governance will ensure that State resources are well managed, and will result in an increase in successfully completed State projects. Therefore, ETS will institute the following approval gates for all enterprise and Act 119 projects.

Project Review Board: Pre-Initiation

↳ **Project Advisory Council:** Initiating

↳ **Program Governance Committee:** Planning

↳ **Operations, Contract & Vendor Review:** Contract Execution & Implementation

New Project Initiation Requests referenced under this directive will be submitted and reviewed by the State's Project Review Board (PRB) before Initiating.

Completed Project Charters will be reviewed by the Project Advisory Council (PAC) for approval to proceed to Planning.

Completed Project Management Plans will be reviewed by the Program Governance Committee (PGC) for Execution and approval to receive and expend funds based on a sufficient identification of project requirements, deliverables, business justification and contract review. Additionally, the PGC will make recommendations on project selection, prioritization and resource management.

Contracts and implementation plans will be reviewed by the Operations, Contract & Vendor Review Board to ensure sufficient project oversight and production readiness.

Once all phase gates are met, State contracts executed must include all necessary functional and technical requirements and measurable performance delivery metrics in order to approve and remit contract payments. Should the contract delivery metrics not be met, as determined by the designated State contract administrator, the State reserves the right to withhold payment delivery due to insufficient performance.

ETS will provide facilitation, support and guidance for all review boards and committees in the governance process. Additional program governance sub-committees may be formed to provide sufficient review of Act 119 or enterprise projects whereby membership will be determined by a project's complexity.

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The State CIO and ETS will direct and coordinate this process with each of your departments on my behalf. Your support is greatly appreciated.

Note: This process does not negate but rather is intended to complement departments/agencies' continued compliance with Annual Budget Execution policy (see Executive Memorandum 15-03 and Administrative Directive 11-02), which remains in effect for all new or operational maintenance type IT / information resource management investments.

/S/

David Y. Ige
Governor, State of Hawai'i