



EXECUTIVE CHAMBERS
HONOLULU

DAVID Y. IGE
GOVERNOR

September 25, 2018

ADMINISTRATIVE DIRECTIVE NO. 18-03

TO: All Executive Branch Department Heads

FROM: David Y. Ige
Governor

SUBJECT: Program Governance and Independent Verification and Validation
Requirements for Enterprise IT Projects

PURPOSE

The purpose of this Administrative Directive is to update and clarify the mandatory governance process for Executive Branch enterprise information technology (IT) programs and projects ensuring they achieve intended objectives and provide maximum return on investment for the people of Hawai'i. Through this IT governance process, we will continue to make reforms that maximize the effective use of IT resources, increase efficiency, reduce waste, and improve transparency and accountability. Effective immediately, Administrative Directive No. 11-02, dated September 29, 2011, and No. 15-02, dated December 10, 2015, are rescinded.

DIRECTIVE

1. Pursuant to section 27-43, Hawai'i Revised Statutes (HRS), the Office of Enterprise Technology Services (ETS) is headed by the Chief Information Officer (CIO) to organize, manage, and oversee statewide IT governance. To implement this requirement, all IT projects that meet any of the following criteria must adhere to the program governance process described in this memorandum, effective immediately:
 - a. IT projects or contracts valued at \$1,000,000 or more, inclusive of the value for options to extend and all other provisions of the contract;
 - b. IT projects or contracts which require CIO oversight, as required by an Act of the legislature or the Governor; or

- c. IT projects or contracts identified by the CIO, typically those that will leverage business and operational efficiencies and benefits for multiple departments or agencies.
2. The program governance process for enterprise IT projects consists of 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.
 - a. **IT Roadmapping Phase:** Departments must develop and maintain their multi-year IT Roadmaps, which identify all existing and planned expenditures for IT projects, operations and maintenance, hardware, software, infrastructure, and services in support of Department and Administration priorities. Departments will meet with the CIO and ETS' IT Governance staff on a monthly basis to review and validate their IT Roadmaps.
 - b. **Budgeting Phase:** As part of the State's Executive Branch annual budget preparation process, the Department of Budget and Finance (B&F) will send ETS all Department IT budget requests for review. ETS' IT Governance staff will review and analyze the requests, validating each against the Department IT Roadmaps. The CIO will then recommend to BUF which requests merit consideration for inclusion into the proposed budget.
 - c. **Initiating Phase:** All requested funds for the project or initiative must be secured by and available to the Department prior to starting this phase. Departments must submit notification of project or investment initiation requests via the ETS205 request to spend form with supporting documentation. ETS' IT Governance staff will analyze the request and meet with the CIO to review and recommend whether the request can proceed to the Planning phase.
 - d. **Planning Phase:** The Project Advisory Council (PAC) will review and approve the project before it proceeds to the Procurement phase. Departments will present their requests to the PAC, which generally meets once a month. The PAC voting members are the CIO, the Department of Accounting and General Services (DAGS) Comptroller, the Director of Finance (B&F), and the Director of Human Resources Development (DHRD). Information to be presented includes (but is not limited to) return on investment, alternatives considered, total estimated costs, business justification, project requirements, phases, deliverables, funding mechanism, personnel impact, procurement method, contract management approach, and schedule.
 - e. **Procurement Phase:** Requests for proposals, quotes, or bids and the corresponding statements of work must be reviewed and approved by the CIO before being released as final. After a vendor has been selected, best and final contract versions must be reviewed and approved by the CIO before final

execution. This is to ensure solicitation and contract documents are appropriately aligned with the project objectives for project success, and appropriate safeguards are in place to protect state interests.


- f. **Contract and Operations Phase:** Within 30 days of the notice to proceed date, project implementation schedules and supporting documentation must be reviewed by the ETS IT Governance staff. Thereafter, departments shall submit quarterly status updates to ETS to monitor progress and ensure production readiness.

Note: This process does not negate but rather is intended to complement departments/agencies' continued compliance with Annual Budget Execution policy, which remains in effect for all new or operational and maintenance type IT investments.

3. Pursuant to section 27-43.6, HRS, the CIO shall have full discretion in identifying the projects of the executive branch, including those of the Department of Education, that will be subject to independent verification and validation (IV&V) where the IT project meets any of the following criteria:
 - a. accomplishes critical state and/or department priorities;
 - b. has statutory, regulatory, or judicial mandates;
 - c. is highly complex, broad in functionality, require significant organizational change management, or support a large stakeholder base;
 - d. has histories of difficult and challenging system implementations; and/or
 - e. is a new implementation, replacement, or complete system redesign.

Departments, except for the University of Hawai'i System, are responsible for funding IV&V services. ETS is responsible for procuring, administering, managing, and providing governance over the IV&V services. When an IT project has been identified for IV&V, the CIO will contact the sponsoring department or agency and communicate expectations for procurement, management, oversight, and reporting of the IV&V. Once the IV&V commences, all reports, including drafts, must be submitted to the CIO at the same time they are submitted to the sponsoring department or agency to preserve the integrity of the process.

The CIO and ETS will direct and coordinate these processes with each of your departments on my behalf. Your cooperation and support in complying with the provisions of this Administrative Directive are greatly appreciated.



David Y. Ige
Governor, State of Hawai'i

Oct 1, 2018

Date