TO: All Appointing Authorities  
FROM: Bo Reese, State Chief Information Officer  
DATE: Jan. 9, 2018  
RE: Information Technology and Telecommunications Shared Services – Project Management

The purpose of this memorandum is to communicate expectations regarding the implementation of IT project management services as a state standard. As background, the Office of Management and Enterprise Services Information Services (OMES IS) is the OMES division charged with consolidation of state IT personnel, budgets and assets. Through the IT Unification efforts, OMES IS has significantly decreased duplicative systems, improved security and created shared services. This resulted in an estimated $328 million in IT cost reductions, savings and avoidance.

However, consolidation is only one aspect of OMES IS’ broader statutory duties. OMES IS is charged with coordinating IT functions across all appropriated and non-appropriated executive state agencies. In addition, OMES IS is the state entity mandated to provide IT resources, guidance, strategic advice and shared services to those agencies.

In an effort to further assist agencies with their fiscal challenges, OMES IS is now focused on reduction of costs through quality refinement, development of additional shared services, establishment of IT standards and other duties that have not been strictly construed during the first phase of IT consolidation.

The state chief information officer is required to establish IT standards for executive state agencies and to ensure compliance. As the IT unification effort has shown, these standards increase economies of scale, reduce support costs and maximize the returns on investment of tax-payer dollars. Duties also include the approval of IT contracts and IT procurement, which encompasses IT projects and investments. Approval of IT projects includes evaluation of: architectural integrity, financial sustainability, documented system requirements with associated business processes, security, system duplication and other risks to the state.

In general, IT projects without appropriate project management and technical expertise, consistently have failed implementations and cost overruns. In the largest global study ever of these projects, published in the Harvard Business Review (Flyvbjerg & Budzier, 2011), researchers found the average cost overrun was 27 percent, and one in six of the projects had overruns of more than 200 percent and schedule overruns of almost 70 percent. The State of Oklahoma faces similar difficulties that we are currently unable to quantify due to the historical decentralized approached to IT project management. To address this, project management services are provided by OMES IS to executive state agencies to mitigate complexities inherent in IT projects, many of which may not be recognizable from an agency business perspective alone.

To address the need for the transition of projects already underway, a risk assessment by OMES IS will be required for all IT projects. This requirement will remain in effect through the remainder of FY 2018. After this risk assessment, certain non-critical IT projects will be
approved to proceed without being required to use OMES IS project management services. In these instances, this should not be construed as an exemption from the Information Technology Consolidation and Coordination Act. Should the risk to the state change during project execution change, the project may be re-assessed regarding OMES IT project management services. Agencies with projects already underway without OMES IS project management should contact their OMES IT strategist by January 31, 2018, to start the risk assessment process.

Beginning in FY 2019, OMES IS project management services will be required for any IT projects undertaken by executive state agencies, as determined by OMES IS through a risk and cost benefit analysis. OMES IS will work with agencies to appropriately budget project management services. This small investment in project management expertise, especially in today’s fiscal climate, will reduce risks for the state, improve transparency and reporting, and save money that can be invested in other citizen-facing programs and initiatives.

As OMES IS continues to fulfill its mission as the statutorily-designated IT provider for executive state agencies, I remain respectful of each of the unique missions of the agencies we serve and appreciate your respect and cooperation as well.

1 62 O.S. §§35.3 and 35.5
2 62 O.S. §§34.11.1; 34.12 and 34.20