

**Minerals Management Service
Interim Policy Document**

Effective Date: August 3, 2005

IPD No. 05-06

Series: Administrative

Title: Information Technology Project Management

Originating Office: Information Management Division, Office of Administration and Budget

1. Purpose. This Interim Policy Document (IPD) establishes bureau standards and certification requirements for the Project Management of major and non-major investments in Information Technology. The Office of Management and Budget (OMB) Circulars A-11 and A-130, OMB Memorandum 04-19, and the Government Accountability Office (GAO) IT Investment Management (ITIM) framework, require that major IT investments be managed by qualified project managers. Additionally, the GAO report “Information Technology, Departmental Leadership Critical to Success of Investment Reforms at Interior” (GAO-03-1028) recommended that policies and procedures be issued to adhere to the ITIM framework.

In issuing IT Project Management qualification guidance, OMB stated, “Qualified federal IT Project Managers are our first line of defense against the cost overruns, schedule slips and poor performance that threaten agencies’ ability to deliver efficient and effective services to citizens.” Recent studies of IT projects show that 49 percent are over budget and behind schedule, 23 percent are failed and only 28 percent are completed on time and on budget. The study also showed that the average time overrun over the original estimate is 63 percent, the average cost overrun over the original estimate is 45 percent and on average only 67 percent of the required features or functionality were delivered.

This directive *strengthens* requirements for non-major investments with a life cycle cost of between \$10 million and \$35 million as set forth by the Department in OCIO Directive 2004-19 for the following reason. In FY 2004, MMS had two IT investments classified as “major.” Approximately fifty-five percent of MMS IT spending is on investments classified as non-major. Given that a large portion of the bureau’s IT spending is on non-major investments, it is prudent to apply similar project management requirements to these smaller projects. Appendix A lists the DOI and MMS project management certification requirements.

2. Objective. The objective of this IPD is to comply with OMB Circulars A-11 and A-130 and with recommendations set forth in GAO-03-1028. DOI set a goal of having developed, trained, qualified and certified project managers for *all* IT investment projects by FY2005.

3. Scope. This policy applies to all MMS offices that own or manage major or non-major IT investments, as defined in the DOI CPIC guide, for which an OMB Exhibit 300, 300-1 or 300-2 is prepared. The policy applies to all IT investments under development, modernization, or enhancement as reported on the Exhibit 300 or the Exhibit 53. IT investments reported as steady state (strictly in the operations and maintenance phase) are not required to comply with this directive until a modernization or enhancement project is initiated.

4. Authority.

A. OMB Circular A-130, Management of Federal Information Resources, dated November 2000.

B. OMB Memorandum M-04-19, Information Technology (IT) Project Manager (PM) Qualification Guidance, dated July 21, 2004.

C. DOI OCIO Directive 2004-019, Project Management Certification Requirements for Managing Information Technology Investments, dated June 23, 2004.

5. Definitions.

A. Development/modernization/enhancement (DME) - The program cost for new systems, changes or modifications to existing systems that improve capability or performance, changes mandated by Congress or agency leadership, personnel costs for project management, and direct support. This amount equals the sum of amounts reported for planning and full acquisition of that system in the exhibit 300, 300-1, and 300-2 and is required for all systems.

B. Integrated Project Team - Assists the project manager in the planning, budgeting, procurement and life-cycle management of the investment to achieve its cost, schedule and performance goals. Team skills include: budgetary, financial, capital planning, procurement, user, program, value management, earned value management, and other staff as appropriate.

C. Major IT Investment - IT investments that meet at least one of the following criteria:

- \$5M annual cost or > \$35M lifecycle cost.
- Importance to the mission or its significant role in administration of programs, finances, property, or other resources.
- An integral part of the agency's modernization blueprint (Enterprise Architecture).
- Mandated by legislation or executive order, or identified by the Secretary as critical.
- All financial systems with an annual cost greater than \$500,000.
- High risk as determined by OMB, GAO, Congress and/or the CIO.
- Directly Supports the President's Management Agenda Items of "high executive visibility."
- E-Government, Departmental, cross-cutting (across more than one agency or bureau).
- Links to the first two layers of the Federal Enterprise Architecture.
- Determined to be critical by the Director or the ITIRB.

D. Non-major IT Investment - All IT investments not meeting the criteria of a major IT investment.

E. Project - Any endeavor undertaken to develop a product, produce a result, or provide a service within finite time and cost constraints.

F. Program Manager - The program manager has broad overall management responsibility. The program manager focuses on the achievement of strategic business results through the coordination of multiple projects.

G. Project Manager - The individual responsible and accountable for successfully managing the project. This includes planning, budgeting, procurement and life-cycle management of the investment to achieve its cost, schedule and performance goals.

H. Project Sponsor - A business official responsible for the strategic business processes under development or enhancement and for ensuring their integrity.

I. Steady State - Maintenance and operation costs at current capability and performance level, including costs for personnel, maintenance of existing information systems (e.g. life cycle, software upgrades, etc.), corrective software maintenance, voice and data communications maintenance, and replacement of broken IT equipment. This amount equals amounts reported for maintenance of that system in the exhibit 300, 300-1, and 300-2 and is required for all systems.

6. Policy. The DOI Project Management standard is based on the American National Standard Institute (ANSI) Project Management Institute (PMI) ANSI/PMI 99-01-2000, Project Management Body of Knowledge (PMBOK). Project management development, training and knowledge assessments will be based on the PMBOK.

All IT investments within the scope of this policy must have a qualified project manager and adhere to the following. Specific criteria for the various levels of certification can be found in Appendix B.

7. Responsibilities.

A. The MMS Chief Information Officer (CIO) is responsible for:

- (1) Providing Department level reporting to the Office of the Chief Information Officer (OCIO) concerning the status of MMS PM training and certification efforts.
- (2) Approving/disapproving exemption requests for project managers not meeting the certification requirements and forwarding approved exemption requests for project managers of major IT investments to the DOI OCIO for final approval/disapproval.

B. The Project Sponsor is responsible for:

- (1) Assigning qualified project managers to projects under their purview.
- (2) Ensuring that project managers of major IT investments are released from their existing duties and officially assigned to the project on a full-time basis.
- (3) Requesting an exemption for project managers who do not meet the certification requirements from the MMS CIO if:
 - (a) The project sponsor documents the acceptance of added risk to the project and explains why no certified project manager is available to manage the project.

(b) The identified project manager has an Individual Development Plan that shows due diligence towards achieving PMP certification within 18 months of the date of the exemption request.

C. Project Managers of major IT investments are responsible for:

(1) Obtaining and maintaining their Project Management Professional (PMP) certification through PMI.

(2) If serving as a PM under a certification exemption must:

(a) show due diligence towards achieving PMP certification within 18 months of the date of the exemption request.

(b) provide monthly reports to the DOI OCIO, through the Information Management Division, on the project progress and status, as well as progress toward PM certification until certification requirements are met.

D. Project Managers of Non-major IT investment with a life cycle cost of \$10 million to \$35 million are responsible for:

(1) Obtaining their PM Master's Certificate through a PMI Registered Educational Provider.

(2) If serving as a PM under a certification exemption, showing due diligence towards achieving PM Master's Certificate, within 18 months of the date of the exemption request.

E. Project Managers of Non-major IT investments with a life cycle cost of \$1 million to \$10 million are responsible for:

(1) Obtaining their PM Associate's Certificate through a PMI Registered Educational Provider.

(2) If serving as a PM under a certification exemption, showing due diligence towards achieving PM Associate's Certificate, within 12 months of the date of the exemption request.

8. **Cancellation.** This IPD will remain in effect until no longer needed or until incorporated into the MMS Manual.

Robert E. Brown
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**DOI and MMS
Project Management
Certification and Experience Requirements**

Project Level	DOI Certification & Experience requirement	MMS Certification & Experience requirement
Non-major projects	Associate's Certificate or Master's Certificate or CAPM Certification	Life cycle cost \$1M - \$10 M Associate's Certificate or CAPM Certification Life cycle cost \$10M - \$35M Master's Certificate or CAPM Certification
Major 1 – projects requiring an Ex 300 with low-to-moderate complexity and risk	PMP Certification and 1 year successful technical or PM experience	Same as DOI requirement
Major 2 – projects requiring an Ex 300 with high complexity and/or risk which are critical to the mission of the organization	PMP Certification and Clinger-Cohen training and 2-4 years combined of successful PM and technical experience	Same as DOI requirement
Major 3 Projects requiring an Ex 300 with high complexity and/or risk, and have government-wide impact	PMP Certification and Clinger-Cohen training and 2-4 years combined of successful PM and technical experience	Same as DOI requirement

Project Management Certification/Certificate Criteria

Project Management Professional (PMP)® Certification Criteria

Category 1

- Baccalaureate or global equivalent university degree
- Minimum of 4,500 hours of project management experience within the five project management process groups (Initiating, Planning, Executing, Controlling, and Closing)
- At least three years of project management experience within the six-year period prior to the examination application
- 35 contact hours of project management education
- Successful completion of the PMP Certification Examination

Category 2

- High school diploma or equivalent secondary school credential
- Minimum of 7,500 hours of project management experience within the five project management process groups
- At least five years of project management experience within the eight-year period prior to the examination application
- 35 contact hours of project management education
- Successful completion of the PMP Certification Examination

Certificates in Project Management

A large number of PMI Registered Educational Providers offer training programs in Project Management leading to an “Associate’s Certificate in Project Management” or a “Master’s Certificate in Project Management”. The Master’s and Associate’s Certificates in Project Management meet the minimum DOI training requirements for project managers of non-major projects. Although PMI does not recognize the Certificates, the training does satisfy the PMP requirement for project management education.

Master’s Certificate in Project Management criteria

A Master’s Certificate is earned by successfully completing a prescribed curriculum of courses through a PMI Registered Educational Provider. These programs are designed to provide project managers with all of the skills needed to effectively manage a project, and to prepare for the Project Management Institute’s Project Management Professional (PMP®) exam. Most vendors require that all courses be taken through their certificate program. Credits for courses are generally not transferable to another vendor’s certificate program.

Associate’s Certificate in Project Management criteria

The Associate’s Certificate is earned by successfully completing core courses through a PMI Registered Educational Provider. This program lays a solid foundation of project management basics useful to many professionals in our organization. Most vendors require that all courses be taken through their certificate program. Credits for courses are generally not transferable to another vendor’s certificate program.