State of Michigan
Administrative Guide to State Government

POLICY 1355.00 Project, Program, and Portfolio Management Methodology (3PMM)

Issued: June 4, 2009
Revised: October 11, 2021
Reviewed: October 27, 2020
Next Review Date: October 11, 2022

FUTURE EFFECTIVE DATE

The "revisions" to this policy, found in [Ad Guide Policy Communication 10/22/2021](https://stateofmichigan.sharepoint.com/teams/insidemi/news-events/Pages/10-22-2021-Administrative-Guide-to-State-Government-Policy-Update.aspx) (https://stateofmichigan.sharepoint.com/teams/insidemi/news-events/Pages/10-22-2021-Administrative-Guide-to-State-Government-Policy-Update.aspx), are effective six months from the "revised" date above.

APPLICATION

This policy is intended for statewide compliance and applies to all Executive Branch Departments, Agencies, Trusted Partners, Boards or Commissions using state of Michigan (SOM) information technology (IT) Resources.

PURPOSE

This policy provides direction for the management of IT projects, programs, and portfolios within the SOM. This policy is applicable to all IT projects, including software and infrastructure projects as well as enhancements to existing systems and maintenance releases. This policy also outlines specific responsibilities for Agency Directors, the Director of the Department of Technology, Management and Budget (DTMB), Agency Services Director, Chief Security Officer, Chief Technology Officer, Center for Shared Solutions Director and the DTMB Enterprise Portfolio Management (EPMO) Director. The EPMO Director facilities the SUITE process while the IT Deputy Directors ensure their staff completed the DTMB processes outlined in this policy.

CONTACT AGENCY

Department of Technology, Management and Budget (DTMB)
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SUMMARY

The intent of this policy is to provide direction for project, program, and portfolio management to promote on-time, on-budget delivery of IT-enabled business solutions that meet or exceed customer expectations. IT plays an increasingly critical role in delivering a variety of services to Michigan's citizens. It is the partnership between DTMB and its client agencies that results in high quality and cost effective IT-enabled solutions that meet a variety of public sector business needs.

The Project, Program, and Portfolio Management Methodology (known as 3PMM) is a component of the State Unified Information Technology Environment (SUITE), which provides direction not only for project, program, and portfolio management, but also for IT investment management and systems engineering.

3PMM is based on industry best practices and relies on the following definitions published by the Project Management Institute (PMI) in the Project Management Body of Knowledge (PMBOK), sixth edition:

- Project – temporary endeavor undertaken to create a unique product, service, or result.

- Program – group of related projects and activities with the same or similar objectives managed in a coordinated manner to obtain benefits not available from managing them individually. A program is also known as a master project with subprojects.

- Portfolio – projects, programs, and operations managed as group to achieve strategic objectives.

3PMM provides comprehensive direction for the SOM's IT project, program, and portfolio managers, including contracted resources. This methodology applicable to projects, programs, and portfolios of all sizes, duration, and complexity providing both automated and manual processes that support all phases of the project lifecycle. This methodology includes guidance to selectively tailor SUITE processes and deliverables to fit the project scope.

The 3PMM is flexible and suitable for use in a various project approaches, including but not limited to agile, waterfall, and hybrid approaches as well as implementation of Commercial off the Shelf (COTS) and Software as a Service (SaaS) solutions.

Although this policy focuses on IT initiatives, the methodology is sufficiently generic for use in all projects within the SOM.

 For specific direction, see the public facing SUITE (http://michigan.gov/suite) website.

Additional information and training opportunities can be found on the SOM internal SUITE (https://stateofmichigan.sharepoint.com/sites/epmo/suite) website.

POLICY

All SOM agencies are required to follow 3PMM for all IT-based initiatives.

Agency Director

As a Business Owner and Sponsor of an IT project, program, or portfolio, the Director shall ensure:

- Alignment to agency and SOM goals.

- Prioritization of agency business needs and inclusion in agency strategic plan.

- Participation, as a partner with DTMB, to provide agency perspectives on a Joint Evaluation Committee (JEC) for IT procurement purposes.

- A business case for each proposed project, including identification of benefits of completing the project or the risks of not completing the project or program.

- Assessment of the need for a Lean Process Improvement (LPI) initiative for the applicable business processes before beginning a new IT project or program. Additional information on the LPI process is available at [Office of Continuous Improvement – Lean Technology](#) (https://stateofmichigan. sharepoint.com/teams/insidemi/Continuous-Improvement/Pages/Lean-Tech.aspx).

- Appropriate funding for a proposed project or program.

- Availability of sufficient and knowledgeable resources, including product owners, subject matter experts (SME), business process analysts, testers, policy experts, trainers, data stewards, security officers and privacy officers.

- Collaboration among the DTMB BRM, DTMB Service Managers, and Agency Business Owners with the EPMO identified project, program, or portfolio manager(s) for 3PMM delivery.

- Executive Sponsorship for a proposed project or program:
    - Review/resolve project or program risks and issues through appropriate corrective action plans.
    - Provide resources authorized to approve and accept project deliverables.
    - Review/approve/monitor Project Charter and Project Management Plan, including project progress and budget through the automated Project and Portfolio Management (PPM) tool.
    - Ensure that team leaders assist in estimation.
    - Contribute to lessons-learned sessions.
    - Participate in business requirements.

- Participation as a partner with DTMB in project or program governance.

- Executive management reviews of agency portfolio performance.

DTMB Director

As a 3PPM provider, the Director shall ensure:

- Alignment with IT strategy and SOM goals.

- Participation, as a partner with the agency, to provide DTMB perspectives on a Joint Evaluation Committee (JEC) for IT procurement purposes reference [Administrative Guide Policy 0510 Purchasing, Michigan Procurement Policy Manual (MPPM), Chapter 8 Evaluation and Negotiation](#) (https://www.michigan.gov/documents/ micontractconnect/Chapter_8_526733_7.pdf).

Information and recommendations about the best technical approaches to meet business needs via reliable and cost-effective technical solutions.

- Education in use of the PMM and its associated products.

- Structure for project or program governance:
    - o Through which decisions about the project or program can be made, and escalated issues can be resolved.
    - o To which project or program metrics and status reports are provided.
    - o In which membership includes Agency Representatives, DTMB Agency Services BRM or designee, DTMB Service Managers, and DTMB project or program managers.

- Availability of sufficient and knowledgeable resources, including:
    - o Team members that are skilled or adequately trained in the technologies used.
    - o Appropriate tools to complete the assigned tasks.

- Collaboration among the DTMB BRM, DTMB Service Managers, and Agency Business Owners with the EPMO identified project, program, or portfolio managers for 3PMM delivery.

- Management of all IT resources, including contract resources.

- Executive management reviews of agency portfolio performance.

DTMB Enterprise Portfolio Management Office (EPMO) Director

As an Investment Management and 3PMM provider, the DTMB EPMO Director shall ensure:

- Organizational structure through which all IT project, program, and portfolio management resources report.

- Sourcing and assignment of all IT project, program, and portfolio managers across SOM agencies, including those funded by DTMB, agencies, or other sources.

- Appropriate IMM and 3PMM SME, including Project and Portfolio Management Office (PMO) Managers, and tools to analyze and measure potential investment performance. Tools may include enterprise project and portfolio management (PPM) dashboards, scorecards, analytics, benefits realization, and customer satisfaction surveys. Provide Agency Director or designate access to the enterprise PPM tool to facilitate agency investment monitoring.

- Appropriate 3PMM tools to measure on-time, on-budget delivery of projects that meet or exceed customer expectations. Tools may include enterprise PPM application, as well as resource management, dashboards, scorecards, analytics, benefits realization, customer satisfaction surveys, and other tools. Provide Agency Director or

designate access to PPM tool to facilitate agency project progress monitoring.

- Monitoring and reporting on SUITE compliance, including consistent and effective investment management and project, program and portfolio management, application of Systems Engineering Methodology (SEM), transparency of proposed IT projects, projects/programs, and IT project spending for the SOM enterprise.
- Education in use of the IMM, 3PMM and SEM.

TERMS AND DEFINITIONS

Agency

The principal department of state government as created by Executive Organization Act, P.A. 380 of 1965.

Business Owner

The person responsible for administration of systems. A business owner is usually the owner of the primary business functions served by the application or the application's largest stakeholder.

Information Technology (IT)

Refers to software, hardware, networking, Internet of Things, and telecommunication products and services that the state uses to store, manage, access, communicate, send and receive information. IT also refers to data, voice and video technologies. The determination of whether something falls under IT is not dependent on cost (i.e., could be a free service) or whether the product or service is hosted on state systems.

Examples of IT products or services include, but are not limited to, the following:

- On-premise, commercial-off-the-shelf (COTS) software applications installed on state systems (e.g., Adobe Acrobat).
- Externally hosted, COTS software applications installed on a vendor's system (e.g., DocuSign, Salesforce, etc.).
- Custom developed software applications (e.g., DHHS' CHAMPS system).
- Software-as-a-Service (SAAS) applications hosted by a vendor (e.g., LexisNexis, Survey Monkey, etc.).
- Subscription-based information services (e.g., Gongwer, Gartner, etc.).
- Social media accounts (e.g., Twitter, Facebook, etc.).
- Mobile applications (e.g., iTunes).
- Server hardware and software used to support applications such as database, application/web servers, storage systems, and other hosting services (e.g., Dell EMC PowerEdge Blade server).
- Hardware devices (e.g., laptops, tablets, smartphones, etc.).
- Data, voice, and video networks and associated communications equipment and software (e.g., Cisco routers and switches).
- Peripherals directly connected to computer information systems (e.g., Ricoh scan printers, printers).

- Internet of Things (IOT) are objects with electronic components that include processing and networking capabilities designed to enhance the functionality of the object by leveraging communications over the internet (e.g., ADT Security, smart thermostat, software-enabled lab equipment, refrigerator with an LCD screen, etc.).
- Vendor services for software application, installation, configuration, development and maintenance, including staff augmentation arrangements (e.g., CNSI resources assisting with maintenance and support of the DHHS CHAMPS system).

To utilize or source a product or service that includes components that meet the definition of Information Technology, the agency shall engage with the designated General Manager, or Business Relationship Manager for consultation on the need for DTMB IT services, (e.g., Cyber Security, Agency Services, Enterprise Architecture, Telecom, etc.).

IT-enabled Business Solution

A business solution that uses information technology as a tool to establish a competitive advantage, increase efficiency, address a challenge, and/or meet customer demand.

Investment Management

Process to ensure that IT-enabled initiatives will be managed through their full economic life cycle. This process consists of three key components: business case, investment management governance, and benefits realization.

IT Governance

Processes that ensure the effective and efficient use of IT in enabling an organization to achieve its goals, including generation of value and mitigation of risks associated with IT projects.

Methodology

A system of principles, practices and procedures applied to a specific branch of knowledge. A documented approach for performing activities in a coherent, consistent, accountable and repeatable manner.

Project

A temporary endeavor undertaken to create a unique product, capability or service.

Project Life Cycle

Standard project life cycle phases include initiation, planning, execution, monitoring/control, and closeout.

Project Management

The application of knowledge, skills, tools, and techniques in order to meet project requirements. The practice of initiating, planning, executing, controlling, and closing the work of a team to achieve specific goals and meet specific

success criteria at the specified time. The primary challenge of project management is to achieve all of the project goals within the given constraints.

Project Manager

The individual appointed and accountable for project delivery.

Program

Group of related projects and activities with the same or similar objectives managed in a coordinated manner to obtain benefits not available from managing them individually. A program is also known as a master project with subprojects.

Program Management

The application of knowledge, skills, and principles to a program to achieve the program objectives and to obtain benefits and control not available by managing program components individually.

Program Manager

The individual authorized to lead the team(s) responsible for achieving program goals and objectives.

Portfolio Management

Centralized management of one or more portfolios to achieve organizational strategic objectives.

Portfolio Manager

The individual responsible for establishing and implementing the guidelines set by the portfolio governing body to link portfolios to the organizational strategy and verify the overall results.

Trusted Partner/ Business Partner

A person (i.e., vendor, contractor, third party, etc.) or entity that has contracted with the SOM to perform a certain service or provide a certain product in exchange for valuable consideration, monetary, or goods and services.

AUTHORIZATION

Authority

This policy obtains its authority from:

- [Administrative Guide Policy 1305 Enterprise Information Technology](https://www.michigan.gov/documents/dmb/1305_193158_7.pdf) (https://www.michigan.gov/documents/dmb/1305_193158_7.pdf).

- The [Administrative Guide to State Government](https://www.michigan.gov/dtmb/0,5552,7-358-82547_9347---,00.html) (https://www.michigan.gov/dtmb/0,5552,7-358-82547_9347---,00.html).

- SOM [IT Technical Policies, Standards and Procedures](https://stateofmichigan.sharepoint.com/teams/insidemi/Pages/For%20Your%20Job/In%20the%20Office/IT_PSP.aspx) (https://stateofmichigan.sharepoint.com/teams/insidemi/Pages/For%20Your%20Job/In%20the%20Office/IT_PSP.aspx), on the DTMB Intranet.

- [Michigan Compiled Laws (MCL) 18.441](http://legislature.mi.gov/doc.aspx?mcl-18-441) Executive Reorganization Order (excerpt) E.R.O. No. 2009 (http://legislature.mi.gov/doc.aspx?mcl-18-441)

- [Public Act 389](http://www.legislature.mi.gov/documents/2017-2018/publicact/pdf/2018-PA-0389.pdf), Section 115, effective December 19, 2018 (http://www.legislature.mi.gov/documents/2017-2018/publicact/pdf/2018-PA-0389.pdf)
- [Public Act 207](http://www.legislature.mi.gov/documents/2017-2018/publicact/pdf/2018-PA-0207.pdf), Section 830, effective June 21, 2018 (http://www.legislature.mi.gov/documents/2017-2018/publicact/pdf/2018-PA-0207.pdf)

Enforcement

All enforcement for this policy shall be in compliance with the standards and procedures of [Administrative Guide Policy 1305 Enterprise Information Technology](https://www.michigan.gov/documents/dmb/1305_193158_7.pdf) (https://www.michigan.gov/documents/dmb/1305_193158_7.pdf).

Developing Standards and Procedures for this Policy

All requirements for developing standards and procedures for this policy shall be in compliance with [Administrative Guide Policy 1305 Enterprise Information Technology](https://www.michigan.gov/documents/dmb/1305_193158_7.pdf) (https://www.michigan.gov/documents/dmb/1305_193158_7.pdf).

Exceptions

All exception requests to this policy must be processed in compliance with [Administrative Guide Policy 1305 Enterprise Information Technology](https://www.michigan.gov/documents/dmb/1305_193158_7.pdf) (https://www.michigan.gov/documents/dmb/1305_193158_7.pdf).

Effective Date

This policy will be effective, unless otherwise noted, upon signature of the Administrative Guide approval memo by the DTMB Director.

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