

STATE TREASURER'S OFFICE



Debt Management System II Governance Plan

Version 2.0

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Document Revision History

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.2	10/27/2014	Maisha Dottery	Revised to incorporate DMS II Project Team feedback
1.0	11/4/2014	Maisha Dottery	Final Version
1.1	2/4/2015	Maisha Dottery	Revised to incorporate STO change in Administration
2.0	2/5/2015	Maisha Dottery	Final Version

Approval Signatures:

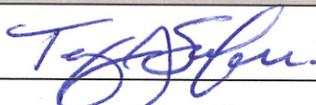
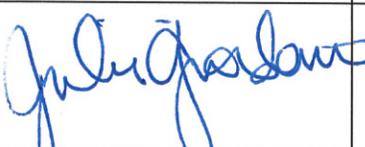
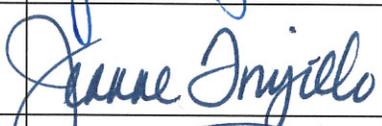
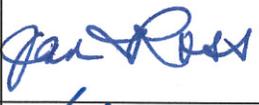
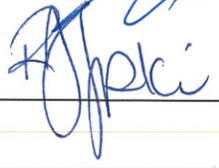
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1.0 INTRODUCTION

The Debt Management System (DMS) II Project is being deployed to accomplish the following objectives:

- Issue and manage the State's debt in the most efficient, cost-effective and error-free manner feasible
- Carry out fiduciary responsibilities to bondholders as Trustee, Registrar and Paying Agent for State debt
- Comply with Federal and State laws regarding authorization, issuance and maintenance of debt
- Track and manage interim financing, reserve funds, and investments related to debt issuance
- Accurately track lease revenue projects and rental payments
- Maintain accurate records to provide State debt information to management, other entities and the public
- Increase efficiency in interacting with external systems
- Decrease time required to perform project maintenance functions
- Enhance activity tracking capability to ensure applicable staff is aware of critical upcoming tasks
- Maintain pool member information

The scope of the Project¹ includes developing a Request for Proposal (RFP), selecting a solution provider, and developing, testing, and implementing an enterprise solution that will incorporate existing DMS functionality, applicable ancillary system functionality and any enhanced capabilities, as defined in the RFP. The scope also includes data conversion, and training and documentation required to facilitate the STO's use, maintenance and operations of the system.

1.1 DOCUMENT MAINTENANCE

This document will be reviewed annually and updated as needed. This document contains a revision history log. When changes occur, the version number will be updated to the next increment and the date, owner making the change, and change description will be recorded in the revision history log of the document.

1.2 PURPOSE

The purpose of the Governance Plan is to describe the governance process for the DMS II Project and its stakeholders. For the Project to be successful, decisions must be made timely, at the right level of the Project. An active governance structure has been shown to result in more efficient teams, improved results, reduced risks, and better resource utilization. The defined process is intended to benefit the Project by:

- Ensuring the Project maintains sponsorship and funding
- Providing strategic leadership and direction
- Fostering a culture of accountability and transparency

¹ See Project Charter for full scope description.

- Providing oversight and guidance to improve the potential for success

To achieve these objectives, the Project must have a documented, structured approach to decision-making. A Governance Plan documents the approach to how decisions will be made on the Project. It also defines roles and responsibilities, and the timeframe in which decisions must be made. When a party wants to appeal a decision, an escalation and appeal process is used. Those are also described in this Governance Plan.

1.3 SCOPE OF PLAN

The plan covers who, by role, is responsible for making decisions, and approving Project artifacts and deliverables. It also specifies thresholds for when decisions must be escalated to a higher level of authority.

1.4 SUCCESS CRITERIA FOR PLAN

This Governance Plan will be considered successfully implemented if decisions are made by the appropriate governing body on a timely basis.

1.5 INTENDED AUDIENCE AND DOCUMENT USE

The Project Steering Committee (PSC), Executive Sponsor, Executive Management Team (EMT), Project Executive, Project Manager, Team Leads, Project Team members, Subject Matter Experts, and Vendor staff should be familiar with the governance process and their role in it, as described in this plan. The plan is also for the use of stakeholders and anyone associated with the Project who wants to know how decisions will be made on the Project, especially if they want to provide input.

1.6 SUPPORTING DOCUMENTS

Project Artifacts that are referenced or used to build this document (e.g., Project Charter, Change Management Plan) can be found in the DMS II Project Repository.

2.0 ROLES AND RESPONSIBILITIES

To ensure decisions are made timely, clear roles and responsibilities must be defined and made known to all involved. Note that these are project roles, not positions or titles. One person may fulfill more than one role.

Table 1 identifies the roles and responsibilities for the entities that will make decisions and undertake work related to this Project.

Table 1: Roles and Responsibilities

Role	Responsibility
Executive Sponsor	<ul style="list-style-type: none"> • Set policy direction • Resolve policy issues, outstanding item(s) or other critical issues that cannot be resolved by the PSC • Champion the project to internal and external stakeholders • Ensure sustained buy-in at all levels • • Keep abreast of project status and issues
Project Steering Committee	<ul style="list-style-type: none"> • Makes decisions on policy and scope changes that would result in deviation of 10% or greater (including reducing scope) • Project Advocate within and external to the STO • Identify and communicate potential conflicts in proposed policies between other STO initiatives and this effort • Ensure resources are made available to implement decisions made by the PSC • Remove barriers to enable the project team to successfully execute the project • Approve Project artifacts and deliverables, as appropriate • Voting membership is composed of: <ul style="list-style-type: none"> ○ Program Sponsor, Chair of PSC ○ Project Executive, Vice-Chair of PSC ○ Assistant Directors, PFD ○ Chief Information Officer ○ Staff Counsel ○ STO Administration Division Director
Program Sponsor	<ul style="list-style-type: none"> • Chair the PSC • Participate on EMT • Champion the project to internal and external stakeholders • Ensure sustained buy-in at all levels • Approve the Project Charter • Empower the Project Manager with the appropriate authority • Provide direction and guidance in resolving strategic and major issues • Secure spending authority and resources for the project • Facilitate open communication regarding the project

Role	Responsibility
	<ul style="list-style-type: none"> • Remove obstacles that could impede success • Advocate for alignment of practices with policy • Advocate for tools to facilitate efficiencies • Ensure decisions are made by the PSC within defined time constraints • Ensure resources are made available to implement the decisions timely • Report progress to executive staff within STO, as appropriate • Communicate progress on the Project to other State entities, e.g., legislators, Control Agencies, etc., as appropriate • Approve Project artifacts and deliverables, as appropriate
Executive Management Team	<ul style="list-style-type: none"> • Members of the PSC • Provide leadership and executive oversight for the project • Provide a forum for informal discussion on matters that need to be addressed and/or voted on by the PSC prior to escalation • Ensure project issues are addressed before they impede the project's progress • Ensure project resources are made available in a timely manner • Provide guidance on resolution of matters escalated by the Project Manager, including any scope, schedule, or budget changes that are between 5 and 10% variance • Serve as liaison between the Project and the PSC and Program Sponsor • Report project achievements and status to the PSC and Program Sponsor • Approve project artifacts and deliverables, as appropriate • Oversee organizational change management activities • Attend project meetings as requested by the Project Manager • Membership comprises PFD Director, Assistant Directors and STO CIO
Project Executives	<ul style="list-style-type: none"> • Co-Chair the EMT • Remove obstacles within span of control that could impede project success • Provide strategic direction and support to the project • Ensure decisions made by the EMT and Program Sponsor are implemented • Escalate issues for resolution to the EMT and/or Program Sponsor as appropriate • Approve project artifacts and deliverables
Project Manager	<ul style="list-style-type: none"> • Manage the project for the STO • Develop and maintain a project management infrastructure that includes human resource management, scope management, cost management, schedule management, risk and issue management, change management, quality management, and

Role	Responsibility
	<p>communications management</p> <ul style="list-style-type: none"> • Oversee and ensure STO and vendor compliance with contractual requirements • Develop the Project Plan with the team and monitor team performance, including contractor performance through project completion • Review and approve project artifacts and deliverables • Secure acceptance and approval of deliverables from key project stakeholders and participants • Identify and implement tools to enhance project communications • Effectively engage the Business and Technical Managers in project activities • Communicate project status to the EMT and Key Stakeholders • Escalate risks and issues in a timely manner • Participate as a member of the CCB • Present agenda items to the PSC, but not a voting member of the PSC • Provide staff support to the PSC
Program Division management and staff	<ul style="list-style-type: none"> • Actively participate in project as dictated by roles • Guide and mentor program staff to complete work accurately and timely • Ask questions if policies or procedures are confusing • Make recommendations for improving the policies, procedures, and practices that impact the program and/or project • Review and approve project artifacts and deliverables as appropriate
Change Control Board (CCB)	<ul style="list-style-type: none"> • Evaluate change requests in terms of their ultimate effect on project quality, scope, and timeline constraints • Ensure change requests are addressed in a timely manner • Escalate changes to appropriate authority in accordance with Governance Plan and Project Change Control Procedures
Project Management Office (PMO)	<ul style="list-style-type: none"> • Develop, implement, maintain and ensure execution of the project plans and supporting processes and procedures • Provide assistance to the Project Executives and Project Manager as requested

3.0 STRUCTURE

Three governing bodies: the PSC, the EMT and the Project Management Team (PMT (STO Project Manager, Business Lead and Technical Lead)) have been established to guide the Project to a successful conclusion. The PSC establishes policy; the EMT provides oversight and guidance to ensure effective implementation of the policies; and the PMT implements the tactics to achieve the policies.

The Project is further organized in several layers of teams to provide for efficient two-way flow of ideas, information, and decisions.

3.1 Project Steering Committee

3.1.1 Purpose

The PSC exists to ensure the Project will meet its goals. To monitor progress against goals, the PSC meets to establish policy, hold the Project Manager accountable to oversight findings and recommendations, ensure decisions align with the triple constraints (scope, schedule, budget), and to make decisions on matters that have been escalated for resolution.

The PSC will accomplish its responsibilities by performing the following functions:

- Monitoring and reviewing status at regular Committee meetings
- Reviewing reports, prepared by the Project, on the impact of business process changes on the department
- Controlling scope as emergent issues force changes to be considered, and if necessary, approving budget or schedule changes, consistent with the guidelines listed in the Change Management Plan
- Confirming that strategies to address major risks to the project's success have been identified, budgeted and executed
- Resolving issues escalated from lower level entities
- Providing assistance to the Project when required

The PSC Chairperson communicates, from an executive perspective, the Project's progress to key external entities such as the Department of Finance and the Legislature.

3.1.2 Membership

The membership is defined in Table 1: Roles and Responsibilities. The members may not send a representative to the PSC meetings.

3.1.3 Voting Rights

Each member of the PSC has one vote. A majority of those present and voting determines the decision. If a majority cannot be achieved, the Chair of the PSC makes the decision on behalf of the PSC.

3.1.4 Quorum

A quorum is required for the meeting to convene and at the time of voting. A quorum is defined as 50% of the membership plus one. One of the members must be the Chair or Vice-Chair of the PSC.

3.1.5 Meeting Frequency

The PSC shall meet at least once every four weeks or as called by the Chair of the Committee.

3.1.6 Administration

The PSC is staffed by the Project Manager². As such, the Project Manager is responsible for:

- Developing an agenda based on solicited input from PSC members
- Capturing and publishing meeting minutes that include decisions and action items
- Preparing issue papers for the PSC members
- Scheduling the monthly meeting
- Ensuring conference call capability exists for any PSC members who want to participate via telephone

3.2 Executive Sponsor

The Executive Sponsor (Chief Deputy Treasurer)³ represents the STO Executive Office and has ultimate decision-making authority for the project. The Executive Sponsor guides the project at a strategic level. Like all those with responsibility noted below, the Executive Sponsor has responsibility for removing obstacles to help ensure the success of establishing and maintaining an effective solution.

3.3 Program Sponsor

The Program Sponsor is the PFD Division Director, the highest ranking official in PFD. The Program Sponsor chairs the PSC and champions the project with internal and external stakeholders. Like all those with responsibility noted below, the Program Sponsor has responsibility for removing obstacles to help ensure the success of establishing and maintaining an effective solution.

3.4 Executive Management Team

The EMT serves as part of the PSC. The EMT provides leadership and executive oversight for the project, and a forum for informal discussion on matters that need to be

² The Project Manager may seek assistance from the PMO or the Project Team, as requested.

³ The Executive Sponsor may designate the Deputy Treasurer for PFD to represent the Executive Office.

addressed and/or voted on by the full PSC prior to escalation. As with all entities with responsibility noted in this document, the EMT has responsibility for removing obstacles to help ensure the success of establishing and maintaining an effective solution.

3.5 Project Executives

The Project Executives (Business and Technical) serve as the Co-Chairs of the EMT. The Project Executives guides the project at a strategic and tactical level. As with all entities with responsibility noted in this document, the Project Executives have responsibility for removing obstacles to help ensure the success of establishing and maintaining an effective solution.

3.6 Project Manager

The Project Manager guides the project at both a strategic and tactical level. The Project Manager manages the project using industry best practices (e.g., Project Management Body of Knowledge).

3.7 Team Leads

Team Leads (Technical Manager and Business Manager) provide input daily to the Project Manager on aspects of the Project that impact their respective areas. The Team Leads must ensure their teams are reviewing and analyzing deliverables timely and providing constructive feedback to improve the Project's chances of success.

3.8 Change Control Board

The Change Control Board (CCB) is a decision-making body, chaired by the Project Manager (or designee) that assesses proposed changes to the Project's scope, schedule and costs. The CCB may approve or reject a change if the cost or impact of a change is within the level of authority for the CCB (see 'Level of Authority' section). If not, the CCB escalates the change request to the Project Executive/EMT and if need be the Project Executive escalates to the Program Sponsor, who will take it to the PSC if necessary. As such, the Project Executive, EMT, Sponsor, and PSC are not members of the CCB. Vendors cannot sit on a decision-making body that affects state funds (e.g., increase vendor contract costs by expanding scope). Therefore, if one of the Project roles is contracted out (e.g., Project Manager) that person may not sit on this decision-making body.

The CCB is composed of the following members:

Name	Department Title	Project Role
Maisha Dottery	DMS II Project Manager	Project Manager and CCB Chair
Amanda Johnson	Section Manager/PFD	Subject Matter Expert
Geoff Palmertree	Section Manager/PFD	Subject Matter Expert
Deanne Brown	Section Manager/PFD	Subject Matter Expert
Garrett Stratton	Program Manager/PFD	DMS II Business Team Lead

Name	Department Title	Project Role
Lani Capacia	Technical Manager/IT	DMS II Technical Team Lead

4.0 LEVEL OF AUTHORITY

Governance Group	Level Of Authority
Team Leads	Changes within own team, or that are agreeable to other teams, that do not adversely impact project budget or schedule.
Change Control Board	Changes to requirements or interim milestones within the overall project budget and schedule.
Project Manager	Changes that can be accommodated within the overall project budget and schedule.
Executive Management Team	Changes that can be accommodated between 5-10% of the overall project budget and schedule.
Project Steering Committee	With Executive Sponsor's concurrence, changes that have a scope, schedule or resource impact of 10% or greater. Policy related changes; contract amendments.
Executive Sponsor	Changes that have an impact to the project scope, schedule or resources of 10% or greater.
State Control Agencies and Legislature	Any changes more than 10% of scope, schedule, or resources. Budget augmentation requests of any amount.

5.0 ISSUE ESCALATION AND RESOLUTION

Table 2 identifies authority and process to escalate issues for resolution.

Table 2: Issue Escalation and Resolution

Decision Maker	Trigger	Process	Timeframe	Resolution ⁴
Any affected entity	Decisions not made in alignment with policy	Bring to attention of Project Manager via an email. May follow-up in person to explain more fully.	At any time the issue is identified	PM to address within 10 business days. Addressing may include explaining why no change will be forthcoming.
Project Manager	Exceeds Project Manager's authority	Bring to attention of Project Executives/EMT via an email.	Raise within two business days of identifying.	Expect resolution within 10 business days.
Project Executive's/ Executive Management Team	Exceeds Project Executive's/EMT's authority	Bring to attention of Program Sponsor via an email.	Raise within two business days of identifying.	Expect resolution within 10 business days.
Program Sponsor	Policy issue to be discussed with participation appropriate STO management.	Bring to attention of PSC via scheduling an PSC meeting.	Raise within two business days of identifying.	Expect resolution at next PSC meeting, or identification of next steps to ensure resolution.
Project Steering Committee	Presented by Program Sponsor	Bring to attention of Executive Sponsor.	Raise within two business days of identifying.	Resolve at PSC meeting or escalate to Executive Sponsor with alternatives for resolution.
Executive Sponsor	Presented by PSC	Address with Executive Sponsor guidance.	Resolve within 10 business days.	

⁴ If additional time is needed to resolve the issue, it must be negotiated and approved upfront.

6.0 APPEAL PROCESS

Anyone identified in this Governance Plan may escalate an issue to the level above the one to which it was initially presented if they so desire. The PSC is the ultimate decision-making body. The process noted above shall be followed if the person to whom the issue was escalated does not have the authority to make the decision.