

**Appendix 16 to  
Second Amendment of  
Master Service Agreement**

**June 25, 2012**



**Exhibit to Data Center Services  
Multisourcing Service Integrator  
Master Services Agreement**

**DIR Contract No. DIR-DCS-MSI-MSA-001**

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Between

**The State of Texas, acting by and through  
the Texas Department of Information Resources**

*and*

**Capgemini America, Inc.**

**Exhibit 20  
Transformation Plan**

June 25, 2012

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**EXHIBIT 20**  
**TRANSFORMATION PLAN**

**Update Methodologies and Attachments to Exhibit 20**

The following update methodologies and attachments are incorporated as part of **Exhibit 20**:

<b>Title</b>	<b>Methodology for Updating Associated Exhibit Attachments</b>
<b><u>Exhibit 20</u></b> Transformation Plan	<b><u>Exhibit 20</u></b> is updated in accordance with <b><u>Section 4.3(b)</u></b> of the MSA.
<b><u>Attachment 20-A</u></b> Transformation Milestones	<b><u>Attachment 20-A</u></b> shall be updated in accordance with <b><u>Section 4.3(b)</u></b> of the MSA.

# 1. TRANSFORMATION MANAGEMENT

## 1.1 Introduction

In accordance with Section 4.3 of the Agreement, this Exhibit 20 and the attached Attachment 20-A collectively constitute the Transformation Plan, and references to the Transformation Plan in this Agreement (including this Exhibit) shall be read and understood to collectively mean this Exhibit 20 and the attached Attachment 20-A. Service Provider shall maintain and implement the Transformation Plan, and any modifications to the Transformation Plan shall be subject to DIR's review and approval in accordance with Section 4.3 of the Agreement.

The provisions of the Transformation Plan are in addition to, and not in lieu of, the terms and conditions contained in the body of the Agreement and the other Exhibits and Attachments thereto; provided however, unless otherwise expressly stated, the provisions of this Transformation Plan shall not control over conflicting provisions of the Agreement. Unless otherwise expressly defined in the Transformation Plan, capitalized terms used in the Transformation Plan shall have the meaning assigned to them elsewhere in the Agreement.

The dates in this document are intended to provide context and set expectations for the solutions described. Actual milestone dates are contained in the appropriate milestone documents (Attachment 19-A Transition Milestones and Attachment 20-A Transformation Milestones). In the event of a conflict in dates the dates in the milestone documents will control.

## 1.2 Document Overview

Transformation consists of activities necessary to evolve from the existing environment (via changes to the infrastructure, processes, tools, etc.) to meet the requirements of the Services.

Transformation projects fall into three groupings – Stabilization, Optimization, and Consolidation. Transformation projects fall under the oversight and management of the Service Provider's Program Management Office (PMO).

This document will begin with an overall look at Transformation followed by information on specific projects within the Stabilization, Optimization and Consolidation groupings. The later portions of the document provide information about the PMO, Governance, Quality and Risk which apply to all projects.

The purpose of the document is to present a high level view how projects come together and to generally describe the main SCP and incumbent interactions. Additional details are located in the Transformation Microsoft Project Plan and Attachment 20-A.

## 2. TRANSFORMATION GUIDING PRINCIPLES

The Service Provider will:

Provide a customized approach to meet the needs of DIR which includes:

- ◆ DIR and DIR Customer Transformation models
- ◆ Experienced Transformation project managers
- ◆ Leveraging Service Provider's tools and templates customized to the DIR and DIR Customer environments

Establish strong governance, which includes:

- ◆ Clearly defined roles and responsibilities
- ◆ Jointly developed processes
- ◆ Effective meetings and reporting framework to minimize resource requirements while achieving goals
- ◆ Mechanisms in place to identify and address risks and issues early
- ◆ Support for OLA development

Maintain effective communication, which includes:

- ◆ Consistent delivery of key messages through well-defined communication plans
- ◆ Tailored communications to target audiences and stakeholders
- ◆ Mutually agreed frequency of communications to meet the needs of the stakeholders

Promote collaboration and teamwork , which includes:

- ◆ Detailed upfront project planning and feedback
- ◆ Joint agreement on status for reporting purposes
- ◆ Plans scaled to address DIR Customer differences in size and complexity
- ◆ Establishment and support for successful deliverable review process
- ◆ Feedback on deliverables throughout the life of the project.

### 3. TRANSFORMATION OVERVIEW

The Service Provider PMO is responsible to consolidate, organize, and lead the Transformation projects. These projects fall into three groups:

- **Stabilization Projects:** These are remediation projects targeted at fixing backlog and other structural/environmental issues. Some projects are cross-functional and others are tower specific (server, mainframe, data center, network, print/mail).
- **Consolidation Projects:** These projects are related to the multi-year effort to complete the consolidation of Legacy Data Centers and Business Offices to the ADC and SDC. There will be an Consolidation Accelerated Solution Environment (ASE) workshop (described below).
- **Optimization Projects:** These projects are targeted at providing long term benefit and efficiencies to the State.

In the six months before Commencement, the Transition Manager will manage activities to establish the PMO processes and stand up the Clarity and ITSM tools.

Any projects that begin before the PMO standards and tools are in place will use SCP-provided project tools and a Service Provider-provided weekly status template. The PMO will use the status reports and project plans to provide interim program management and oversight. (Examples of early projects are: Winters LAN upgrade, Network backup installation, Vblock installation.)

The Transformation Solution Group is the governing body for any Transformation work.

A Consolidation Planning Accelerated Solution Environment (ASE) workshop is conducted by the MSI, and includes key stakeholders from the MSI, SCPs DIR and DIR Customers. The purpose of the ASE is to communicate the consolidation program to the stakeholders, fast-track input and gain consensus to remaining planning objectives. Participants in the consolidation planning ASE are key representatives from DIR, DIR Customers, MSI and SCP leaders and project managers and key third-parties. The key attributes of the consolidation planning ASE are:

1. **Acceleration**—Speeds the decision process of a broad group of stakeholders - decisions in hours
2. **Innovation**—Taps into group genius to craft a more robust and creative solution
3. **Alignment**—Consensus achieved across diverse stakeholders to implement created solutions
4. **Risk Management**—Reduces rework and extended feedback cycles to accelerate signoff

**Key Deliverables of the Consolidation Planning ASE** – Following are the key objectives and deliverables of the consolidation planning ASE:

- Overall consolidation approach and strategy for Server and Mainframe consolidation
- Consolidation governance plan – to include the MSI consolidation program management office
- Consolidation stakeholder agreement

- Consolidation activity guidelines – to facilitate a rolling six-month cycle over the course of the four year program

The structure of the consolidation planning ASE provides for breakout sessions designed to review specific consolidation approach for areas where stakeholders have expressed targeted interests or have historically been areas of difficulty.

### **3.1 Transformation Plan**

Transformation is a collection of sub-projects. The Transformation Plan provides the integrated view of those sub-projects. Service Provider will use the Clarity PPM tool to present and manage the integrated view. The configuration and implementation of Clarity occurs during Transition and is in the Transition Plan from Commencement - four (4) months to Commencement - one (1) month. Active Transformation projects that were started prior to the implementation of Clarity will be imported into Clarity during Commencement - one (1) month. This will enable the MSI to use Clarity PPM to provide the integrated, enterprise view of projects.

### **3.2 High-level Sequence for Transformation Activities**

In the six months before Commencement, the Transition Manager will manage activities to establish the foundational PMO processes and stand up the Clarity and ITSM tools. All the subsequent Transformation projects will use these processes and tools.

The Transformation related activities fall into three groups: Stabilization, Consolidation and Optimization. The following provides a high-level sequence of activities in each of the three areas.

#### **Stabilization**

##### **Pre-Commencement**

- Service Request Backlog – Assessment and Planning
- Request for Solution and Project – Backlog Assessment and Planning
- OTACE Establishment – OTACE (On Time and Above Customer Expectations) is a customer satisfaction process that will be implemented
- Problem Management – Assessment and Planning
- Availability Management Implementation
- Capacity Management Implementation

##### **Post-Commencement**

- Initial Development of Integrated Transformation Plan – (Critical Deliverable due Commencement +1.5 months)
- Further Development of Transformation Plan – (Critical Deliverable due Commencement + four (4) months)
- Backup and Recovery – Assessment and Remediation
- Service Request Backlog – Implementation of plan
- Request for Solution and Project Backlog – Implementation of plan

- Problem Management – Implementation of plan
- Chargeback Management Stabilization – confirmation of effectiveness of the new Chargeback System
- Complete Asset Inventory and CMDB Initial Data Population True up (Commencement + four (4) months)

### **Consolidation**

#### Pre-Commencement

- Initial Planning for Consolidated Data Center Network Improvement Plan (Commencement - 2), to be improved with migration planning Post-Commencement
- Server Consolidation Planning using the Service Provider Accelerated Solution Environment (ASE)

#### Post-Commencement

- Development of the Consolidation Project Plan (Due Commencement + three (3) months)
- Implementation of the Consolidated Data Center Network Improvement Plan

### **Optimization**

#### Post-Commencement

- Six Sigma and lean analysis on the MSI-managed Service Management processes and operations and recommendation for implementation

## 4. STABILIZATION PROJECTS OVERVIEW

The following subsections describe the MSI Cross Functional stabilization projects.

### 4.1 Backup and Recovery Assessment & Remediation

Service Provider will establish a Backup and Recovery Assessment and Remediation Program under the structure of the overall MSI program management office. This program will be executed in several phases:

- SCP project to implement a network backup solution (Pre-Commencement). This project will be implemented at the DIR Customer Legacy Data Centers and Remote Business Offices, requires Agency and Incumbent Service Provider interactions and uses Incumbent Service Provider Change Management processes. This project will run from Commencement - 5 to Commencement. Because the final PMO tools and processes will not be in place, the SCP will select the project management tool to manage the project. Weekly status reporting will be via an Excel template provided by the MSI. The PMO will use the status reports and project plans to provide interim program management reporting and oversight.
- Post-Commencement switchover from the current backup processes onto the new network backup facility. The SCP executes these steps, which begin at Commencement.
- Data Collection and Assessment. SCP will compare agency backup schedule retention targets to operational reports and statistics of actual performance in the new environment. The SCP will develop remediation recommendations for the towers for identified gaps related to Service Levels, RTO/RPOs and any applicable regulatory requirements. These activities will occur between Commencement + two (2) months through Commencement + five (5) months.
- Formal Recommendations. MSI will complete analysis and prepare the findings for presentation to DIR and DIR Customers. Upon review, this step will result in agency specific backup and recovery remediation projects. The recommendation is due Commencement + six (6) months.

### 4.2 Problem Management Backlog

Service Provider will establish a process to address the Problem Management backlog. This process will be executed in three phases described below:

- Analysis and Planning: MSI will gather and analyze open Problem Management tickets. The analysis and subsequent interactions with DIR and DIR Customers will result in a validated list of open Problem tickets that need to be resolved. Service Provider will review this list with the SCPs. The phase will occur from Commencement - two (2) months through Commencement + one (1) month.
- Initial Backlog Reduction: After the analysis is complete, the SCP will begin working through the Problem ticket backlog, in the Incumbent Service Provider's

ITSM. At Commencement + two (1) month, the MSI Problem Management team and the SCP steady state teams will evaluate if the remaining tickets should stay in the previous Incumbent Service Provider's ITSM or be rekeyed by MSI into the new Service Provider's ITSM environment.

- Completion of Backlog Reduction: The Problem Backlog tickets will be managed using the Problem processes implemented during Transition. MSI Problem Managers will continue to own the open Problems in the backlog and monitor closure by the SCP.

### **4.3 Service Request Backlog**

MSI will work with DIR and the SCPs to rationalize the current backlog of Service Requests. MSI will collaborate with DIR, DIR Customers, and SCPs to agree on priorities, required activities, and schedule for the backlog of Service Requests. This analysis and planning will complete in Commencement + one (1) months.

The ITSM SRM module is the primary tool for Service Request fulfilment. It will be available at Commencement with testing and user acceptance testing occurring Commencement - one (1) month.

The process to address the Service Request backlog will be as follows:

#### Analysis and Triage

1. MSI obtains an extract of open Service Requests from the incumbent in Commencement – three (3) months. Each Service Request will be tracked back to the agency requestor and reviewed for accuracy, status, priority, and validity.
2. Complete analysis on the Service Request data and prepare the updated backlog data for determining recommendation.

#### Recommendation

1. Review the updated backlog data with the SCP and develop an approach and schedule based on types of requests, resources in the dedicated Service Requests backlog team and requirement dates.
2. MSI will make a recommendation to the appropriate governance committee regarding the proposed schedule and approach needed to eliminate the Service Request backlog.
3. MSI will gain approval from the appropriate governance committee to begin the implementation phase.

#### Implementation

1. The Service Desk will enter the valid Service Requests into the Service Request Management (SRM) system which will result in assignment to the appropriate SCP team. The SCP Request Backlog team will work the request per the agreed upon schedule and the Service Desk will track for compliance.

2. The PMO will report progress on the elimination of the Service Request backlog.

#### **4.4 Solution Request Backlog**

The Solution Request backlog has two separate, but related components; Solution Requests and projects. The requests in this backlog may be:

- Not started
- Started by the Incumbent Service Provider and expected to complete after Commencement
- Started by the Incumbent Service Provider and expected to complete before Commencement.

The Solution Request backlog program will address all these combinations.

The Transition team will build out the tools and processes needed for post-Commencement delivery of the Solution Request service. The Transformation team will work closely with the Transition team and incorporate standard solutions/templates and scoring decisions in the evaluation of the backlog. While the scoring system will be finalized during Transition, examples of criteria are need-by-date, fit to standard reference model/solution, quantity of items (e.g. number of servers).

This Solution Request program will be executed in several phases:

- Backlog assessment. The MSI will collect both the Solution Request and the Project backlogs from the Incumbent Service Provider and complete a categorization. The Solution Requests will be aligned with the standard solutions structure defined during Transition. The project backlog will be classified by expected end date and remaining level of effort.
- The MSI will propose an interim process associated with the capture and processing of new Solution Requests during Commencement – three (3) months through Commencement. The MSI and SCP will work with the Incumbent Service Provider to segregate the Solution Requests that should be solutioned and delivered by the Incumbent Service Provider from the Solution Requests that should not be solutioned by the Incumbent Service Provider. Solution Requests not handled by the Incumbent Service Provider will become a new backlog item added to the Incumbent Service Provider's Remedy system.
- All Solution Requests will be tracked in the Incumbent Service Provider's Remedy system until Commencement when all open requests will be rekeyed into the new Service Request Management system.
- In-flight projects disposition. MSI will organize the handoff of any projects that are started, but will not be completed by the Incumbent Service Provider before Commencement. Similarly, any Solution Requests that are started, but not approved by DIR Customer will be marked for transfer to the SCP.

- The Solution Request backlog will be reduced based upon the addition of 12 SCP resources for a total of 23,040 hours (1,920/mo) from Commencement to Commencement + 12 into the project pool. These additional Project Pool hours will be consumed within 12 months. MSI will work with the SCP to finalize the Solution Request Backlog prioritization methodology. The Solution Request Backlog prioritization methodology will be presented to DIR and the appropriate governance committees for acceptance. The recommendation is due Commencement – one (1) month.
- The additional 12 resources may work on either Solution Request Backlog or new requests based upon the defined Solution Request Process and tracked in Clarity.

#### **4.5 Chargeback Management Stabilization**

Service Provider will replace the Incumbent Service Provider's IBM Tivoli Usage and Accounting Manager Chargeback system with Digital Fuel's IT Financial Management tool. Service Provider will leverage the current Chargeback procedures and implementation configuration to accelerate the implementation of the new system. The implementation timeline begins at Commencement – six (6) months and will be ready to generate production invoices at Commencement + one (1) month.

After Commencement, Transformation activities will progress on three fronts.

- A stabilization period will occur with an increased daily focus on all aspects of the system. At the end of each invoice period, we will make an evaluation as to whether the implementation issues are trending down and the stabilization period can be brought to a close.
- Assessment of known system deficiencies in the current Chargeback system. The implementation of the IT Financial Management tool and associated processes is intended to remediate these deficiencies. But, if it is found that certain deficiencies have not been remediated, Service Provider will develop and execute the improvement plans.
- As the SCP progresses through their Transformation, changes to data sources/feeds may impact the Chargeback Management system. These changes will be introduced using Change Management processes under control of the enterprise CAB.

#### **4.6 Configuration Management**

Configuration Management Transformation includes asset physical inventory, the electronic interrogation of assets, and the transfer of data from the current CMDB. The final reconciliation is due at due Commencement + four (4) months. The details of these activities are contained in [Exhibit 19](#).

#### **4.7 IT Service Continuity Management (ITSCM)**

The IT Service Continuity Management Transformation activities are associated with the development of a gap analysis of the existing DR plans and the follow on projects required to resolve the identified gaps. The PMO will track these projects. Description of these activities is contained in [Exhibit 19](#).

## 4.8 Additional Solutions

### Availability Management

Availability Management will be implemented by Commencement + two (2) months. Service Provider will provide DIR an Availability plan with quarterly updates. The Availability plan will include:

- Analysis of Availability derived from historical performance captured in ServiceFlow
- Service improvement plan for performance issues as identified in SLM program
- Demand Management models to be gathered by Agency Account Managers and SCP service delivery managers with a long-term plan included
- Prioritized growth response strategy and plan

Service Provider Availability Managers will provide forecasting for the services identified in the Availability SLAs, participate in DIR Customer meetings as set by the Agency Account Managers, and will implement proactive Availability Management using trending and Problem Management investigations. The proactive triggers for getting and staying ahead of Availability issues include:

- Periodic meetings with agencies to conduct Availability performance review
- Incident and Problem ticket trending provided by Problem Management team
- Change and Release meetings/calendars and project schedules
- Planning for project work and capturing the impact to service Availability

### Capacity Management

Service Provider will implement improved views of Capacity Management to include enhanced Digital Fuel Service Flow reports providing a drill down from: DIR Customer, to business service, to Tier 1 application to operating system type in order to provide a more useful view of the capacity data. Each view will roll up the performance of the subordinate categories.

The Capacity Management project will begin with the implementation of processes and tools to present an aggregated view of capacity performance management at the component level. This will provide a single view of capacity utilization and forecasts across all SCPs and will allow meaningful capacity optimization discussions to take place. The SCPs will provide the detailed capacity data and the MSI will process, store and present the data in a web-based intuitive tool.

As application-to-server relationship data is stored in the CMDB, MSI will implement capabilities that provide online views of capacity at the business application and DIR Customer levels. The Capacity System is targeted to be complete at Commencement + five (5) months.

## **5. CONSOLIDATION OVERVIEW**

### **5.1 DCS Consolidation – A Program Management Approach**

Service Provider's program management office will contain a dedicated consolidation specific program team. We will jump start the consolidation program by bringing respective stakeholders (DIR, DIR Customers, application groups and owners, and SCPs) together for a Consolidation Accelerated Solutions Environment (ASE) workshop. During the ASE, we will work to align the stakeholders, and collaboratively produce these deliverables:

- Overall consolidation approach and strategy for Server and Mainframe consolidation
- Consolidation governance plan – to include the MSI consolidation program management office
- Consolidation stakeholder agreement
- Consolidation planning guidelines – to facilitate a rolling six-month planning cycle over the course of the four year program

The consolidation program management office will provide program management services to deliver architecture, SCP plan integration, and organizational change management, as well as quality assurance, verification of testing, financial oversight, and operational readiness for the Server consolidation program. The program office will exist under the overall MSI PMO office and will include a combination of resources dedicated to the effort full time, plus resources that participate in the program on an as needed basis. The program plan and architecture will be a joint effort between DIR, the SCPs, DIR Customers and Service Provider.

The dedicated consolidation program team in the PMO will be responsible to work with the SCP, DIR and DIR Customers to develop the rolling six-month consolidation plans over the four year program. This rolling six-month plan will also be incorporated into the annual Transformation Plan due each May.

## 6. OPTIMIZATION OVERVIEW

Optimization will involve projects and activities targeted at achieving long term benefit for the State. Optimization activities will draw from functional areas such as: Quality Assurance, Quality Management System Administration, System Engineering Process Group, Internal Audit, Audit Hosting, Process and Product Quality Assurance (PPQA), Corrective Action and Preventative Action (CAPA), Training Administration, and Internal Controls SSAE 16 Audit Reporting. Each of these areas contributes to providing product and process quality.

### **Continuous Improvement – Six Sigma and Lean IT**

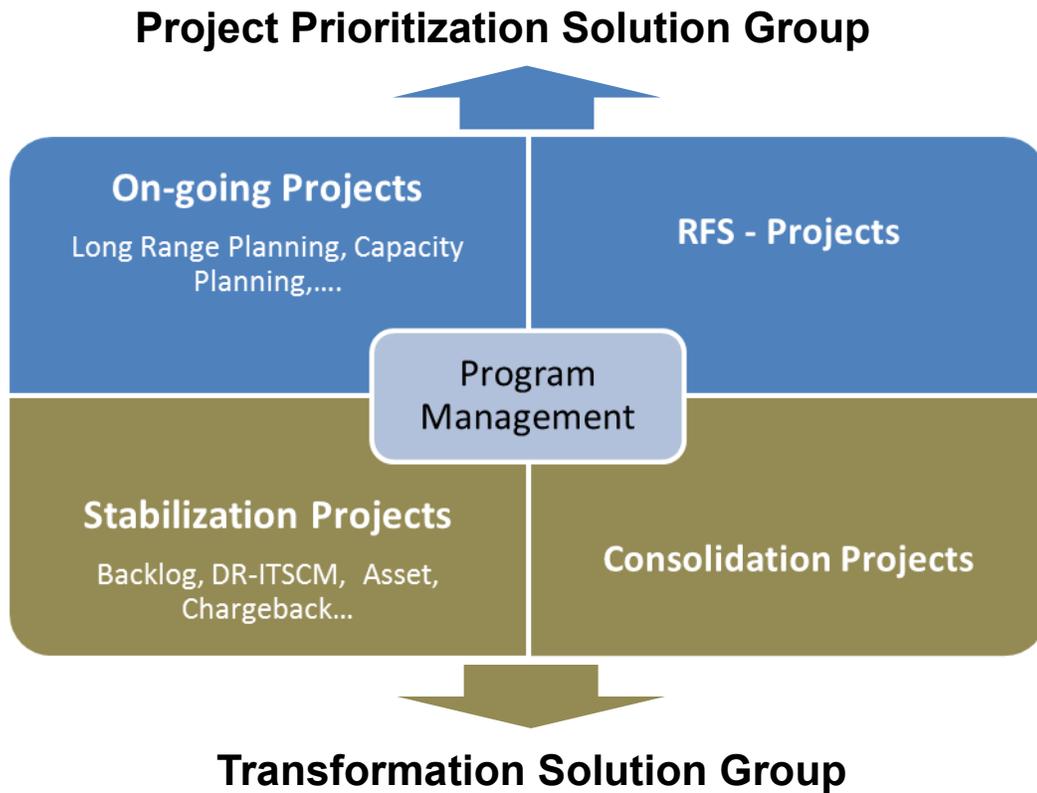
Within the DIR DCS operations, Service Provider will lead Six Sigma and lean analysis on the MSI-managed Service Management processes and operations. These projects may be identified via Problem Management trends, process and quality audits, or even customer feedback. If the project is aimed at addressing a Service Provider-specific process or operation, the project will be initiated and executed by the Service Provider team. If the project affects or interfaces with an SCP, DIR, or DIR Customer operation, the initiative would be reviewed with DIR, SCPs, and DIR Customer for agreement to proceed.

The Six Sigma or lean project team includes all parties: SCPs, DIR, and DIR Customers as appropriate. Progress and recommendations will be reported out and reviewed with the stakeholders and recommended actions approved by DIR, SCPs, and DIR Customers as appropriate. Those actions would then be approved by the appropriate DCS governance groups and prioritized, scheduled and managed through the MSI program management office.

## 7. SERVICE PROVIDER ROLES AND GOVERNANCE ALIGNMENT

### 7.1 Integration with DCS Governance

The PMO will provide oversight for all projects. As depicted below, there are four main sources of projects. Each of these quadrants has different initiation levers, but once a project is approved, it will be entered and tracked in Clarity. This will allow the PMO to provide oversight for all projects and provide the necessary reporting to effectively manage both from a project-specific level and the enterprise level. The diagram also shows the alignment of the project types with the appropriate DCS governance solution group.



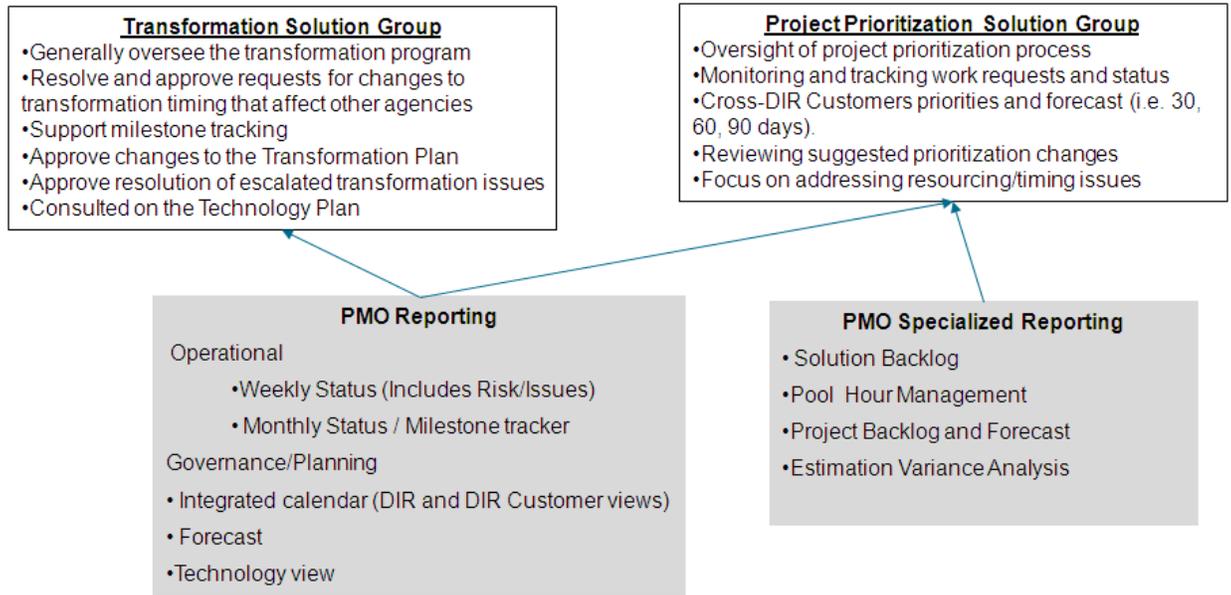
### 7.2 Activities needed for Governance

The PMO project oversight includes weekly reviews of the project manager’s status reports. Any schedule variance that cannot be remediated will trigger the escalation procedures outlined in the SMM, which will be developed during Transition.

Key reports are needed to provide the insights and information that are required by the governing bodies. The data model and report definitions are all developed during the Transition. The Requirements/Design phases occur during Commencement – five (5) months and Commencement – four (4) months. Build, test, and training occur in the latter half of pre-Commencement Transition and are in place for Commencement.

### 7.3 Reporting that supports Governance

The PMO will provide the information needed to properly support the two solution groups. The graphic below illustrates that a common set of project reports are available as well as specialized reports designed to support the RFS projects.



### 7.4 Annual Transformation Plan

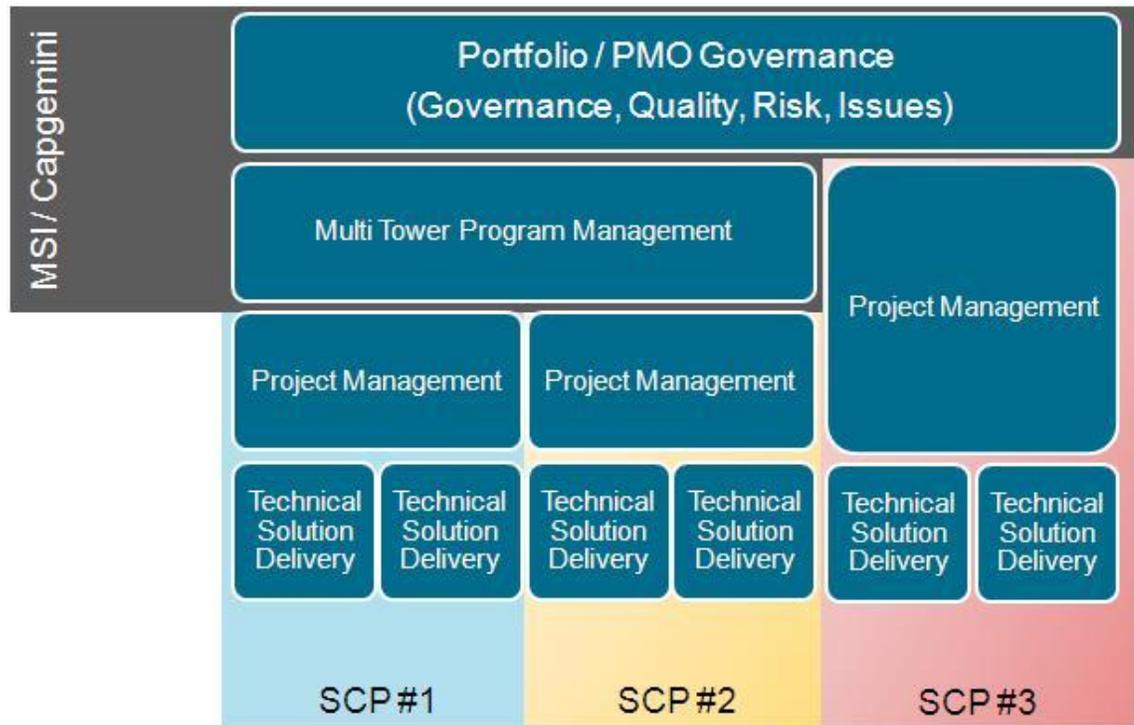
The PMO will develop the annual Transformation Plan, which is due on May 1<sup>st</sup> each year. The update will contain a report on adherence to the plan for the preceding period, and include DIR Customer-specific plans and schedules for the period of September 1st through August 31st of the following contract year. The PMO will develop the Transformation Plan in the context of other programs including residual Stabilization projects, Annual Equipment and Software Refresh Program and ongoing RFS projects.

This schedule will support the financial forecasting requirements of DIR and DIR Customers.

## 8. TRANSFORMATION APPROACH AND PROJECT METHODOLOGY

### 8.1 PMO Structure and Methodology

The picture below illustrates the division of program versus project management. During Transition, we Service Provider will define and document the underlying processes in the SMM. This will position the PMO to oversee the planned projects immediately upon Commencement



Service Provider will create the Request processes, projects processes and Service Management Manual during Transition. Not all of the processes will be fully implemented when the Transformation activities begin. If any issues arise from the overlap of Requests and Projects, they will be directed to the appropriate owners for revision and continuous improvement.

The PMO will review key processes that impact various Transformation programs/projects scheduled to begin before the complete processes and tools are in place. Interim processes will be developed to allow for the orderly execution of the project and provide sufficient tracking and information for PMO oversight.

During Transition, Service Provider will implement a project management framework that will integrate with SCP project management processes. The integrated framework will be the basis for the Transformation program and project management. This model will be used for program management oversight, quality, risks and issues and will align with the DIR governance model.

Communication plans provide a structured way to validate that all stakeholders are getting the right information at the right time. Alignment of the content of the communications at the

beginning of the Transformation program will also facilitate the same data being used for communication to all levels. The Transformation program will maintain an overall communication plan while individual programs/projects will establish detailed plans which meet the needs of the program.

## **8.2 PMO Tools**

During Transition, Service Provider will implement the integrated Service Management environment, ITSM/Service Request Module (SRM) and Clarity PPM. The Transformation programs/projects will leverage these tools for standardized data, reporting, and the control of work through the environment.

Service Provider will utilize the Clarity PPM portfolio/program/project management tool to track and manage the delivery of approved projects. The SCPs and Third Party vendors will have access to the project in Clarity. The project charter, plan and schedule will be uploaded into Clarity. Project status reports, issues and risks will be updated on a weekly basis and reported from Clarity. Assigned project and program managers will be required to provide weekly status updates and ensure the accuracy of the information prior to reporting to DIR and DIR Customers.

## 9. QUALITY CONTROL AND GENERAL RISK MITIGATION

### Quality Control

Quality activities extend across the major phases of every project.

1. Initiation – Project managers will create a Clarity project plan for every project. In addition to project plans, each project will have a charter, which describes acceptance criteria, communications and approvers. Projects will be assigned to an MSI Program Manager who will be responsible for oversight through the project's life cycle. Efficiency and quality improve by using standard templates. The profile of projects will fit one of the follow:
  - a. Standard known solution template: Based on due diligence, we expect that most projects will use pre-defined templates aligned with SCP defined standard reference models. Reuse of standards will greatly enhance quality deliverables.
  - b. Modified Templates: Projects that fall into this category may use combinations of standard templates or require customization due to volumes (for example a single project requiring 10 servers or a standard consolidation sequence tailored for DIR Customer specifics).
  - c. Custom project plan: These projects are generally more complex and will require custom project plans. Even though they are custom, they must comply with project standards, structure and work breakdown structure guidelines documented in the SMM.
2. Project Execution – Standard project management controls will be in effect.
  - a. Weekly status reporting
  - b. Risk / Issue logs
  - c. The MSI program manager will monitor progress and follow up on schedule variance and any past due issue.
3. Final Delivery – this phase contains the sequence to close down a project
  - a. Confirmation of acceptance criteria (e.g. test plans, communications, notifications)
  - b. Completion of all documentation (e.g. SMM, DR Plans, ITSM/CMDB, Run Books, TRG)
  - c. Change Management controls for implementation
  - d. Final signoff by MSI program manager for project completion.
  - e. Includes continuous improvement step to upgrade standard templates and checklists

### Risk Management

Service Provider's approach to Risk Management includes early and aggressive risk identification through the collaboration of all stakeholders. Strong leadership across stakeholders is needed to establish an environment for the free and open discussion of risk. In addition to technical risk, Risk Management must also consider both internal and external sources for cost, schedule, and business risk. Early detection of risk is vital to minimizing project costs and maximizing productivity and the probability of success.

Risk Management will involve the following steps:

1. Risk analysis and prioritization – Project managers will use a Risk rating derived from each Risk’s probability of occurrence and severity of impact and then prioritize the Risk monitoring appropriately.
2. Detailed risk mitigation definition – Project managers will create a Risk mitigation plan for each Risk.
3. Risk monitoring -- The MSI program manager will monitor the project to keep a pulse on identified areas of Risk. If a Risk will have a material impact on project requirements, schedule, or budget, the MSI program manager will raise the Risk to the appropriate governance committee.
4. Implementation contingency action – Risk mitigation and contingency plans that involve significant levels of resource and cost are required to be managed as formal change requests, requiring approval by the appropriate governance committee.

## 10. COMMUNICATIONS

Transformation Communications will occur at two levels:

- Overall Enterprise level: The PMO will contribute updates to DIR for overall communications that describe the component programs that make up Transformation.
- Project level: The various projects within Transformation have different owners and impact on DIR Customers. Project-specific communications will be agreed upon during the project start-up phase and documented in the project charter.

Project artifacts that will be used for communications include:

- **Project Governance Plan:** This document provides the project description, background information, goals and objectives, requirements, budget summary, budget details, deliverables, and assumptions on the project.
- **Project Schedule:** The purpose of the project schedule is to describe the step-by-step tasks required to accomplish the project.
- **Project Status Meeting:** This meeting provides the status of the project and includes key members from each stream of work as well PMO staff team members.
- **Weekly Project Team Meetings:** This meeting is designed to communicate the status from the project team to the project manager. It is also an opportunity to announce any conflicts or issues.
- **Weekly Status Report:** This identifies accomplishments for the prior week, tasks scheduled but not completed, tasks for the upcoming week, and any issues that need resolution.
- **Meeting Minutes:** MSI will provide meeting minutes following any meetings. The project manager will create and distribute to all those in attendance. The members on the distribution list have one business day to reply to the originator if there are any comments, questions, or changes.
- **Sign-off Documents:** As requirements, design, and miscellaneous documents are completed, there will need to be sign-offs from DIR Customer, project manager and appropriate stakeholders, which will indicate their agreement that these documents are in fact accurate and ready for use.