

## Project Classification Method

### Purpose

The purpose of this guide is to provide a method agencies can use to classify information technology (IT) projects as small, medium, or large in size. Once IT projects are classified by size, agencies can apply the appropriate project management practices and processes to meet project objectives. For example, an agency may decide to use simpler, more streamlined templates and processes to manage a project classified as small (e.g., a three-person technology project that lasts one month) than they would for a project classified as large (e.g., a multi-million dollar project that spans several years). The first step towards deciding which project management practices should be applied to a project is to classify the project by size.

Although project classification methods vary, project management practices must satisfy the guidelines as identified in the Project Management Practices Rules (1 Texas Administrative Code, Chapter 216).

Note: An IT project is classified as “major” if it meets the definition of a *major information resources project* as specified in [Texas Government Code, Section 2054.003\(10\)](#). Major information resources projects must use the [Texas Project Delivery Framework](#) guidance and tools.

### Instructions

Projects may be classified as small, medium, or large, based on a scoring system that takes into account various project characteristics.

Consider the project characteristics in the left hand column of Table 1 below and determine where the project aligns with the characteristics. Identify a score for each characteristic. For example, a project with a \$300,000 budget would score a value of 0 in the ‘Project Cost’ row. Enter this value in the right column. When all rows are completed, tally all values to arrive at the project’s total score. Compare the total score with the score ranges given in Table 2 and determine if the project is small, medium, or large.

Table 1: Scoring Project Characteristics

Characteristics	0 Points	1 Point	2 Points	SCORE
Project Cost	Less than \$500,000	\$500,000–\$1,000,000	More than \$1,000,000	
Project Team Size	Less than 5 people	5–9 people	More than 9 people	
Departments Involved	1–2 departments	3–4 departments	More than 4 departments	
Agencies Involved	Work group within agency	Agency-wide	More than one agency or government level	
Time to Deliver	Less than 6 months to reach operational status	6–12 months to reach operational status	More than 1 year to reach operational status	

Characteristics	0 Points	1 Point	2 Points	SCORE
Impact on Agency	Minimal change or simply adds functionality to existing system	Moderate change or modifies systems now in use, but does not change work processes	Significant change to work methods of agency personnel and/or delivery of services to agency clients	
Impact Outside Agency	Affects mostly internal operations of the agency	Indirectly impacts citizens and/or has some visibility to the legislature	Directly impacts citizens of the State and/or has high visibility to the legislature	
Technology	Standard, proven agency technology	Proven in industry or at state level, but new to agency or program areas	Emerging, unproven, or new for the state	
Past Experience with Contractor	Good experience in the past working with this contractor	Other agencies have had problems with this contractor or team members are distributed in several locations	Outsourcing for the first time to this contractor, or the contractor has been difficult to deal with in the past.	
System complexity	Stand-alone system	Some integration with another system	New system which needs to integrate with several others, and/or they are critical systems.	
TOTAL SCORE				

Table 2: Total Score Ranges

Classification	Small Project	Medium Project	Large Project
Total Score	0–2 Points	3–10 Points	More than 10 Points