

SB 2049-DRIVEN NDCC CHANGES

What revised language in the Major (IT) Project law, and the Major IT Executive Steering Committee law, means.

July 25, 2025, Update



What Changed? (Part 1)

54-35-15.2(10) altered the definition of "Major Project"

10. Except as provided in subsection 11, receive and review information, including a project startup report summarizing the project description, project objectives, business need or problem, cost-benefit analysis, and project risks and a project closeout report summarizing the project objectives achieved, project budget and schedule variances, and lessons learned, from the information technology department and the affected agency regarding any major information technology project of an executive branch agency. For the purposes of this subsection, a major project is an information technology project with a total cost of five hundred thousand dollars that meets one or more of the following criteria, as determined by the chief information officer:
 - a. An estimated total cost, as defined by the information technology department, of five million dollars or more;
 - b. Requires one year or longer to reach operational status; or
 - c. Requires oversight due to its potential benefits, risks, public impact, visibility, or another significant reason.

*Note that there are **THREE** qualifiers that may make something a Major Project. Not just the \$5M threshold.*

What Changed? (Part 2)

54-59-32 edits the wording relating to the appointment of executive steering committees to major projects

54-59-32. Major information technology projects - ~~Appointment of executive steering committees~~Oversight.

1. An executive branch state agency, excluding institutions under the control of the state board of higher education, proposing to conduct a major information technology project ~~as described in subsection 10 of section 54-35-15.2~~, the department, and the office of management and budget, in consultation with the attorney general, shall collaborate on the procurement, contract negotiation, and contract administration of the project. The agency, the department, and the office of management and budget, in consultation with the attorney general, shall approve the solicitation, contract, or agreement, and any amendments relating to the project before submission to the ~~executive steering oversight~~ committee as provided in subsection 3.
3. An ~~executive steering oversight~~ committee must be appointed to oversee ~~each~~a major information technology project. The ~~agency project sponsor~~chief information officer shall ~~serve as~~appoint a chairman of the committee. The ~~executive steering oversight~~ committee ~~must consist of~~may include the director of the office of management and budget or a designee of the director, the chief information officer or a designee of the officer, the head of the agency contracting for the project or a designee, the project sponsor, and a large project oversight analyst designated by the chief information officer. The ~~executive steering oversight~~ committee shall monitor the overall status of the project and ~~review~~make recommendations to the head of the agency contracting for the project or a designee, and the project sponsor, regarding project decisions, including negotiation and execution of contracts, approval of project budgets, implementation of project schedules, assessment of project quality, and consideration of scope changes. ~~Any project decision declared by a member of the committee to be a major project decision requires at least four affirmative votes.~~

54-59-32 contains
four paragraphs

Only paragraphs 1
and 3 contain edits

What Didn't Change?

54-59-32 edits **did not** change paragraphs 2 or 4 of the four-paragraph Oversight code

2. The procurement officer and primary project manager for a major information technology project must meet the qualifications established by the department and the office of management and budget.
4. An agreement or contract, including an amendment, revision, or scope change, for a major information technology project may not be entered unless signed by the head of the contracting agency or a designee and the chief information officer or a designee of the officer.

“The department” = Information Technology Department

What Does That Mean?

As has been the case with all project management-related Century Code, the law dictates the “WHAT,” as in what we need to do to be legally compliant.

Law requires OMB and NDIT to work together to form policy, guidelines and standards to determine “HOW” we meet those legal requirements (ref. NDCC 54-59-02 and NDCC 54-59-0-9).



A Refresher on Definitions

State Law: A legal requirement enacted by a legislature that is mandatory and enforceable by the government.

Policy: A high-level rule or principle that sets direction and steers required behavior. It answers what must be done and why it must be done.

Standard: A set of guidelines or specifications that provide a level of quality or performance; it is legally enforceable when incorporated into a law by reference (such as in NDCC 54-59-09). Also, may be a specific, measurable requirement that supports a policy. It defines how something must be done in a consistent, repeatable way.

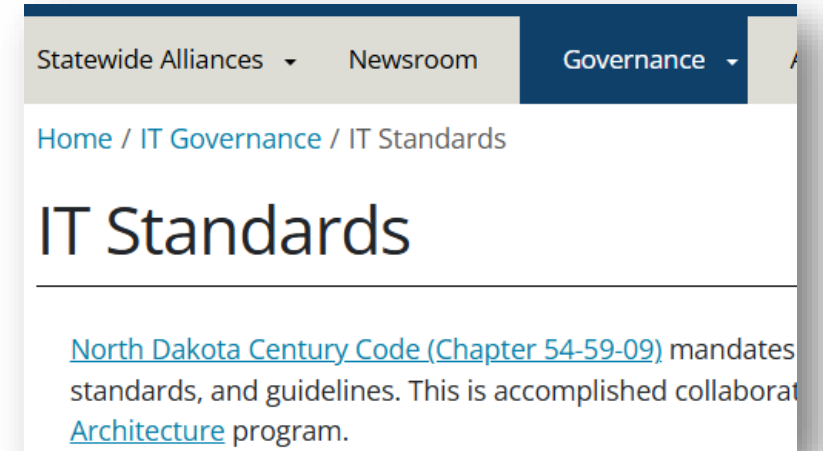
A primary difference between a law and a standard is that a law is a concrete rule, while a standard is a benchmark for quality or practice.



Project Management for IT Standard

NDIT has many standards, which mostly dictate how various technology approaches must be done (e.g., Authentication/Single Sign-On, Domain Names/ND.gov).

NDIT also has a project management standard that has been in effect since December 2004. It has been modified six times since inception. The seventh revision contains information to support the SB 2049-related updates.



Following are the changes to the standard, and related process notes, to help clarify

- What makes something a major project
- What we do about it from a procurement standpoint
- Tweaks to the project management process, especially as it relates to executive steering committees

The Making of a Major Project: a, b, or c

The law states:

- a. An estimated total cost, as defined by the information technology department, of five million dollars or more;

How we will determine “estimated total cost” per standard:

A project’s total cost is comprised of the budget required to complete all phases of the project, or collection of projects in a program environment. All phases means work required for initiating (including all procurement activities), planning, executing, and closing the project or program. If licensing, subscription fees, or other costs must be paid prior to solution go-live, those costs are included.

PROJECTS	% COMP	GOVERNANCE STAGE ▼	BASELINE START	BASELINE FINISH	BASELINE or ESTIM. COST
Trust Lands Information Technology Systems Replacement					
Financial Management And Accounting	100%	5 - Closed / Completed	1/8/2020	10/30/2020	\$1,849,455.00
Land Management System	100%	5 - Closed / Completed	10/14/2020	6/8/2023	\$4,115,109.93
Unclaimed Property Replacement	100%	5 - Closed / Completed	7/25/2018	5/3/2019	\$273,700.00
Land Management System Enhancements	84%	4 - Closing / Transio...	11/14/2023	7/15/2025	\$4,900,300.13

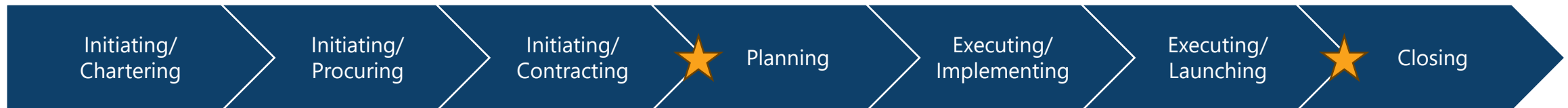
The Making of a Major Project: a, b, or c

The law states:

- b. Requires one year or longer to reach operational status; or

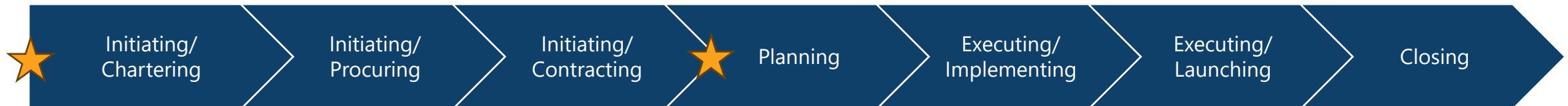
How we will determine “one year or longer to reach operational status” per standard:

One year of operational status is defined as the time from the signing of the contract or statement of work (or effective start date) to the full implementation of a technology solution for any individual project. For programs, this means the signing of the contract or statement of work for the first project or phase, through the full implementation of a technology solution for any final project or phase of the program.



The Making of a Major Project: a, b, or c

- Projects not designated as major IT, but with budgets \$100,000 and up, will be assigned a project compliance coordinator from within the NDIT project management office. The NDIT project compliance coordinator's role in this scenario is to ensure that state project management best practices are followed, and that project information is kept current by the designated project manager, including a schedule that is maintained in the state's enterprise project portfolio management system, ND VIEW.
 - NDCC § 54-59-11.1 requires NDIT to be involved in the "planning or study" of the projects costing \$100k+
- Procurement materials must be monitored by the NDIT Project Compliance Coordinator or Oversight Analyst to allow timely and regular evaluation against the major IT project definition per NDCC § 54-35-15.
 - If the NDIT Project Compliance Coordinator or Oversight Analyst determines that the project has the potential of becoming a major IT project, the Oversight Committee and the procurement collaboration team as defined in NDCC § 54-59-32 must be established.
 - State Procurement Office will be involved, creating a special delegation for this procurement level.
 - The Procurement Officer for an IT Project valued at \$100K or more must complete IT Procurement Training and receive special delegation from OMB. A State Procurement Officer will be assigned to assist the agency Procurement Officer.



The Making of a Major Project: a, b, or c

The law states:

- c. Requires oversight due to its potential benefits, risks, public impact, visibility, or another significant reason.

How we will determine “estimated total cost” per standard:

The North Dakota Information Technology Department (NDIT) Chief Information Officer (CIO) makes this determination.

- NDIT has developed a Major IT Determination process that considers this option as one of the factors for a project being designated as major.
- Please note that even if the CIO determines a project is not a major project, the Legislative IT Committee may still request project information for any project costing \$100,000 and up.



If It's a Major Project

If deemed a major project by any of the A, B, or C options, then:

- The Oversight Committee and the procurement collaboration team as defined in NDCC § 54-59-32 must be established.
- Further guidance available in the project management standard, and the State IT Procurement Guidelines.



If deemed a major project, the CIO/Deputy CIO still needs to sign the contract. Without the CIO or Deputy CIO signature the contract is not valid.

Major IT Executive Steering Committee Law (April 2013-July 2025)	Major IT Oversight Law (Starting August 2025)
<p>Membership (MUST consist of):</p> <ul style="list-style-type: none"> Project sponsor Director of the office of management and budget or a designee Chief Information Officer or a designee Head of the agency contracting for the project or a designee Large project oversight analyst designated by the CIO <i>The project sponsor must be the chairperson</i> 	<p>Membership (MAY include):</p> <ul style="list-style-type: none"> Project sponsor Director of the office of management and budget or a designee Chief Information Officer or a designee Head of the agency contracting for the project or a designee Large project oversight analyst designated by the CIO <i>The CIO shall designate one of the five committee members the chairperson</i> <i>Per legal counsel, because language in this code states that membership MAY include these participants, the director of the agency sponsoring the project, the director of OMB, and the CIO may work together to add or remove members from the committee.</i>
The Executive Steering Committee shall meet at least quarterly.	The Oversight Committee shall meet at least quarterly. If the project status is within ten percent of the current baseline for budget and schedule, and if there are neither change requests for review, nor high priority risks, issues, or decisions that are active, the committee may be sent a status report by the project manager in lieu of the quarterly meeting requirement.
An "open meeting" that needs to be posted and available to the public.	Still an "open meeting" that needs to be posted and available to the public. <i>Recommend to keep all five members as this is still an open meeting that needs a quorum to meet.</i>
The executive steering committee shall monitor the overall status of the project and REVIEW project decisions, negotiation and execution of contracts, approval of project budgets, implementation of project schedules, assessment of project quality, and consideration of scope changes.	The oversight committee shall monitor the overall status of the project and MAKE RECOMMENDATIONS to the head of the agency contracting for the project or a designee, and the project sponsor, regarding project decisions, negotiation and execution of contracts, approval of project budgets, implementation of project schedules, assessment of project quality, and consideration of scope changes.
Must vote simple majority to approve decisions , or 4 out of 5 for major decisions.	Must vote simple majority to approve any recommendations .
The sponsor is 1/5 of the ESC vote for key approvals.	The sponsor is the single sign-off for key approvals.
Any project decision declared by a member of the committee to be a major project decision requires at least four affirmative votes.	Major vote concept gone.
The procurement officer and primary project manager for a major information technology project must meet the qualifications established by the department and the office of management and budget.	Same requirement. Project manager qualifications are integrated into the PM standard (<u>please read the standard before pursuing a project management contract</u>). Procurement officer qualifications being revised to take several procurement laws changes into consideration.
An agreement or contract, including an amendment, revision, or scope change, for a major information technology project may not be entered unless signed by the head of the contracting agency or a designee, and the chief information officer or a designee of the officer.	Same requirement. No modifications to this process.

Does My Current Project Change?

- NDIT recommends that any existing major project operating under the current ESC law continue to operate as they are today. Per legal counsel there is no obligation to swap format on Aug. 1.
- If any existing major project ESC would prefer to change to the new model on or after Aug. 1 the committee must meet, and it must formally vote to take that action.
 - *Changing to the new model will require the project team to update their project plans, open meetings postings, agenda templates, and other related process/management documentation.*
 - *The PMO has a checklist to help facilitate these transfers*
- What about programs with multiple projects, or projects that will be ongoing for years ahead?
 - *Consider switching at an appropriate point in the program.*
- Projects beginning Aug. 1 or after will follow the new model.
- The NDIT Project Management Office (PMO) has updated all state templates, process documents, and other related content to reflect the change to the new version of these laws.
 - Reminder: The "[Project Management Templates](#)" section of the PMO website contains project management templates with embedded guides for managing state efforts.



NORTH
Dakota Be Legendary.

**THANK
YOU**

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