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S3420 - PROJECT CORRECTIVE ACTION STANDARD

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1. AUTHORITY

To effectuate the mission and purposes of the Arizona Department of Administration (ADOA) (the “Department”), the Department shall maintain a coordinated statewide plan for information technology (IT) implemented and maintained through policies, standards, procedures (PSPs), and adoption of statewide technical coordination and security standards as authorized by Arizona Revised Statute A.R.S. § 18-104.

2. PURPOSE

The purpose of this standard is to provide additional details and best practices in accordance with Policy P3400 - Project Investment Justification (PIJ) section 2.1.5 which states that ADOA has the authority to temporarily suspend the expenditure of monies if the Department determines that the IT project is at risk of failing to achieve its intended results or does not comply with the requirements of this section.

3. SCOPE

This standard applies to all Budget Units (BUs), as defined in A.R.S. § 18-101, and IT integrations and/or data exchange with third parties that perform IT functions, activities or services for or on behalf of BUs. Applicability of this standard to third parties is governed by contractual agreements entered into between BUs and the third party/parties.

The BU Chief Financial Officer (CFO), working in conjunction with the BU Chief Information Officer (CIO), shall be responsible for ensuring the effective implementation of Statewide Information Technology Policies, Standards, and Procedures (PSPs) within each Agency.

This standard applies to the following:

- 3.1** All IT projects with total costs of at least \$25,000 undertaken by the BUs. “Total project costs” or “total costs,” as used in A.R.S. Title 18, Chapter 1, means the IT development and implementation costs associated with an information technology project.

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4. ROLES AND RESPONSIBILITIES

- 4.1** Refer to Section 4 of Policy P3400 Project Investment Justification (PIJ).
- 4.2** BU Chief Information Officer (CIO) or his/her designee shall:
 - 4.2.1** Be responsible for ensuring that there is an understanding of this standard, related standards and policies within their BU and their designates upon creation of a PIJ.

5. STANDARD

- 5.1** Each BU shall accurately document any risks and issues that may arise throughout the project life cycle and comply with the requirements of Standard S3410 for Project Status Reporting.
- 5.2** Based on the Department's project health status definition, if a project is red (critical) for 20% of the project duration or 3 consecutive months of the project duration, whichever comes first, the project will be considered for corrective action. Additionally, Department staff may determine project activities are not progressing as planned and may choose to initiate the analysis for corrective action.
 - 5.2.1** Department Staff will conduct an analysis for corrective action in accordance with the Risk Threshold Criteria defined in section 6.
 - 5.2.2** Should the Department Staff determine possible project failure based on established risk threshold criteria, the Department staff shall initiate the Department's Corrective Action Plan process.
 - 5.2.3** Should the Department determine the need for a Corrective Action Plan, the BU issued the Corrective Action Plan shall comply with the Department request(s).
 - 5.2.4** The Department shall submit to the BU a notification requiring corrective action, a means of documenting the Corrective Action Plan and minimum documentation required.
- 5.3** If the BU successfully completes the correction action plan and the Department is able to deem that the project is no longer at risk of failure, the Department will provide written notification to the BU confirming that they are no longer under corrective action and the project may resume.
- 5.4** Should a BU fail to comply with the Correction Action Plan request, fail to implement corrective action measures, or the project continues to be at risk of failing to achieve intended results, the

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Department shall determine additional corrective action measures or temporarily suspend project activities until the corrective actions are resolved within the timeframe provided by the Department in the corrective action materials.

6. DEFINITIONS AND ABBREVIATIONS

Refer to the PSP Glossary of Terms for definitions and abbreviations. More information can be found in the [Policies, Standards, and Procedures Glossary](#) page on the ASET website.

Risk Threshold Criteria:

- **Cumulative Risks Overwhelm Resources** - Multiple risks materialize simultaneously, overwhelming the project team's ability to address them effectively.
- **Level Of Effort** - The project reveals a discrepancy between planned and actual resources, time, and task complexity.
- **Persistent Scope Creep** - Scope creep continues unchecked, leading to a never-ending expansion of project requirements, causing delays and resource strain.
- **Unmanageable Budget Overruns** - The project consistently exceeds budget limits, and financial resources are no longer available to sustain ongoing operations.
- **Continuous Quality Assurance Failures** - The project consistently produces deliverables that fail to meet quality standards, leading to a loss of credibility and trust.
- **Ineffective Stakeholder Communication** - There is a breakdown in communication with key stakeholders, leading to misunderstandings, disputes, and lack of support.
- **Unresolved Resource Constraints** - Critical resources, including key team members or necessary tools, are consistently unavailable, hindering progress.
- **Non-compliance with Regulations** - The project fails to meet regulatory or legal requirements, leading to potential legal consequences or the inability to proceed.
- **Lack of Strategic Alignment** - The project no longer aligns with the organization's strategic goals, making it difficult to secure continued support.
- **Repeated Technology Failures** - The project encounters persistent technical issues that cannot be effectively resolved, jeopardizing the overall success.
- **Client or Leadership Withdrawal** - The client or organizational leadership withdraws support or expresses a lack of confidence in the project's viability.
- **Complete Stakeholder Dissatisfaction** - Key stakeholders express significant dissatisfaction, and efforts to address concerns do not lead to improvement.

- **Agency Noncompliance to Provide Up to Date Project Information** - The agency doesn't provide up to date project information which inhibits the "Department" from being able to assess project progress (i.e. missing or incomplete status reports or missing change requests).

7. REFERENCES

7.1 A.R.S. § 18-104

7.2 Statewide Policy P3400, Project Investment Justification (PIJ)

8. LINKS

9. VERSION HISTORY

Date	Change	Revision	Signature
08/09/2024	Initial Version	1.0	J.R. Sloan