**PROJECT CHANGE REQUEST**

1. **SCOPE**

This Quality Work Instruction (QWI) defines the Enterprise Project Management Office (EPMO) Project Change Request procedure. Change Requests are necessary to update the project scope, schedule and/or cost, and can occur at any point during the project life-cycle per [0300-0300-005-B PROJECT MANAGEMENT PROCESS](https://it.nc.gov/media/1002/open).

1. **OWNER**
	1. The Enterprise Project Management Office (EPMO) Director owns this QWI. No changes, additions or alterations may be made without the owner’s written approval.
2. **REFERENCE DOCUMENTS**

|  |  |
| --- | --- |
| **DOCUMENT IDENTIFICATION** | **DOCUMENT TITLE** |
| 0100-0800-010-B | **FORMS AND RECORDS CONTROL** |
| 0300-0300-005-B | [PROJECT MANAGEMENT PROCESS](https://it.nc.gov/media/1002/open) |
| 0300-0320-005-B | [PROJECT PLANNING AND DESIGN](https://it.nc.gov/media/2463/open) |
| 0300-0330-005-B | [PROJECT EXECUTION AND BUILD](https://it.nc.gov/media/1010/open) |
| 0300-0340-005-B | [PROJECT IMPLEMENTATION](https://it.nc.gov/media/1011/open) |
| 0300-0375-005-C | [PROGRAM/PROJECT REVIEW](https://it.nc.gov/media/1035/open) |
| 0300-0390-005-C | [LESSONS LEARNED](https://it.nc.gov/media/1126/open) |
| 0600-0600-005-B | **CORRECTIVE ACTION PROCESS** |
| 0700-0700-005-B | **PREVENTIVE ACTION PROCESS** |

1. **ASSOCIATED FORMS**

|  |  |
| --- | --- |
| **FORMS IDENTIFICATION** | **FORM TITLE** |
| 0300-0360-005-D | [PROJECT CHANGE REQUEST FORM](https://it.nc.gov/media/1121/open) |
| 0300-0370-005-D | [PROJECT WEEKLY STATUS REPORT](https://it.nc.gov/media/1034/open) FORM |
| 0810-0810-005-D | [QUALITY CONTROL DECISION POINTS](https://it.nc.gov/media/309/open) |

1. **DEFINITIONS**
* **AGENCY THRESHOLDS:**  ***see Glossary of Terms and Definitions***
* **BASIS OF ESTIMATE: *see Glossary of Terms and Definitions***
* **EPMO THRESHOLDS: *see Glossary of Terms and Definitions***
1. **PROCEDURE**

Project Change Requests are required when a change to the planned spend for the entire project or the planned phase end date exceeds the Thresholds set by the EPMO. This should be reviewed during all phases of the project as the thresholds apply even if a project baseline has not been set. The goal is to prevent Cost and Schedule overruns through early recognition of potential issues. This is accomplished by establishing agency Cost and Schedule Thresholds that provide a mechanism for the agency to review the project before involvement from the EPMO or Office of State Budget and Management (OSBM).

**Note:** *This procedure does NOT apply to projects in the Business Concept phase.*

* 1. **Change Requests for Schedule During the Project Phases**
		1. The Project Manager (PM) will initiate and complete the [0300-0360-005-D PROJECT CHANGE REQUEST FORM](https://it.nc.gov/media/1121/open) as described in this procedure if the status of the project exceeds their agency thresholds. These thresholds are determined by the agency.
		2. Upon completion of the Project Change Request Form, the PM will obtain agency approval.
		3. The Project Management Advisor (PMA) and PM will follow **0700-0700-005-B PREVENTIVE ACTION PROCESS** to mitigate reoccurrence of this problem.
		4. The PM will file the Project Change Request Form used to obtain Agency Approval in a Change Request folder in the Project Decision Point (DP) Library in the Touchdown System.
		5. If the PM has already completed the Agency Change Request (CR) process (above) and the project continues to experience Schedule issues, then the below thresholds apply. In this case, an EPMO Project Change Request is required, and the PMA will create a Project Change Request Decision Point (DP). **Note:** *This includes Schedule issues in all phases of the project even if a project baseline has not been set.*

|  |  |  |
| --- | --- | --- |
| **Project Phase (except Closeout)** | **EPMO Thresholds****(Schedule Increase)** | **Action** |
| Project Phase  | 6 Months | EPMO CR / CR DP |

* + 1. The PMA and PM will follow **0600-0600-005-B CORRECTIVE ACTION PROCESS** to investigate the root cause of this problem.
	1. **Change Requests for Budget Increases**
		1. The PM will initiate and complete the [0300-0360-005-D PROJECT CHANGE REQUEST FORM](https://it.nc.gov/media/1121/open) as described in this procedure if the status of the project budget exceeds their agency thresholds. These thresholds are determined by the agency.
		2. Upon completion of the Project Change Request Form, the PM will obtain agency approval.
		3. The PMA and PM will follow **0700-0700-005-B PREVENTIVE ACTION PROCESS** to mitigate reoccurrence of this problem.
		4. The PM will file the Project Change Request Form used to obtain Agency Approval in a Change Request folder in the Project Decision Point (DP) Library in the Touchdown System.
		5. If the PM has already completed the Agency CR process (above) and the project continues to experience Budget issues (exclusive of internal costs), then the below thresholds apply. In this case, an EPMO Project Change Request is required, and the PMA will create a Project Change Request DP. **Note:** *This includes Budget issues in all phases of the project even if a project baseline has not been set.*

|  |  |  |
| --- | --- | --- |
| **Project Budget** | **EPMO Thresholds****(Budget Increase)** | **Action** |
| < $1,000,000 | $25,000 | EPMO CR / CR DP |
| $1,000,000 - $5,000,000 | 5% of Project Budget | EPMO CR / CR DP |
| > $5,000,000 | $250,000 | EPMO CR / CR DP |

* + 1. The PMA and PM will follow **0600-0600-005-B CORRECTIVE ACTION PROCESS** to investigate the root cause of this problem.
	1. **Change Requests for Scope**
		1. If there is a change in scope that impacts the contract, project schedule or project budget then an EPMO Project Change Request is required, and the PMA will create a Project Change Request DP.
	2. **Creation of the Change Request Decision Point**
		1. The PMA will collaborate with the PM and OSBM to determine when the Project Change Request DP should be created in the project schedule.
		2. The PMA, OSBM, EPMO Director and PM will review [the 0300-0360-005-D PROJECT CHANGE REQUEST FORM](https://it.nc.gov/media/1121/open) once approved by the responsible agency officials.
		3. After review of the Project Change Request, the EPMO Director may require a [0300-0375-005-C PROGRAM/PROJECT REVIEW](https://it.nc.gov/media/1035/open). When a Program/Project Review is required, the PMA will work with the PM to create a Program/Project Review DP in the project schedule.

**Note:** *The Refined Estimate Project Detail Page (PDP) in Touchdown may need to be updated because of a Change Request and is typically updated based on these three conditions;*

* *Approval of a Change Request prior to setting the final baseline.*
* *Approval of a Contract Award that results in a planned budget or schedule change.*
* *Where the initial budget and schedule estimate remains accurate and therefore the refined budget estimate is the same as the initial budget estimate.*
	1. **How to Complete the Change Request Form**
		1. **Project Information** (Section 1.1) - Provide the agency, project name, project manager, project phase. Some agencies may also require the, project id and change request number.
		2. **Change Request Impact** (Section 1.2) - Check the appropriate boxes that describe the impact of the Project Change Request to scope, schedule, or budget. Check all that apply.
		3. **Change Request Description** (Section 2.0) - Provide a high-level description of the proposed change to the project and what is driving the change.
		4. **Scope Impact** (Section 3.1) - Describe the scope impact to the project.
		5. **Schedule Impact** (Section 3.2) - Provide the impact to the schedule for all phases of the project.
		6. **Cost Impact** (Section 3.3) - Describe the cost impact to each of the cost categories. Provide the current budget, change request amount, and revised budget.
		7. **Budgetary Information** (Section 3.4) - Provide budget information for OSBM. Amount funded should be the CR amount (Total Project Cost Impact in Dollars) and the budget information that CR amount will be paid out of.

**Note:***Document the budgetary information for the additional budget requested in the*  [*0300-0360-005-D PROJECT CHANGE REQUEST FORM*](https://it.nc.gov/media/1121/open) *under “Total Project Cost Impact in Dollars”.*

* + 1. **Source of Funds %** (Section 3.5) - Provide the percentage based on funding source.
		2. **Impact if Not Approved** (Section 3.6) - Describe the impact to the project/business if the Project Change Request is not approved.
		3. **Change Request Review and Approval** (Section 4.0) - When the Project Change Request is ready to be routed for formal approval signatures, the Business Owner and agency required signees can either sign the paper form, sign via DocuSign or other electronic signature method or e-mail an electronic approval to the PM. The Director of OSBM must approve or disapprove all budget change requests. The State Chief Information Officer (SCIO) or delegate may approve budget or schedule change requests based on the EPMO Director’s recommendation. If an e-mail was used for the Project Change Request approval, attach a copy of the e-mail to [the 0300-0360-005-D PROJECT CHANGE REQUEST FORM](https://it.nc.gov/media/1121/open). Regardless of which method is used, the formal approval must be captured, recorded and retained in the Project Site Document Library in the Touchdown System.

**NOTE:** *Reviewers listed in* [0300-0360-005-D PROJECT CHANGE REQUEST FORM](https://it.nc.gov/media/1121/open) *are a guide only; each agency has different approval levels. The list can be modified to reflect the appropriate agency level reviewers/approvers.*

* 1. **Project Change Request Not Approved**

The PMA will initiate Corrective Action with the PM per **0600-0600-005-B CORRECTIVE ACTION PROCESS**. The DP start date will be reset to the beginning and the Project Change Request DP will be returned to the PM in accordance with the Service Level Commitment defined in [0810-0810-005-D QUALITY CONTROL DECISION POINTS.](https://it.nc.gov/media/309/open)

* 1. **Project Change Request Approved**

Upon approval, the PM shall update the Touchdown System with the approved Cost and Schedule found in the project schedule and the appropriate budget estimate Project Detail Page (PDP).

* 1. **Lessons Learned**

Ensure any Lessons Learned relating to the Project Change Request are captured and recorded in accordance with [0300-0390-005-C LESSONS LEARNED](https://it.nc.gov/media/1126/open).

* 1. **When to Change the Baseline Estimated Cost and Schedule**

The EPMO will determine if the Change Request approval will result in a re-baseline of the project. If the baseline is reset, then the PMA will only set baseline 0. Baseline 3 remains the same to document the original baseline.

1. **RECORDS**
	1. Unless otherwise specified in this Procedure/QWI, Records shall be maintained in accordance with **0100-0800-010-B FORMS AND RECORDS CONTROL** procedure.
2. **REASON FOR CHANGE**
	1. Corrected errors in section 3.0 REFERENCE DOCUMENTS and section 4.0 ASSOCIATED FORMS.
	2. Change EPMO Manager to EPMO Director.
	3. Added two new project information fields (Project id and Change Request Number).
	4. Updated that Budget and Schedule issues need to be reviewed during all phases of the project even if the baseline has not been set.
	5. Clarified baseline information.
	6. Clarified budgetary information.