

NextGen PAL Overview

NextGen PAL is a proposed update to the California Department of Technology (CDT)'s Project Approval Lifecycle (PAL) process that oversees information technology (IT) projects at the State of California. NextGen PAL revises the current PAL process by proposing:

1. Low-overhead "discovery" and "prototype" phases;
2. A smaller process ("PAL Lite") for smaller projects; and
3. Caps on the overall size of all projects.

This document gives an overview of the new, proposed NextGen PAL process, and illustrates how it differs from the existing process.

In order to make the State of California's Project Approval Lifecycle (PAL) process more effective, we propose 4 key changes to the existing PAL process:

1. **Creating a new "PAL Lite" process lane:** We propose creating two lanes for PAL projects: one for smaller projects (as is described in the third bullet), and one for other projects. Smaller projects will go through the new PAL Lite process lane and will be subject to less oversight.
2. **Splitting Stage 1 into a new Stage 1a and 1b:** We propose splitting Stage 1 of the current PAL process, which focuses on business analysis, into two separate stages: Stage 1a and 1b. This split will encourage more planning and discovery at the start of each project and also allow CDT to add a proof of concept as an explicit stage gate.

Stage 1a: Focus on discovery and planning.

During Stage 1a, product teams should:

- **Conduct user research** to identify who the consumers of their projects' end product will be;
- **Conduct business case research** to identify actionable use cases of their products. This will force project teams to demonstrate that their proposed products will provide the desired value; and
- **Define and outline a Proof of Concept (POC).** The POC exercise will allow project teams to collect and validate critical information about building their products in future stages.

Stage 1b: Focus on proof of concept (POC).

During stage 1b, teams should build the prototypes identified in Stage 1a to showcase the viability of their projects. These proofs of concept should be tested with real users and will enable project teams to test and validate their assumptions. Building early minimum viable products can also help teams identify additional complexities that need to be resolved for successful project delivery. The POC stage should have no grading scorecard, as it should encourage teams to experiment with product solutions.

3. **Tailoring PAL processes** using a new sizing criteria: We propose that CDT tailor its PAL process based on various criteria. Specifically, CDT should tailor PAL processes to:
 - **Project size**, which would be determined by the costs of labor cost and technology. Projects that are projected to cost less than \$5 million should qualify for the PAL Lite stage, while projects that are projected to cost between \$5 and \$20 million should go through the regular PAL stages;
 - **Estimated life cycle of the project**. Projects estimated to be delivered in less than 1 year should qualify for PAL Lite lane, while projects estimated to be delivered between 1 and 4 years should go through the regular PAL process.
 - **Cost estimate**. Projects that cost more than \$20 million, or are slated to be delivered in more than 4 years, should be split up into smaller projects that can follow steps 1-4 above.
4. **Creating a PAL Lite process for stages 2, 3, and 4:** We also ultimately propose that CDT creates expedited PAL Lite processes for stages 2, 3, and 4 of the PAL process. Though our team does not currently have a proposed approach for amending these stages, we encourage CDT to look into this opportunity.

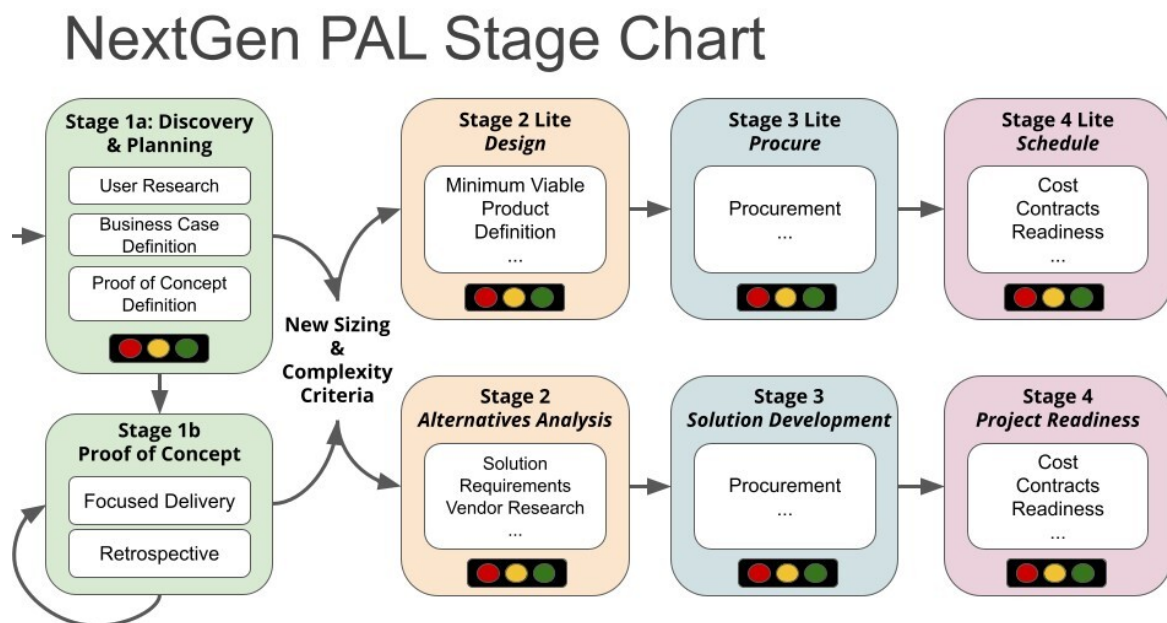


Figure 1: New PAL process proposal

¹ In software development, a “Minimum Viable Product,” or MVP, is a test product that has just enough features for users to provide feedback for future iterations.