
State of California
Department of Technology

Feasibility Study Report
Reporting Exemption Request

Preparation Instructions
Statewide Information Management Manual – Section 40
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Table of Contents

Overview	3
Information Technology Reporting Requirements	3
Information Technology Proposal Submittal Requirements	5
1.0 Executive Project Approval Transmittal	6
2.0 FSR-RER Form.....	6
3.0 Additional Justification.....	8

INTRODUCTION TO THE FEASIBILITY STUDY REPORT REPORTING EXEMPTION REQUEST

Overview

These instructions describe how an Agency/state entity may request an exemption from reporting the results of a Feasibility Study Report (FSR) to the California Department of Technology (Department of Technology). The requirements for Feasibility Study Report Reporting Exemption Requests (FSR-RERs), including the circumstances in which FSRs must be approved by the Department of Technology, are described in policy contained in State Administrative Manual (SAM) Sections 4819.37 and 4819.38.

A prerequisite to submitting an FSR-RER is that the proposal must have an approved Stage 1 Business Analysis. Agencies/state entities must provide sufficient information in the FSR-RER and any necessary supporting documentation for the Department of Technology to evaluate the business and fiscal factors associated with the proposal. The documentation provided must enable the Department of Technology to understand and concur with the relative need for, cost of, and benefits to be derived from the proposed IT investment. Specifically, the information must establish that the Agency/state entity has a business case for, and will receive meaningful business value from the proposed IT expenditure as defined below.

In an environment of competing needs, a business case is a compelling justification for the expenditure of public resources on IT to address a Agency/state entity's business needs. The business case is centered on (1) business problems that substantially and adversely impact operations and/or the delivery of services, (2) business opportunities that may substantially improve operations and/or the delivery of services, (3) revenue generation, or (4) a legislative mandate.

Business value promotes substantial and sustainable increases in:

- *Operational efficiency* (ability to produce desired effect with minimum expenditure of time, effort, personnel, or money as manifested in cost savings and/or cost avoidances);
- *Service effectiveness* (type, quantity, or quality of services delivered in response to, and aligned with, statutory and policy requirements).

Information Technology Reporting Requirements

Generally, the Department of Technology does not delegate authority to state entities for projects that meet the following criteria:

- A budget action is required to fund all or part of the IT expenditure.
- The total development cost is above the cost threshold established by the Department of Technology.
- The new system development or acquisition is specifically required by legislative mandate or is subject to specific legislative review, as specified in Budget Act control language or other legislation.
- A significant change in State policy draws into question the assumptions underlying the project.
- Any conditions occur that require reporting to the Department of Technology, as

previously imposed by the Department of Technology.

However, Agencies/state entities may request an exemption from the reporting requirement using the instructions in this document. Each Agency/state entity's request for exemption will be evaluated on a case-by-case basis. Exempting a Agency/state entity from reporting to the Department of Technology does not eliminate the requirement from preparing an FSR.

If delegated, the following individuals must approve the FSR in lieu of the Department of Technology's approvals:

- State Entity's Information Security Officer (ISO),
- State Entity's Enterprise Architect (EA),
- State Entity's Chief Information Officer (CIO),
- State Entity's Budget Officer,
- State Entity's Director or designee (other than the CIO or Budget Officer),
- Agency Information Officer (AIO), and
- Agency Secretary, if the state entity reports to an Agency Secretary

The Agency/state entity is responsible for maintaining documentation supporting the Agency/state entity's decisions relative to the project initiative. Documentation in support of internally approved project initiatives should be commensurate with the nature, scope, complexity, risk, and expected cost of the project initiative.

Each request for reporting exemption must be documented using the FSR-RER as defined in these instructions. Each Agency/state entity must transmit its FSR-RER to the Department of Technology, after its governing's Agency approval.

The Department of Technology will review each request placing emphasis on the following elements of the project initiative:

- 1) The current business process which is the subject of this project initiative.
- 2) The problem or opportunity prompting this request.
- 3) The business objectives which will solve the problem or realize the opportunity.
- 4) The probable benefits including the programmatic benefits to be achieved by meeting the objectives (tangible and intangible), revenue generation, savings, and cost avoidances.
- 5) The current operations and maintenance cost of any existing system or program that this project initiative will be replacing or modifying to support programmatic functions.
- 6) The probable total proposed cost for development (one-time costs) and what these costs represent (i.e., personnel, hardware, software, interagency agreements, contracts, etc.).
- 7) The estimated time required to complete the development/implementation effort in days, months, or years.
- 8) The estimated annual cost of operations/maintenance as defined in the Economic Analysis Workbook Package Instructions.
- 9) Each funding source and the amount of funds anticipated to be allocated for this activity.

If the reporting exemption is not granted, the Agency/state entity must submit the FSR to the Department of Technology for approval prior to initiating the project.

Each Agency/state entity must formally submit an electronic copy of its FSR-RER to the Department of Technology per the instructions in SIMM 05A.

Information Technology Proposal Submittal Requirements

All IT proposals for which a reporting exemption is requested must be submitted using the “Information Technology Project Request, Feasibility Study Report, Reporting Exemption Request, Executive Approval Transmittal” form as detailed in the following instructions.

FSR-RER PREPARATION INSTRUCTIONS

1.0 Executive Project Approval Transmittal

A formal signature page must accompany each FSR-RER submitted to the Department of Technology identifying specific information relating to the project initiative and containing the signatures of the approving Agency/state entity executives. Following are the components of the Transmittal.

1. **State Entity Name:** Enter the name of the Agency/state entity that prepared the FSR-RER and is responsible for the initiative. If an FSR-RER represents an initiative in which multiple Agencies/state entities will have a role, one Agency/state entity should be designated as the owner.
2. **Project Title:** Enter the official name of the project as determined by the Agency/state entity.
3. **Department of Technology Project Number:** Enter the project number from the approved Stage 1 Business Analysis.
4. **Project Acronym:** Enter the official abbreviation for the proposal that will be used as a common reference to the project. Projects are often more commonly known by their acronym, e.g., the Statewide Automated Welfare System (SAWS).
5. **Approval Signatures:** The signatures of executives within the Agency/state entity are required, documenting commitment and appropriate involvement at the Agency/state entity level. The required signatures include those of the:
 - State Entity's Information Security Officer (ISO),
 - State Entity's Enterprise Architect (EA),
 - State Entity's Chief Information Officer (CIO),
 - State Entity's Budget Officer,
 - State Entity's Director or designee (other than the CIO or Budget Officer),
 - Agency Information Officer, and
 - Agency Secretary, if the state entity reports to an Agency Secretary.

2.0 FSR-RER Form

1. **Submittal Date:** The date the FSR-RER is submitted to the Department of Technology.
2. **Submitting Agency/State Entity:** Enter the name of the Agency/state entity that prepared the FSR-RER and is responsible for the proposal described in the FSR-RER. If an FSR-RER represents an initiative in which multiple Agencies/state entities will have a role, one Agency/state entity should be designated as the owner.
3. **Reporting Agency:** Enter the name of the Reporting Agency for the state entity, if any.
4. **Project Title:** Enter the official name of the proposal as documented in the approved Stage 1 Business Analysis.
5. **Department of Technology Project Number:** Enter the project number assigned by the Department of Technology from the approved Stage 1 Business Analysis.
6. **Check all reporting criteria that apply:**
 - a. Estimated total development and acquisition costs exceed the Department of

- Technology established Agency/state entity's delegated cost threshold.
 - b. System development or acquisition required by legislative mandate/special legislative review.
 - c. Project involves a budget action.
 - d. Project meets a condition previously imposed by the Department of Technology.
7. **Contact Information:** Supply the name, phone number, and e-mail address of the primary contact for the proposal.
 8. **Attach a copy of the Approved Stage 1 Business Analysis (S1BA) to the back of the FSR-RER.** In the following areas, copy information directly from the approved Stage 1 Business Analysis and identify any changes from the Stage 1 Business Analysis, if any, utilizing strikethroughs to identify deleted text and underline to identify new text. Otherwise, indicate if there are no changes from the approved version:
 - a. Program Background and Context.
 - b. Business Problem or Opportunity Description.
 - c. Business Problem or Opportunity and Objectives Table.
 - d. Strategic Business Alignment.
 9. **General Description of the Planned Project:** Provide a brief statement summarizing the initiative. This item should consist of a concise, non-technical, management-oriented description of the planned project.
 10. **What is the date of your current Technical Recovery Plan (TRP)?** Enter the date the TRP was last approved by the California Office of Information Security.
 11. **What is the date of your current Agency Information Management Strategy (AIMS)?** Enter the date the AIMS was last approved.
 12. **For the proposed project, provide the page reference in your current AIMS and/or strategic business plan.** Indicate whether the proposed project is identified in the Agency/state entity's AIMS and/or strategic business plan, and enter the corresponding page number into the corresponding location in the FSR-RER Transmittal form.
 13. **Estimated Cost:** Summarize IT project costs for total one-time development, implementation costs, and annual continuing (maintenance and operations) costs as defined in the Economic Analysis Workbook Package Instructions.
 14. **Planned Funding Source(s):** Indicate the anticipated source of funding for the proposed project. If the proposed project is to be funded from multiple sources, quantify the dollar amount from each source. Examples include the State General Fund, interagency reimbursements, Federal funds, special funds, grant funds, and contracts. Indicate "yes" or "no" if the funding source is from redirection or augmentation. For Augmentation, enter FYs, as appropriate.
 15. **Estimated Cost Savings¹:** Indicate the dollar amount of cost savings to be realized.
 16. **Estimated Cost Avoidances²:** Indicate the dollar amount of cost avoidances to be realized.
 17. **Estimated Project Start Date:** Enter the project's estimated start date.
 18. **Estimated Project End Date:** Enter the project's estimated completion date.

¹ Cost Savings is defined as "Both actual budget reductions and the 'freeing up' of staff or other resources for reassignment to other areas of legitimate concern of the agency." (SAM Section 6602).

² Cost Avoidance is defined as "Benefits that occur when future program needs are met at less cost than would otherwise have been required. Such program needs can include new program services, increased program service levels, or replacement of current systems."

3.0 Additional Justification

Additional pages may be attached as needed to describe the proposal and to justify why an exemption to reporting to the Department of Technology should be considered.