

POLICY RECOMMENDATION: ECONOMIC AND SUSTAINABLE SOLUTIONS IN PROJECT CONCEPTS AND PROPOSALS

Authored by:
California Information Technology
Managers Academy, Class XVI



"California IT – A Commitment to Green"

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IMPORTANT NOTICE:

This document is a draft policy recommendation from ITMA XVI to the Office of the Chief Information Officer (OCIO). If accepted, this policy recommendation will follow normal channels for review and adoption.

IT POLICY LETTER	NUMBER: ITPL 09-XX
	DATE ISSUED: XXX XX, 2009
SUBJECT: ECONOMIC AND SUSTAINABLE SOLUTIONS IN PROJECT CONCEPTS AND PROPOSALS	EXPIRES: Until Rescinded
REFERENCES: Government Code 11545, State Chief Information Officer's IT Strategic Plan, State Administrative Manual §§4904, 4927-28, 4945 and State Information Management Manual §§ XX	ISSUING AGENCY: OFFICE OF THE STATE CHIEF INFORMATION OFFICER

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PURPOSE	<p>To further the Legislative intent of the Global Warming Solutions Act (AB 32) and Government Code 11545(b)(3) and Government Code 11545(b)(4), and to align the project concept and proposal processes with Goal 1d of the Office of the State Chief Information Officer's IT Strategic Plan, the purpose of this Policy Letter is to reduce energy consumption by state agencies thereby reducing greenhouse gas emissions and minimize overlap, redundancy, and cost in state operations by promoting the efficient and effective use of Information Technology (IT) and to reduce paper usage, .</p> <p>Specifically, this letter:</p> <ul style="list-style-type: none">• Establishes a policy that requires all project concepts and feasibility study reports to include an Economic and Sustainable Addendum when submitting Project Concepts, Feasibility Study Reports, and Special Project Reports to the Office of the State Chief Information Officer.• Outlines procedures for submittal of the Economic and Sustainable Addendum.
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POLICY	<p>Effective immediately, agencies will submit an Economic and Sustainable Addendum with all Project Concepts, Feasibility Study Reports, and Special Project Reports.</p> <p>The paragraph in the State Administrative Manual section 4927-28 that provides minimum documentation requirements for project proposals will be amended to add a requirement to provide include the Economic and Sustainable Addendum. The State Information Management Manual</p>
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(SIMM) Sections XX will be added to reflect the procedures for compliance of said mandate and the State Administrative Manual sections 4904, 4927-28 and 4945 will be updated to include this requirement.

APPLICABILITY

This policy applies to all Information Technology projects and concepts reported in the IT Capital Plan including those projects going through the exemption request process and those projects that are delegated to the agency.

EXEMPTIONS

None

PROCEDURES

Effective immediately agencies will:

1. Agencies will submit a completed “Economic and Sustainable Addendum” form available in Section XX of the Statewide Information Management Manual (SIMM) located at: http://www/cio.ca.gov/Government/IT_Policy/SIMM.html
 2. Economic and Sustainable Addendum Forms are required to be submitted as part of the package for Project Concepts, Feasibility Study Reports, and Special Project Reports to the Office of the State Chief Information Officer.
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DEFINITIONS

For this policy, the following definitions apply:

- “Agency” or “agency” refers to any Agency, department, board, commission, office or other organization entity that is part of the executive branch.
 - “Economic and sustainable” refers to reducing California IT’s carbon footprint. It means ensuring, with a rapidly dwindling workforce, we have the expertise and flexibility to meet our human capital needs. It means promoting the use of technologies throughout the state to enhance California’s workforce, such as the California Broadband Task Force’s recommendations on the deployment and adoption of Broadband technologies. In essence, it means aligning operations, agenda, and goals to be relevant and applicable in perpetuity; balancing the demands of today with the challenges of the future.
 - “Printer” refers to any networked or stand-alone printer.
 - “Energy efficient” refers to Electronic Product Environmental Assessment Tool (EPEAT) and Energy star models. <http://www.epeat.net>
 - “Duplex printing” refers to a feature of printers and Multi-Function Peripheral (MFPs) and allows the automatic printing on both sides of a sheet of paper.
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- “Desktop Computers” refers to computing devices, generally designed to remain in a fixed location, that can connect by cable, telephone wire, wireless transmission, or via any Internet connection to an agency's IT infrastructure and/or data systems.
 - “Power Management” refers to a feature of some electrical appliances, especially copiers, computers and computer peripherals such as monitors and printers, which turns off the power or switches the system to a low-power state when inactive.
 - “Energy Star” refers to an international standard for energy efficient consumer products; Energy star save energy through special energy-efficient designs which allow them to use less energy to perform regular tasks, and automatically enter a low-power mode when not in use.
 - “Computer Monitor” refers to a Visual display unit, a device that displays images generated by computers.
 - “Laptop” refers to (also known as a notebook) is a personal computer designed for mobile use small enough to sit on one's lap. A laptop includes most of the typical components of a typical desktop computer, including a display, a keyboard, a pointing device, and a battery, into a single small and light unit.

**SAM and SIMM
CHANGES**

SAM Section 4904, 4927-28, 4945 and SIMM Sections XX have been updated to require the addendum on Economic and Sustainable practices as defined by policies propagated by the Office of the State Chief Information Officer, and the Legislature of the State of California and the Governor of the State of California.

CONTACT

Questions concerning this policy should be directed via email to Adrian Farley, Chief Deputy Director, Office of the State Chief Information Officer: adrian.farley@cio.ca.gov.

SIGNATURE

Teri Takai,
Chief Information Officer
State of California

4904 INFORMATION TECHNOLOGY FIVE-YEAR CAPITAL PLAN
(New 09/08)

To forge the necessary integration of the business and IT functions in California state government, state Agencies are required to prepare and submit a Five Year IT Capital Plan (Agency IT Capital Plan) for review by the OCIO and the Department of Finance. These plans will serve to inform the Statewide Five Year IT Capital Plan. The Agency IT Capital Plans will:

- Ensure IT investments drive program efficiency and effectiveness and improve the quality of government services for Californians.
- Facilitate improvements in internal business processes and financial management through IT investments.
- Link IT investments to state and agency priorities and business direction.
- Promote the alignment of IT investments with the Agency's enterprise architecture (Technology, Standards, and Infrastructure).
- Enhance and promote enterprise data sharing through IT investments.
- Facilitate consideration and conceptual approval to pursue selected IT investments.

The scope of the Agency IT Capital Plans will include (see SIMM Section 57):

- All projects or IT investments (including infrastructure changes) that are proposed for initiation during a five year period; and
- The documentation necessary for the OCIO to provide conceptual approval **including the Economic and Sustainable addendum for each concept (see SIMM Section XX)**.¹

The Agency IT Capital Plans must be updated annually or more frequently as needed and do not eliminate the requirement for a detailed business case for conceptually approved IT projects.

The Statewide IT Capital Plan will represent the Administration's plan for strategic IT investments and will be supported by the Governor's Budget, the CIO's Statewide IT Strategic Plan, Budget Change Proposals, and Feasibility Study Reports.

4927 FEASIBILITY STUDY PROCESS
(Revised 5/94)

Each agency must follow a systematic, analytical process for evaluating and documenting the feasibility of information technology projects, as defined in SAM Section 4819.2. This process must include:

1. Developing an understanding of a problem (or opportunity) in terms of its effect on the agency's mission and programs;

¹ Changes and adds in bold.

2. Developing an understanding of the organizational, managerial, and technical environment within which a response to the problem or opportunity will be implemented;
3. Establishing programmatic and administrative objectives against which possible responses will be evaluated;
4. Preparing concise functional requirements of an acceptable response;
5. Identifying and evaluating possible alternative responses with respect to the established objectives;
6. Preparing an economic analysis for each alternative meets the established objectives and functional requirements;
7. Selecting the alternative that is the best response to the problem or opportunity;
8. Preparing a management plan for implementation of the proposed response;
9. Documenting the results of the study in the form of a Feasibility Study Report (FSR), as specified in SAM Section 4928; and

10. An Economic and Sustainable Addendum (see SIMM XX) with the FSR.

4928 FEASIBILITY STUDY REPORT
(Revised 09/08)

The FSR must provide an accurate summary of the results of the feasibility study. As with the study itself, the scope of the FSR must be commensurate with the scope and complexity of the problem or opportunity being addressed. Enough technical detail must be included in the FSR to show the proposed response to the problem or opportunity is workable and realistic. The FSR must provide a basis for understanding and agreement among project management, executive management and program management, as well as satisfy the information requirements of state-level control agencies.

The FSR must be submitted to the OCIO and to the Office of the Legislative Analyst. In addition, the FSR must be submitted to the Department of General Services when the contract total exceeds the agency's delegated purchasing authority threshold. FSRs must be submitted in a format specified by the OCIO and signed by the agency director or his/her designee. The OCIO publishes detailed instructions and guidelines for agencies' use in preparing FSRs. A copy of the instructions, guidelines, and required forms is available in SIMM Section 20. The instructions and guidelines specify the MINIMUM amount of information necessary for the OCIO's approval of the FSR.

The FSR must provide a complete summary of the results of the feasibility study and establish the business case for investment of state resources in a project by setting out the reasons for undertaking the project and analyzing its costs and benefits. Documentation provided by the agency must contain at least the following information:

1. A description of the business problem or opportunity the project is intended to address.
2. The project objectives, i.e., the significant results that must be achieved for an alternative to be an effective response to the problem or opportunity being addressed.

3. A thorough description of the selected alternative, including the hardware, software and personnel that will be used.
4. A discussion and economic analysis of each of the alternatives considered in the feasibility study that meets the established objectives and functional requirements, and the reasons for rejecting the alternatives that were not selected.
5. A complete description of the information technology capabilities and the conditions that must exist in order to satisfy each defined objective.
6. An economic analysis of the life cycle costs and benefits of the project and the costs and benefits of the current method of operation during the life cycle of the project.
7. The source of funding for the project.
8. A detailed project schedule showing key milestones during the project's life, and
9. **An Economic and Sustainable Addendum (see SIMM XX) with the FSR.**

A Project Summary Package (SAM Section 4930) must be prepared and included in the FSR.

The agency must maintain sufficient documentation of each study to ensure that project participants, agency management, and control agency personnel can resolve any questions about the intent, justification, nature, and scope of the project.

4945 SPECIAL PROJECT REPORT—GENERAL REPORTING REQUIREMENTS
(Revised 09/08)

1. Preparation of an SPR is required whenever a project substantially deviates from the costs, benefits or schedules documented in the approved FSR, when a major revision occurs in project requirements or methodology, when criteria listed in SAM Section 4819.37, other than the project's cost exceeding the level the OCIO may have delegated to the agency, arise during the development or implementation of the project, or when a significant change in state policy draws into question the assumptions underlying the project. No encumbrance or expenditure of funds shall be made to implement an alternative course of action until approval has been received from the OCIO or the agency director, as appropriate. SAM Section 4819.36 lists specific conditions that require submission of an SPR to the OCIO.
2. If an SPR for a delegated project must be submitted to the OCIO, the agency must attach to the SPR a copy of the approved Feasibility Study Report and the Transmittal signed by the agency director or his/her designee.
3. The SPRs which must be submitted to the OCIO should be transmitted within 30 days after recognition of a substantial deviation. The SPR must be submitted to the OCIO and the Office of the Legislative Analyst. SPRs must be submitted in a format specified by the OCIO and signed by the agency director or the director's designee. See SIMM Section 30 for SPR Preparation Instructions.
4. **The Economic and Sustainable Addendum should be included with the SPR package. See SIMM XX for preparation of the Addendum.**

XX Economic and Sustainable Addendum

Information Technology Policy Letter (ITPL) 09-XX requires that state agencies submit an Economic and Sustainable Addendum to the Office of the State Chief Information Officer (OCIO) with all project concept, proposal, and Special Project Reports. Please reference ITPL 09-XX for additional information concerning this requirement. ITPL 09-XX is available at:

- **Economic and Sustainable Addendum Form ([link to form](#))**

DRAFT

Economic and Sustainable Addendum

1. How did you ensure strategically sourced contracts for IT hardware include the most stringent energy and environmental requirements? For example – Used required Environmentally Preferable Products using the Department of General Services' Environmentally Preferable Purchasing Manual.

2. What proven green technologies will be incorporated into this project?

3. Will the state data center be involved in this project? Yes_____ No_____
 - a. If yes, how will green energy sources be utilized? If none being utilized, why not?

4. Describe the energy-efficiency of the equipment and technologies being utilized and or purchased for this project? For example, describe compliance to using power management practices, Energy Star and Electronic Products and Acquisition certified hardware and energy-efficient equipment and technologies during the purchase of or the replacement of state agencies' end-of-life personal computers, monitors, and printers and other office equipment, use of duplex capable printers, use of laptops in lieu of desktop computers and server virtualization.