CALIFORNIA DEPARTMENT OF TECHNOLOGY	NUMBER:	DATE ISSUED:
TECHNOLOGY LETTER	TL 13-02	SEPTEMBER 2013
SUBJECT:	REFERENCES:	
PROJECT APPROVAL LIFECYCLE, STAGE 1 BUSINESS ANALYSIS	Government Code Sections 11545, 11546 State Administrative Manual (SAM) Section 4904	
	Statewide Information Management Manual (SIMM) Sections 19, 57, 17A and 05A Technology Letter 12-13	

BACKGROUND

The California Department of Technology (Department of Technology) is restructuring the Information Technology (IT) project approval process to improve the quality, value and likelihood of success for technology projects being undertaken by the State of California. As documented in SIMM Section 19, California adopted a new Project Approval Lifecycle which introduces a Stage/Gate Model specifically tailored for IT projects. This is intended to ensure projects are undertaken with clear business objectives, accurate costs and realistic schedules.

The Project Approval Lifecycle is designed to:

- Improve efficiencies through performing systematic and strategic analysis without compromising due diligence in carrying out California's IT policies and processes.
- Ensure each step and work product in the life cycle is operationally reusable in subsequent steps.
- Ensure decision points request only the necessary and appropriate level of detail of information needed to make a sound decision, estimate, or product for that particular stage.
- Ensure that a "no" or a "go back and re-think" decision is communicated sooner if the level of detail provided is inadequate.
- Ultimately result in more successful projects.

The Stage/Gate Model divides the Project Approval Lifecycle into stages, separated by gates. Each stage consists of a set of prescribed, cross-functional, and parallel activities to develop deliverables used as the inputs for the next gate. The gates provide a series of "go/no go" decision points that request only the necessary and known information needed to make sound decisions for that particular point in time. As additional information is collected and refined through the lifecycle, cost estimates, schedules and business objectives will be progressively evaluated to determine if the project is still practical and if the investment should continue.

SIMM Section 19A contains the Stage 1 Business Analysis, which is the first stage of the Project Approval Lifecycle process. The Stage 1 Business Analysis provides a basis for project management, program management, executive management, and state-level control agencies to understand and agree on business problems or opportunities, and the objectives to address them. Stage 1 Business Analysis is being released independently and ahead of the other stages to focus on building a strong business case. Additional Stages/Gates will be subsequently released to address the remaining aspects of the Project Approval Lifecycle including alternatives analysis, procurement and solution analysis.

The Stage 1 Business Analysis replaces the former IT Concept Statement and will be used to generate the annual Statewide IT Capital Plan (refer to SIMM 57), which represents the Executive Branch's plan

for IT investments in support of the California IT Strategic Plan.

Agencies/state entities¹ are required to submit a Stage 1 Business Analysis for all proposals prior to conducting a feasibility study, regardless of their delegated project cost thresholds, as part of the annual IT Capital Plan Process.

PURPOSE

The purpose of this Technology Letter (TL) is to announce:

- SIMM Section 19 which introduces the new Project Approval Lifecycle.
- SIMM Section 19A which includes instructions for the preparation and submission of the Stage 1 Business Analysis.
- That the Stage 1 Business Analysis replaces the IT Concept Statement.
- The removal of the IT Concept Statement from SIMM Section 17A, CA-PMM Reference Manual.
- The elimination of SIMM Section 17B, the CA-PMM Concept Statement Toolkit for IT Project Proposals.

The link to SIMM sections is as follows: http://www.cio.ca.gov/Government/IT Policy/SIMM.html.

Stage 1 Business Analysis submissions to the Department of Technology need to be completed per the instructions in SIMM Section 19A, or they will be returned. Submission deadlines are listed in SIMM Section 05A.

QUESTIONSQuestions should be directed to your Department of Technology Information Technology Project Oversight and Consulting (ITPOC) Manager; assignments can be found at: http://www.cio.ca.gov/Contact_Us/staff_assignments.html

SIGNATURE

/s/

Carlos Ramos, Director

California Department of Technology

¹ **State entity:** Includes every state office, officer, department, division, bureau, board, and commission, including Constitutional Officers. "State entity" does not include the University of California, California State University, the State Compensation Insurance Fund, the Legislature, or the Legislative Data Center in the Legislative Counsel Bureau.