

CALIFORNIA TECHNOLOGY AGENCY <h1>TECHNOLOGY LETTER</h1>	NUMBER: TL 12-17	DATE ISSUED: DECEMBER 17, 2012
SUBJECT: UPDATE TO FEASIBILITY STUDY REPORT (FSR) PROCUREMENT PLANNING Clarifications to the Process to Submit IT Procurement Strategy in FSR	REFERENCES: SAM Section 4819.31, 4819.35 SIMM Section 05A, 20 Technology Letter (TL) 12-1	

BACKGROUND

The State of California utilizes the Feasibility Study Report (FSR) as the mechanism to approve information technology projects. The FSR establishes the business case for investing state resources in a proposed project and provides an analysis of its costs and benefits. The California Technology Agency (Technology Agency) has established the FSR format and preparation instructions in Section 20 of the Statewide Information Management Manual (SIMM).

Technology Letter (TL) 12-1 announced improvements to the FSR format and instructions. Changes in TL 12-1 included the elimination of the Information Technology Procurement Plan (ITPP), which was a tool to guide departments to the best procurement vehicle and type of contract for the proposed project. In 2012, the Technology Agency and the Department of General Services (DGS) agreed to eliminate the ITPP for reportable and non-reportable projects and replaced the ITPP with the procurement planning information already included in the FSR. In November of 2012, the DGS released changes to the State Contracting Manual (SCM) Volume 3.

PURPOSE

The purpose of this TL is to:

- Announce changes to the State Administrative Manual (SAM) and SIMM to accord with changes to SCM Volume 3 released in November of 2012 and clarify the process to submit IT procurement information to DGS.
- Supersede the portions of TL 12-1 relating to the ITPP with the provisions described in this TL.

This TL is part of the Technology Agency's continuing review of the State's IT project lifecycle processes to ensure they meet their intended purpose in the most efficient manner.

PROCESS

Effective with the release of this TL, state entities¹ are required to use the following process:

For the DGS to evaluate and approve the proposed IT procurement strategy, state entities will be required, as applicable to the DGS Procurement Division (DGS-PD) requirements, to submit a copy of the FSR, sections 1 - 5, to the DGS-PD electronically to TABFSRs@dgs.ca.gov. The DGS-PD FSR requirements are located in the State Contracting Manual (SCM), Volume 3, Chapter 2, Section C, Topic 4.

¹ "State entity" refers to any office, department, board, bureau, commission, or other organizational entity in state government, including Agencies such as the Environmental Protection Agency or the Health and Human Services Agency.

STATE ADMINISTRATIVE MANUAL EXCERPTS

[Note: Text to be deleted is shown in strikethrough; text to be added is underlined.]

SAM - Chapter 4800

4819.31 BASIC POLICY

(Revised ~~06/11~~ 12/12)

Each state agency is required to:

1. Establish and maintain a Disaster Recovery Plan, so that it will be able to protect its information assets in the event of a disaster or serious disruption to its operations, and submit the plan or its update to the Office of Information Security (OIS) as outlined in the Disaster Recovery Plan Quarterly Reporting Schedule (SIMM Section 05). See SAM Sections 5350-5355.
2. Establish an ongoing information management strategic planning process to support the accomplishment of its overall business strategy (i.e., its strategy to carry out its programmatic mission) and submit its strategic plan to the Technology Agency for approval. See SAM Section 4900.2.
3. Adopt standards for an agency information technology infrastructure consistent with SAM Section 4900.1.
4. Prepare annually an IT Capital Plan for long-term planning of the State's strategic IT investments. See SAM Section 4904.
5. Use the California Project Management Methodology (CA-PMM) as described in SAM Section 4910 for managing all IT projects.
6. Implement their Enterprise Architecture in accordance with the guidelines and instructions included in SIMM Section 58.
7. Conduct a feasibility study in order to establish the business case for each proposed information technology project (development or acquisition) and obtain approval of the FSR from the Technology Agency and Department of General Services Procurement Division (DGS-PD), if applicable or, if approval authority has been delegated to the agency director, from the agency director before expending any resources on the project. See SAM Sections 4819.34-4819.35 and the State Contracting Manual (SCM), Volume 3, Chapter 2, Section C, Topic 4.
8. Submit all Formal IT Solicitations, (as defined in the ~~State Contracting Manual (SCM)~~, Volume 3, Chapter 4, ~~Section B1.0~~) to the Technology Agency for review prior to release to the public and submit all IT RFPs (including all informal IT RFPs) to the DGS-PD for review prior to release to the public. Final approval of all non-delegated solicitation documents resides with DGS-PD. Review of Informal IT Solicitations is delegated to departments (except for informal RFPs to DGS-PD as noted above). However if the solicitation exceeds a department's delegated purchasing authority issued by DGS-PD, it must be submitted to DGS-PD for processing. The following materials shall be included with the Formal IT Solicitation package:
 - a. A completed and signed *Formal Information Technology Solicitation Executive Approval Transmittal*, which is available in SIMM Section 28A.
 - b. All sections, appendices, attachments and exhibits comprising the Formal IT Solicitation.

- ~~c. The Information Technology Procurement Plan prepared in accordance with Volume 3, Chapter 2, Section B3 of the SCM and approved by the DGS or, for Formal IT Solicitations delegated by the DGS in accordance with SAM Section 5200.5, approved by the department.~~

Review of Formal IT Solicitations is in addition to existing IT-related reporting and approval requirements. The instructions and time frame for submitting Formal IT Solicitations to the Technology Agency for review is specified in SIMM Section 05A.

For addenda focusing on Technical or Functional Requirements within the solicitation that are specific to the California IT Strategic Plan, alignment with the Statewide Enterprise Architecture, or alignment with IT reporting and approval requirements, the Technology Agency will collaborate with the DGS-PD Procurement Division (PD), for DGS-Administered Procurements, and with the issuing department, for delegated procurements, prior to release. All other addenda will only be reviewed by the DGS-PD or the issuing department, as appropriate. The time frame for submitting addenda is in the SCM, Volume 3 at the following link:
<http://www.dgs.ca.gov/pd/Resources/publications/SCM3.aspx>.

~~will be determined in collaboration with the Technology Agency and the DGS PD or with the issuing department as appropriate.~~

Departments shall not be relieved of responsibility for major scope deviations within the Formal IT Solicitations or addenda reviewed by the Technology Agency unless:

- a. The department has specifically informed the Technology Agency-Program Management Office (PMO) in writing of such major scope deviations at the time of submittal; and
 - b. The Technology Agency-OTech has given written approval of the specific deviation.
9. Manage information technology projects following the ~~established IT Project Oversight Framework (SIMM Section 45)~~ minimum requirements established in the California Project Management Methodology (SIMM 17), to ensure that projects are completed on-time, within budget, and that they accomplish the objectives defined in their FSRs. See SAM Section 4800.
 10. Protect the integrity of its information management capabilities and databases and ensure the security and confidentiality of information it maintains.
 11. Establish an ~~ongoing~~ acquisition planning process for the FSR, sections 1 – 5, to develop IT Procurement Plans (ITPP) for IT project acquisition of IT goods and services as determined by the DGS-PD, Department of General Services.
 12. Agencies shall implement power management practices on all desktop and laptop computing devices, thin client devices, printers, copiers, scanners, and monitors. During hours of normal operation, devices which are not in use for 30 minutes shall automatically go into an energy-saving mode. Devices shall be shut down at the end of the normal business day.

~~In addition, agencies shall fully implement power management software for desktop and laptop devices by December 31, 2010, or six months after the 2010-11 Budget has been enacted, whichever is later. Agencies shall also implement standby and shutdown practices for all devices within the scope of this policy beginning December 31, 2010.~~

Exemptions must be approved in writing by the Agency Chief Information Officer (Agency CIO) or the department's Chief Information Officer (CIO). Exemptions are limited to:

- Devices which remain in active mode to meet State operational needs. An example of a valid exemption would be a desktop computer and monitor utilized to manage batch programs 24 hours per day, seven days per week.

- Facilities with electrical service bundled-in with facility lease contracts where state entities would not likely receive offsetting benefits from acquired power management software. In this instance, compliance can be achieved through the use of standard operating systems functionality (e.g., Windows).

If an agency fails to meet these requirements, the agency will be required to obtain Technology Agency approval before expending any resources on information technology projects.

The project approval process is described in SAM Section 4819.354.

4819.35 FEASIBILITY STUDY REPORT

(Revised 03/11-~~XX~~/12)

1. The mechanism for approving information technology projects is the Feasibility Study Report (FSR). The FSR establishes the business case for investment of state resources in the project by setting out the reasons for undertaking the project and analyzing its costs and benefits.
2. An FSR, prepared in accordance with SAM Section 4928, must be approved for every information technology project prior to the encumbrance or expenditure of funds on the project, including the use of staff resources, beyond the feasibility study stage. The only exception to this requirement is that the feasibility studies for projects whose costs fall below a specified level may be documented by means of a Project Summary Package (see SAM Section 4930 and SIMM Section 20). Agencies are required to follow the SIMM Section 20 instructions for preparing and submitting the FSR.
3. If, during project development or implementation, the agency finds that program requirements cannot be adequately satisfied by the course of action described in the approved FSR and that an alternative course of action is more appropriate, a Special Project Report (SPR) (SAM Sections 4945-4945.2 and SIMM Section 30) shall be prepared. No encumbrance or expenditure of funds, including the use of staff resources, shall be made to implement such change or alternative course of action until approval has been received from the Technology Agency, or from the agency director if the Technology Agency has delegated approval of the project to the director and the project remains within the limitations of the agency's delegated authority. SPRs that must be submitted to the Technology Agency must be transmitted within 30 days after recognition of the situation that necessitates preparation of the SPR. Agencies are required to follow the SIMM Section 30 instructions for preparing and submitting the SPR.
4. Projects subject to approval by the Technology Agency (non-delegated projects) require submission of an FSR to the Technology Agency and to the Office of the Legislative Analyst. See SIMM Section 20. In addition, the FSR must be submitted to the Department of General Services, Procurement Division (DGS-PD) when required by DGS-PD as stated in the State Contracting Manual Volume 3, Chapter 2, Section C, Topic 4. ~~when the contract total exceeds the agency's delegated purchasing authority. See SIMM Section 20.~~
5. The DGS is responsible for ~~policies and~~ IT procurement processes for IT procurement. The DGS-PD will review the procurement planning information in the FSR, as applicable, to evaluate and approve the proposed IT procurement strategy. For the DGS to evaluate and approve the proposed IT procurement strategy, agencies will be required, as applicable to the DGS-PD, to submit a copy of the FSR, sections 1 - 5, to the DGS-PD electronically to TABFSRs@dgs.ca.gov. The DGS-PD FSR requirements are located in the SCM, Volume 3, Chapter 2, Section C, Topic 4. ~~For projects reportable to the Technology Agency state agencies must include the proposed IT procurement strategy. Prior to submission of the FSR for the Technology Agency's review, state agencies must consult with DGS Procurement Division to ensure project alignment with current procurement guidelines on all IT procurement exceeding \$500,000 or for all IT procurements if the agency does not hold a DGS Procurement Division IT procurement delegation.~~
6. Projects whose approval has been delegated to the agency director normally require an FSR prepared in accordance with SAM Section 4928 and approval of the FSR by the agency director (SAM Sections 4921 and 4926). A copy of the report, including the Project Summary Package, and a signed document indicating approval by the agency director must be on file in the agency.

7. The Technology Agency ~~must~~ may decide to review specifications in procurement documents before they are advertised to ensure that the specifications are consistent with the functional specifications and system design in the FSR or SPR for the projects. See SAM Section 5211.1.

STATEWIDE INFORMATION MANAGEMENT MANUAL (SIMM) EXCERPTS

SIMM 05A: SUMMARY OF REQUIRED INFORMATION TECHNOLOGY REPORTS AND ACTIVITIES
Revised December 2012

Report/Activity	Source	Instructions to Departments	Send to	Due Dates
Project-related Documents				
Feasibility Study Report (FSR), Special Project Report (SPR), FSR-Reporting Exemption Request (FSR-RER)	SAM Sections 4819 and 4920-4945 ITPL10-07	<p>Send an electronic copy to the Technology Agency PMO (FSRs, SPRs, and FSR-RERs).</p> <p>Send one hard copy to the Legislative Analyst's Office (LAO) (FSRs and SPRs only).</p> <p>For reportable projects that contain a procurement which exceeds the agency's DGS-delegated purchasing authority, send a copy of the FSR, sections 1-5 to the DGS Procurement Division (DGS-PD), <u>if applicable. The DGS-PD FSR requirements are located in the SCM, Volume 3, Chapter 2, Section C, Topic 4.</u></p> <p>For delegated or non-reportable projects that contain a procurement which exceeds the agency's DGS-delegated purchasing authority, send a copy of sections 1-5 of a <u>Technology Agency non-reportable or delegated FSRs to the DGS-PD, if applicable. The DGS-PD FSR requirements are located in the SCM, Volume 3, Chapter 2, Section C, Topic 4. DGS considers these to be Informal FSRs</u></p>	Technology Agency PMO ¹ LAO, DGS-PD	<p>Second Monday in January each year if related to a budget action for the spring process and no deadlines if not tied to budget action.</p> <p>Third Monday in July each year if related to a budget action for the fall process.</p> <p>FSRs, SPRs, or FSR-RERs that are not related to a budget action can be submitted at any time of the year.</p>

Formal Solicitation Documents and Addenda	ITPL 11-03 SAM Sections 4819.31 and 4819.41 SCM, Volume 3, Chapter 4, Section B1.0	Send an electronic copy to the Technology Agency PMO and DGS-PD (RFP only).	Technology Agency PMO ¹	No later than 45 business days prior to release to the public.
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Budget-related Documents

Budget-related documents are Budget Change Proposals and Spring Finance Letters, which are submitted to the Department of Finance (Finance). Please see Finance's Budget Letters web page for instructions and due dates at http://www.dof.ca.gov/budgeting/budget_letters/.

Addresses to Send Materials

Send Technology Agency documents to:	CIOPMOSubmission@State.ca.gov California Technology Agency Attn: Program Management Office 1325 J Street, Suite 1600 Sacramento, CA 95814
¹ Submit electronically to CIOPMOSubmission@State.ca.gov	
² Submit electronically to EASubmission@state.ca.gov	
Send OIS documents to:	California Technology Agency Attn: Office of Information Security P.O. Box 1810, Mail Stop Y-12 Rancho Cordova, CA 95741-1810
Send LAO documents electronically to:	Lourdes.Morales@lao.ca.gov Mark.Newton@lao.ca.gov
Send DGS documents electronically to:	TABFSRs@dgs.ca.gov

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