CALIFORNIA TECHNOLOGY AGENCY **TECHNOLOGY LETTER**	NUMBER: **TL 12-1**	DATE ISSUED: **JANUARY 24, 2012**
SUBJECT: **FEASIBILITY STUDY REPORT (FSR) IMPROVEMENT QUICK WINS** Improved FSR for Business Case, Development and Procurement Approach, and Project Management Sections	REFERENCES: SAM Section 4819.31, 4819.35 SIMM Section 05A, 20	

BACKGROUND

The state of California utilizes the FSR as the mechanism for approving 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 FSR format and preparation instructions in Section 20 of the Statewide Information Management Manual (SIMM).

The FSR document is complex and detailed. Agencies[1] and departments often find it challenging to properly and efficiently prepare FSRs that fully meet all requirements and achieve their intended results.

PURPOSE AND DESCRIPTION

The purpose of this Technology Letter (TL) is to announce improvements to the FSR format/instructions.

The Technology Agency is currently reviewing the state's IT project lifecycle processes, including FSR preparation, to assure they meet their intended purpose in the most efficient manner. This TL addresses the first of many changes to come. The Technology Agency has simplified three sections of the FSR that address business case, procurement planning, and project management.

Business Case Sections 3.1, 3.2, 3.3:

The Business Case sections have been revised to utilize a question-driven format to better identify needed information. This approach is intended to simplify the articulation of the project's business case and reduce extraneous information.

Development Approach Sections 5.1.4; Procurement Approach Sections 5.1.5:

The Information Technology Procurement Plan (ITPP) is a planning tool to guide departments to the best procurement vehicle and type of contract for the proposed project. Departments are currently required to prepare the ITPP and submit it to the Department of General Services (DGS) for review. However, most of the information in the ITPP is already included in the FSR. In recognition of this duplicative effort, the Technology Agency and DGS have agreed to eliminate the ITPP for reportable and non-reportable projects and utilize the procurement planning information in the FSR.

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[1] When capitalized, the term "Agency" refers to one of the state's super Agencies such as the State and Consumer Services Agency or the Health and Human Services Agency. When used in lower case, the term "agency" refers to any office, department, board, bureau, commission or other organizational entity within state government. Within this TL, "agency" and "department" may be used interchangeably.

- For projects reportable to the Technology Agency that contain a procurement—the cost of which exceeds the agency's DGS-delegated purchasing authority—agencies must send a copy of the FSR to the DGS Procurement Division (DGS-PD) to enable the evaluation of the proposed IT procurement strategy.

- For delegated or non-reportable projects that contain a procurement—the cost of which exceeds the agency's DGS-delegated purchasing authority—agencies must send a copy of sections 1-5 of non-reportable or delegated FSRs to the DGS-PD to enable the evaluation of the proposed IT procurement strategy.

References to the ITPP and DGS requirements for FSR procurement planning information will be revised in SAM at the first opportunity. The revised SAM Sections 4819.31 and 4819.35 are included as Attachment A.

Project Management Sections 6.1, 6.2, 6.4, 6.5.2, 6.5.4, 6.6, 6.7, 6.8, 7.0:

SIMM Section 17 contains the California Project Management Methodology (CA-PMM), which articulates the state's required methodology for managing IT projects. To reduce redundancy, project management methodology information found in SIMM 17 has been removed from the revised FSR format.

PROCESS

The FSR format revisions announced in this TL are effective January 2012 and required for reportable FSRs submitted in July, 2012. The FSR submittal instructions in SIMM Section 05A and the FSR preparation instructions in SIMM Section 20 can be found on the Technology Agency Web site located at: Statewide Information Management Manual.

QUESTIONS

Questions should be directed to your Technology Agency Program Management Office (PMO) Principal or Manager. A listing of PMO Managers and Principals and their departmental assignment can be found on the Technology Agency Web site located at: Technology_Agency_PMO_Assignments.

SIGNATURE

____/s/_____

Carlos Ramos, Secretary
California Technology Agency

STATE ADMINISTRATIVE MANUAL EXCERPT

[Note: Text to be deleted is shown in strikethrough; text to be added is in bold, italic font. Items to be revised are highlighted.]

SAM - Chapter 4800

4819.31   BASIC POLICY

(Revised ~~06/11~~ *1/12*)

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, 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.

8. Complete and sign the Service Contract Information Technology (SCIT) Certification for each proposed non-IT service contract and service contract amendment, including non-competitive bids. Please note that IT goods and services, including contracts associated with a Feasibility Study Report (FSR) or FSR Reporting Exemption Request approved by the Technology Agency, would be procured using one of the IT contracting processes developed expressly for IT. In these cases, completion of the SCIT is not necessary, since IT procurements are already subject to Technology Agency review and oversight requirements. The SCIT Certification is available in SIMM Section 16A, and includes instructions for completing and submitting the SCIT Certification.

9. 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. Review of Informal IT Solicitations is delegated to departments. 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 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 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.

10. Manage information technology projects following the established IT Project Oversight Framework (SIMM Section 45) minimum requirements, to ensure that projects are completed on-time, within budget, and that they accomplish the objectives defined in their FSRs. See SAM Section 4800.

11. Protect the integrity of its information management capabilities and databases and ensure the security and confidentiality of information it maintains.

12. Establish an ~~ongoing~~ acquisition planning process ~~to develop IT Procurement Plans (ITPP)~~ for IT project acquisition of IT goods and services as determined by the Department of General Services.

13. 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 shutdown 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 4819.34.

4819.35   FEASIBILITY STUDY REPORT

(Revised ~~03/11~~ *1/12*)

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 exceptions 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. In addition, the FSR must be submitted to the Department of General Services when the contract total exceeds the agency's delegated purchasing authority. See SIMM Section 20.

5. The DGS is responsible for policies and processes for IT procurement. *The DGS Procurement Division (DGS-PD) will review the procurement planning information in the FSR, as applicable, to evaluate the proposed IT procurement strategy.*

    - For projects reportable to the Technology Agency ~~state agencies must include the proposed IT procurement strategy~~ *that contain a procurement—the cost of which exceeds the agency's DGS-delegated purchasing authority—agencies must send a copy of the FSR to the DGS-PD to enable the evaluation of the proposed IT procurement strategy.*

    - *For delegated or non-reportable projects that contain a procurement—the cost of which exceeds the agency's DGS-delegated purchasing authority—agencies must send a copy of sections 1-5 of non-reportable or delegated FSRs to the DGS-PD to enable the evaluation of 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 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.

SUMMARY OF REQUIRED INFORMATION TECHNOLOGY REPORTS AND ACTIVITIES
Revised December 2011

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	Send an electronic copy to the Technology Agency PMO (FSRs, SPRs, and FSR-RERs). Send one hard copy to the Legislative Analyst's Office (LAO) (FSRs and SPRs only). *For reportable projects that contain a procurement which exceeds the agency's DGS-delegated purchasing authority, send a copy of the FSR to the DGS Procurement Division (DGS-PD).* *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 non-reportable or delegated FSRs to the DGS-PD.*	Technology Agency PMO°, LAO, DGS-PD	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. Third Monday in July each year if related to a budget action for the fall process. FSRs, SPRs, or FSR-RERs that are not related to a budget action can be submitted at any time of the year.
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.	Technology Agency PMO°	No later than 45 business days prior to release to the public.
Independent Project Oversight Report (IPOR)	SAM Section 4819.36 BL 08-06 and ITPL 09-01 ITPL 10-07	Send an electronic copy to the Technology Agency PMO.	Technology Agency PMO°	The tenth working day of the month, as follows: High Criticality/Risk – Monthly Medium Criticality/Risk – Quarterly in January, April, July, and October Low Criticality/Risk – Semi-Annually in January and July, if requested by the Technology Agency

Report/Activity	Source	Instructions to Departments	Send to	Due Dates
Project-related Documents				
Service Contract Information Technology (SCIT) Certification	SAM Sections 4819.31 and 4819.41 ITPL 11-02	Submit in accordance with the instructions in item #7 of the SCIT Certification		
Project Status Report (California Project Management Methodology SIMM Section 17A and 17D.2)	SAM Section 4819.31.5 and 4910 ITPL 10-07	Send an electronic copy of the Executive Status Report, Cost Tracking, and Milestone Tracking templates in Excel to the Technology Agency PMO for all IT projects reportable to the Technology Agency (i.e., for projects with Technology Agency-approved FSRs or equivalent documents).	Technology Agency PMO°	The fifth working day of the month as follows: High Criticality/Risk – Monthly Medium Criticality/Risk – Quarterly in January, April, July, and October Low Criticality/Risk – Semi-Annually in January and July.
Microsoft Project Schedule	ITPL 10-07	Send a copy of the project schedule in MS Project format with the Project Status Report. Note: The Project Schedule for Low Criticality/Risk Projects should not be included with the PSR unless requested by the Technology Agency PMO.	Technology Agency PMO°	See Project Status Report Due Dates.
Post Implementation Evaluation Report (PIER)	SAM Section 4947	Send an electronic copy to the Technology Agency PMO and one hard copy to the LAO.	Technology Agency PMO°, LAO	Within 18 months of project completion.
Organizational/Planning Documents				
Information Technology Capital Plan (ITCP)	SAM Section 4904	Submit electronically to the Technology Agency.	Technology Agency in accordance with the SIMM 57 Secure File Submittal Instructions.	Third Monday in October each year.
Agency Information Management Strategy (AIMS) and Certification	SAM Sections 4900.3 and 4900.5	Departments should collect internally. Retain the AIMS with the department's CIO.		Annually, August. However, submittal to the Technology Agency is suspended until further notice from the Technology Agency.
Information Management Organization	SAM Section 4903.1	Send electronic version of organization charts to the Technology Agency PMO.	Technology Agency PMO°	Annually, June.

Report/Activity	Source	Instructions to Departments	Send to	Due Dates
Organizational/Planning Documents				
Information Management Costs	SAM Section 4903.2	The required submission of the 2012 IT Cost Report (previously due by February 1, 2012) is temporarily postponed. The Technology Agency will collaborate with agencies to design and develop a streamlined IT Cost Report format and report preparation process. After completion of this effort, the Technology Agency will announce the revised 2012 submission date for this report.	Technology Agency PMO°	2012 submission date to be announced.
Software Management Policy Annual Statement of Compliance	SAM Section 4846.2	Retain annual certification along with summary of updated inventories for three years.	Each agency CIO shall retain internally for three years.	Annually, January.
Enterprise Architecture Inventory Package	SAM Section 4819.31.5 and 4906 ITPL 09-03	Submit electronically to the Technology Agency Enterprise Architect.	Technology Agency EA▼	Annually, last Friday in June.
IT Facility/Space Construction Review	ITPL 09-04	Send an electronic copy to the Technology Agency PMO.	Technology Agency PMO°	Prior to initiating: (1) a CRUISE (Customer Requests: Upgraded Information Sharing Environment) request to DGS; or (2) any other site design activities conducted through another design entity.
Data Center Consolidation Survey and Assessment (S&A)	SAM Section 4982.1 ITPL 10-14	Submit electronically to the Technology Agency PMO.	Technology Agency PMO°	Level 1, 10/30/2010 Level 2, 12/31/2010 Level 3, 3/31/2011 Level 4, 3/30/2012 Level 5, 6/28/2013

Security-related Documents

The following security-related documents and schedule for submission are located on the Technology Agency's SIMM Web site at http://www.cio.ca.gov/Government/IT_Policy/SIMM.html.

- Agency Designation Letter (SIMM Section 70A).
- Agency Information Security Incident Notification and Reporting Instructions (SIMM Section 65B).
- Agency Information Security Incident Report (SIMM Section 65C).
- Agency Operational Recovery Plan Certification (SIMM Section 70B).
- Agency Operational Recovery Plan Transmittal Letter (SIMM Section 70D).
- Agency Risk Management and Privacy Program Compliance Certification (SIMM Section 70C).
- Questionnaire for Information Security and Privacy Components in Feasibility Study Reports and Project-Related Documents (SIMM 20D).
- Operational Recovery Documentation for Agencies Preparation Instructions (SIMM Section 65A).
- Security Breach Involving Personal Information: Requirements and Decision-Making Criteria for State Agencies (SIMM Section 65D)
- Social Media Standard (SIMM Section 66B)
- Telework and Remote Access Security Standard (SIMM Section 66A)

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/.

Send Technology Agency documents to:	California Technology Agency Attn: Program Management Office 1325 J Street, Suite 1600 Sacramento, CA 95814
°Submit electronically to **CIOPMOSubmission@State.ca.gov**	
▼Submit electronically to **EASubmission@state.ca.gov**	
Send OIS documents to:	California Technology Agency Attn: Office of Information Security 1325 J Street, Suite 1650 Sacramento, CA 95814
Send LAO documents electronically to:	**Erika.Li@lao.ca.gov**
Send DGS documents to:	***Department of General Services Procurement Division Technology Acquisitions 707 Third Street West Sacramento, CA 95605-2811***