

<p>CALIFORNIA DEPARTMENT OF TECHNOLOGY</p> <h1>TECHNOLOGY LETTER</h1>	<p>NUMBER: <b>TL 16-07</b></p>	<p>DATE ISSUED: <b>AUGUST 2016</b></p>
<p>SUBJECT: <b>PROJECT APPROVAL LIFECYCLE, STAGE 4 PROJECT READINESS AND APPROVAL</b></p>	<p>REFERENCES: Government Code Sections 11545, 11546 State Administrative Manual (SAM) Sections 4927 and 4928 Statewide Information Management Manual (SIMM) Sections 05A, 10, 19, 170 and 180 Technology Letters 15-02 and 16-02 State Contracting Manual, Volume 3</p>	

## BACKGROUND

As part of the reforms to the state's Information Technology (IT) project approval process, the California Department of Technology (CDT) released the Stage 1 Business Analysis and Stage 2 Alternatives Analysis in June 2015 followed by the release of the Stage 3 Solution Development in January 2016. As documented in Statewide Information Management Manual (SIMM) Section 19, the Project Approval Lifecycle (PAL) adopted a Stage/Gate Model to improve the quality, value and likelihood of success for technology projects being undertaken by the State of California. The Stage/Gate Model divides the PAL into four stages, each separated by a gate approved by the CDT. As additional information is collected and refined through the lifecycle, the cost estimates, schedules, and business objectives are progressively updated and evaluated to determine if the project is still practical and if the investment should continue to move forward towards project approval. See Attachment A for a diagram of the Project Approval Lifecycle Framework.

As the fourth and final stage of the PAL, the Stage 4 Project Readiness and Approval provides a basis for how the intended awardee will contribute towards the successful achievement of the project's business objectives and yield the highest probability of success. Stage 4 will also help ensure the Agency/state entity's readiness to execute the project and establish realistic schedule and cost baselines. Previous to the PAL, project baselines were established before a vendor/solution was identified through IT project procurement activities, resulting in projects starting out behind schedule and over budget. The reformed PAL process establishes cost and schedule baselines after procurement activities are completed and a vendor/solution has been selected, providing better budget and schedule estimates and helping ensure projects get started with realistic baselines.

While this release constitutes the final stage of PAL, continuous improvement will remain a core component of the state's new IT project approval process. The CDT will continuously review the process and make frequent enhancements to respond to evolving technology and Agency/state entity feedback.

## PURPOSE

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

- State Administrative Manual (SAM) Sections 4927 and 4928 have been updated to incorporate Stage 4 Project Readiness and Approval.
- New SIMM Section 19D, which includes instructions for the preparation and submission of Stage 4 Project Readiness and Approval, including Gate 4 Collaborative Review Guidelines.

- Revised SIMM Section 19B (Stage 2 Alternative Analysis Preparation Instructions) to include enhancement to the Stage 3 Solution Development Preliminary Assessment Preparation Instructions.
- Revised SIMM Section 19C (Stage 3 Solution Development Preparation Instructions) to include Stage 4 Project Readiness and Approval Preliminary Assessment Preparation Instructions.
- Revised SIMM Section 19C, which includes an updated Stage 3 Template, Preparation Instructions and a new Evaluation Scorecard. Improvements were made as a result of feedback from early adopters and critical partners.
- Revised SIMM Section 19 Frequently Asked Questions to include Stage 4 Project Readiness and Approval question and answers.
- Revised SIMM Section 05A to remove the constraint of the PAL stage exit dates, allowing Agencies/state entities to establish their own dates based on their experience and needs.
- Revised SIMM Section 10 to include Stage 4 Project Readiness and Approval within the process flow.
- New SIMM Section 170 Requirements Guidelines and Instructions which includes step-by-step guidelines for developing requirements, including samples and style guide recommendations.
- New SIMM Section 180 Statement of Work (SOW) Guidelines, which includes general information, recommendations and instructions for completing SOWs for reportable IT projects.

The link to SIMM is as follows: [http://www.cio.ca.gov/Government/IT\\_Policy/SIMM.html](http://www.cio.ca.gov/Government/IT_Policy/SIMM.html).

## QUESTIONS

Questions should be directed to your CDT IT Project Oversight Division Manager; assignments can be found at: [http://www.cio.ca.gov/Contact\\_Us/staff\\_assignments.asp](http://www.cio.ca.gov/Contact_Us/staff_assignments.asp)

## SIGNATURE

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Amy Tong, Director  
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Attachment A:

# Project Approval Lifecycle Framework

