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**State of California**  
**Department of Technology**  
**Project Approval Lifecycle**  
**Introduction**

**Statewide Information Management Manual – Section 19**

**July 2015**

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# INTRODUCTION TO THE PROJECT APPROVAL LIFECYCLE

## Overview

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The California Department of Technology (Department of Technology) has adopted the Project Approval Lifecycle (PAL) to improve the quality, value and likelihood of success for information technology (IT) projects undertaken by the State of California. The PAL represents an opportunity for Agency/state entity's management to assess the full implications of a proposed IT project. The PAL is also the means of linking a specific IT project to the Agency/state entity's strategic business plans and IT plans, and to ensure that the proposed project makes the best use of the Agency/state entity's IT infrastructure. The PAL is intended to ensure projects are undertaken with clear business objectives, accurate costs, and realistic schedules.

The PAL is divided into four stages (Stage 1 Business Analysis, Stage 2 Alternatives Analysis, Stage 3 Solution Development and Stage 4 Project Readiness and Approval) each separated by gates of approval. Each stage consists of a set of prescribed, cross-functional, and parallel activities to develop deliverables used as the inputs for the next stage. 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, the cost estimates, schedules and business objectives will be progressively updated and evaluated to determine if the project is still practical and if the investment should continue.

Agencies/state entities are required to submit a Stage 1 Business Analysis for all endeavors that are anticipated to meet the definition of an Information Technology Project, as defined in the State Administrative Manual Section 4819.2, regardless of delegated cost thresholds. Depending on reportability requirements, the Stage 1 Business Analysis, as well as all other Stage/Gate deliverables, must be approved by the Department of Technology or the Agency/state entity director prior to the encumbrance or expenditure of funds, including the use of staff resources, on any IT project beyond the PAL.

The Project Approval Lifecycle is intended to achieve the following:

- Better business outcomes for the State of California through successful IT projects.
- More successful projects and fewer Special Project Reports.
- Improve efficiencies through effective project planning and analysis to meet State business needs, while also ensuring compliance with State IT policies.
- Introduce scalability to the project approval process based on business and/or technical complexity.
- Ensure each decision point requires only the necessary and appropriate level of information needed to make a sound decision, estimate, or product for that particular stage.
- Determine whether there is substantiation for a proposed project, i.e., whether the expenditure of public resources on the project is justified based on the following:
  - Responsiveness to a clearly-defined, program-related problem or opportunity;
  - Selection of the best possible alternative;

- Agency/state entity’s technical and program capabilities; and
- Financial and/or non-financial benefits over the life of the solution that exceed development and operations costs. Project benefits typically include reduced program costs, avoidance of future program cost increases, increased program revenues, or provision of program services that can be provided most effectively through the use of IT.
- Provide a means for achieving agreement between Agency/state entity’s executive management, program management, technology management, and project management regarding:
  - The scope, benefits, schedule, and costs of a proposed project;
  - Management responsibilities and commitment over the course of the project; and
  - Opportunities to collaborate with the Department of Technology.
- Provide executive branch control agencies and the Legislature with sufficient information to assess the merits of the proposed project and determine the nature and extent of project oversight requirements.
- To the extent feasible, ensure each step and work product in the lifecycle is useful input into subsequent steps.
- Ensure that a “no” or a “go back and re-think” decision is communicated as early as possible if the level of detail provided is inadequate.

Definitions for “proposal” versus “project” are provided next to clarify how these words are used in the context of the Project Approval Lifecycle.

### **Proposal Versus Project Definition**

A proposal is defined as a request for a new project. A proposal is initially submitted as a Stage 1 Business Analysis and continues through Stage 4 Project Readiness and Approval. For purposes of the Project Approval Lifecycle, any references to proposal will indicate that this is a new endeavor being considered which requires approval by the Department of Technology.

A project is defined as a unique endeavor with a defined beginning and end, named deliverables and defined budget/resources that consumes at least 500 hours of effort. Information Technology (IT) projects are undertaken to provide an IT solution for a business problem/opportunity in order to meet unique goals and defined objectives that encompasses computerized and auxiliary automated information handling, that may include systems design and analysis, conversion of data, computer programming, information storage and retrieval, data transmission, requisite system controls, simulation, and related interactions between people and machines. For purposes of this document, any references to project will indicate that all project lifecycle approvals, including the necessary funding and procurements, have been completed.