
State of California
Department of Technology

Stage 1 Business Analysis

Preparation Instructions

Version 3.0.5

Statewide Information Management Manual – Section 19A

September 2023

INTRODUCTION TO THE STAGE 1 BUSINESS ANALYSIS

Overview

Statewide Information Management Manual (SIMM) Section 19A, Stage 1 Business Analysis, is the first stage of the information technology (IT) Project Approval Lifecycle and 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. Additionally, the Stage 1 Business Analyses are used to generate the Conceptually Approved IT Project Proposals Report each quarter, which represents the Executive Branch's plan for IT investments in support of the California IT Strategic Plan.

The Stage 1 Business Analysis instructions are designed to help State of California agencies/state entities¹ meet the California Department of Technology (CDT) IT project proposal documentation requirements.

Clarifications

- ✓ A.2 Stage 1 Project Reportability Assessment is required to be submitted to CDT with the A.3 Stage 1 Business Analysis.
- ✓ Non-affiliated state entities (state entities not governed by agencies) are required to submit a Stage 1 Business Analysis for all IT project proposals, regardless of project cost delegation amounts.
- ✓ Agency-affiliated state entities are not required to submit Stage 1 Business Analyses that have been approved by the agency as delegated.
- ✓ Project approval reporting requirements are initially determined as part of the Stage 1 Project Reportability Assessment but may change as the proposal progresses through the Project Approval Lifecycle.
- ✓ Agency Chief Information Officers (AIOs) have been delegated CDT approval authority for Stage 1 Business Analyses prepared by agency-affiliated state entities.
- ✓ Stage 1 Business Analyses prepared by non-affiliated state entities must be approved by the CDT prior to submitting a Stage 2 Alternatives Analysis.
- ✓ Stage 1 Business Analyses prepared by agency-affiliated state entities must be approved by the AIO prior to submitting a Stage 2 Alternatives Analysis.

Stage 1 Project Reportability Assessment Reporting Requirements

AIOs, or the CDT (for non-affiliated state entities), require specific information from state entities to carry out its Stage 1 Business Analysis approval responsibilities. It is

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.

imperative that Project Reportability Assessment clearly documents and communicates the reportability and Project Approval Lifecycle requirements of the proposed project.

Stage 1 Business Analysis Reporting Requirements

AIOs, or the CDT (for non-affiliated state entities), require specific information from state entities to carry out its Stage 1 Business Analysis approval responsibilities. It is imperative that each Stage 1 Business Analysis clearly document and communicate the business investment justification. Therefore, each proposal must describe in detail the business driver(s), statutes or legislation, program background and context, business problems or opportunities, strategic business alignment, organizational readiness, business and stakeholder impact, and problem statements.

State entity IT proposal submissions that meet one or more of the CDT reporting criteria must follow the documentation requirements defined in the State Administrative Manual (SAM Section 4819) and these instructions. Each state entity is responsible to ensure its Stage 1 Business Analyses meet CDT requirements. The Stage 1 Business Analysis must be comprehensive and cannot rely on verbal or subsequent written responses (e.g. emails) to provide needed justification for the submission. Incomplete Stage 1 Business Analysis submissions that fail to provide relevant information in written form may be returned without consideration at the discretion of the AIO or CDT (for non-affiliated state entities).

Any submissions of Stage 1 Business Analyses must be checked with the Americans with Disabilities Act (ADA) Web Content Accessibility Guidelines (WCAG) 2.0 validation.

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STAGE 1 PROJECT REPORTABILITY ASSESSMENT PREPARATION INSTRUCTIONS

MS Word Forms

To ensure California's compliance with the Americans with Disabilities Act as Amended, the CDT will only support the Project Reportability Assessment version 3.0 (MS Word form) starting February 1, 2022.

Stage 1 Project Reportability Assessment version 3.0 Changes:

The Project Reportability Assessment version 3.0 contains the following changes:

- This form has been created using questions that have been removed from the Stage 1 Business Analysis.
- Check boxes are now drop-down fields and/or narrative areas.
- One new question added to the reportability assessment.

Project Reportability Assessment Transmittal Requirements

The Project Reportability Assessment is required to be submitted to the CDT with the Stage 1 Business Analysis.

Questions related to transmittal requirements should be directed to your agency/state entity's CDT Office of Statewide Project Delivery (OSPD) Project Approval Manager; assignments can be found at: <https://cdt.ca.gov/project-approvals-and-oversight-contact/>.

Project Reportability Assessment – General Instructions

1.1 General Information

Agency or State Entity Name: Select the agency/state entity name that prepared and is responsible for the Stage 1 Business Analysis proposal. Designate one agency or state entity as owner if multiple agencies or state entities have a role in the proposal.

If Agency/State entity is not in the list, enter here with organization code: Enter the agency/state entity name, along with its [organization code](#), if not included in dropdown list above.

Proposal Name and Acronym: Enter the proposal name as determined by the agency/state entity. The name should not reflect a system or type of IT solution. If no acronym is provided, the CDT will create one

Proposed Project Start Date: Select the proposed start date for the requested project proposal.

PRA Version Number: Select the document's version number based on current status and edits.

1.2 Contact Information

Contact Information:

Contact Name: Enter the full name of the agency/state entity person who will be the primary point-of-contact for control agency questions and comments.

Contact Email: Enter the email address of the contact provided above.

Contact Phone Number: Enter the ten-digit phone number of the contact provided above.

1.3 Reportability Assessment

The reportability assessment questions below follow the [Job Aid – Reportable Project Decision Tree](#) located in SIMM 19 and assist in determining if your proposal is delegated or non-delegated. Select “Yes” or “No” for each of the questions.

Does the Agency/state entity’s IT activity meet the definition of an IT Project found in the [State Administrative Manual \(SAM\) Section 4819.2](#)?

IT Project - A unique endeavor with a defined beginning and end, named deliverables and defined budget/resources that consumes at least 500 hours of effort. 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. Also see definition of IT Activity.

Select “Yes” if the proposal meets the definition found in [SAM Section 4819.2](#). If “No,” this initiative is not an IT project and is not required to complete the Project Approval Lifecycle.

Does the activity meet the definition of Maintenance or Operations found in [SAM Section 4819.2](#)?

Select “Yes” if this proposal meets the definition found in [SAM Section 4819.2](#). If “Yes,” this initiative is not required to complete the Project Approval Lifecycle. For validation purposes, provide an explanation in the space provided that describes the dynamics of the initiative and why it meets the criterion of Maintenance and Operations.

Has the project/effort been previously approved and considered an ongoing IT activity identified in [SAM Section 4819.2](#), [4819.40](#)? NOTE: Requires a Post

Implementation Evaluation Report (PIER) submitted to the California Department of Technology (CDT).

Previously Approved Project/Effort - An IT activity or project as defined by [SAM Sections 4819.2](#) and [4819.40](#) previously approved by the California Department of Technology (CDT) or the agency/state entity's executive officer in accordance with [SAM Section 4819.3](#).

Qualification of an activity as a previously approved effort requires an approved Feasibility Study Report or PAL Stage 4 Project Readiness and Approval AND an approved PIER. Effort/project must use substantially the same equipment, facilities, technical personnel, supplies and software to meet substantially the same requirements or to meet normal workload increases.

"Substantially the same equipment" does not include the addition, upgrade, or replacement of a central processing unit or Mainframe. (Applicable activities include meeting modified needs, improving the effectiveness of the activity, program or system maintenance, or extension of existing services to new or additional users performing essentially the same functions as those that the project was designed to support). Minor changes in functionality and/or equipment will normally meet the definition of previously approved effort/project. Significant changes in functionality and/or equipment that require budget actions do not meet the definition of previously approved effort/project.

Select "Yes" if this proposal meets the definition found in [SAM Sections 4819.2](#), [4819.3](#), and [4819.40](#). If "Yes," this initiative is not required to complete the Project Approval Lifecycle. Please report this workload on the Agency Portfolio Report.

If "Yes" is selected, please provide the PIER submission date in the content control field.

Is the project directly associated with any of the following as defined by [SAM Section 4819.32](#)? Includes single-function process-control systems; analog data collection devices and/or telemetry systems; telecommunications equipment used exclusively for voice communications; Voice-Over Internal Protocol (VOIP) phone systems; acquisition of printers, scanners and/or copiers.

Single Function Process Control Systems, Analog Data Collection Devices, or Telemetry Systems: Activities include automated processing systems that monitor and control the operation of a single function system and that can perform that control in isolation from other systems (such as components necessary to monitor and control the traffic signals at an intersection, the position of water restriction and diversion components in a water supply and distribution system, environmental systems for buildings or to adjust the behavior of a motorized conveyer in response to changes in load and demand). This includes sensors, telemetry devices, alarm and physical entry controls, functional components such as motors or traffic lights, electronic control processors, and the network system that connects those devices into a single-function process control system.

This should not be interpreted to include information processing and network systems in which data is gathered, stored, transmitted, processed, analyzed, displayed, printed, or reported for purposes other than the direct, automatic monitoring and controlling of a single function system, or for the manual review of the performance and activities of that single system.

NOTE: Any component that may be added to any process control system, such as additional sensors, processing capacity or network communications capability that is necessary for use in conjunction with a current or planned IT system must be included in all PAL Stage/Gate deliverables, plans, proposals and budget estimates for the IT system. See definitions below:

- Telecommunications Equipment Used Exclusively for Voice Communications: Projects, activities, or acquisitions where approval and initiation is within the jurisdiction of the Public Safety Communications Office, per [California Government Code Section 15275-15277](#), such as public safety telecommunications including microwave, satellite, 911, telematics, and radio/rt.
- Voice Over Internet Protocol (VOIP) Phone Systems: Installations of VOIP systems that arrest alone and do not interface with other systems on the network.
- Acquisition of Printers, Scanners, and Copiers: If any of these components are part of a planned IT system, they must be included in all PAL Stage/Gate deliverables, plans, proposals and budget estimates for the IT system.

Select “Yes” if this proposal meets the definition found in [SAM Section 4819.32](#). If “Yes,” this initiative is not required to complete the Project Approval Lifecycle. Please report this workload on the Agency Portfolio Report.

Is the primary objective of the project to acquire desktop and mobile computing commodities as defined by [SAM Section 4819.34, 4989](#)?

Desktop and Mobile Computing Delegations: Agencies/state entities are delegated the authority to acquire desktop and mobile computing commodities to support increased staffing, as well as the ongoing replacement of obsolete or nonfunctioning desktop and mobile computing commodities. Delegation includes authority for the

acquisition of equipment and software to support the agency/state entity’s desktop and mobile computing activities.

Agencies/state entities must have submitted acceptable Technology Recovery Plans or Technology Recovery Plan certifications, maintain compliance with all applicable state IT security provisions (as defined in [SAM Chapter 5300](#)), and have appropriate plans for the use of desktop and mobile computing commodities. See [SAM Sections 4989 – 4989.8](#) for policy details, definitions and exclusions.

Select “Yes” if this proposal meets the definition found in [SAM Sections 4819.34](#) and [4989](#). If “Yes,” this initiative is not required to complete the Project Approval Lifecycle. Please report this workload on the Agency Portfolio Report.

Does the Project meet all of the criteria for Commercial-off-the-Shelf (COTS) Software and Cloud Software-as-a-Service (SaaS) delegation as defined in [SAM Section 4819.34](#), [4989.2](#), and [SIMM Section 22](#)? (RPDT Reference Guide, Reference R9.)

COTS Software and Cloud SaaS Delegation: Agencies/state entities are delegated the authority for the approval and acquisition of COTS software and Cloud SaaS solutions which are not classified as non-delegated (see [SAM Section 4819.37](#) for a list of non-delegated project criteria). The acquisition must meet “ALL” of the following conditions:

- Software licenses and consulting services will be acquired through a leveraged purchasing agreement managed by the Department of General Services (e.g. CMAS or MSA) or through one of the California Department of Technology’s master contracts.
- Does not require installation of new hardware on premises at the agency/state entity or its designated data center.
- Solution is single purpose use, not mission critical, and used for internal purposes only.
- Does not exchange confidential or sensitive data with other systems.
- Agency/state entities must notify the California Department of Technology (CDT) of all COTS and SaaS acquisitions prior to project initiation as defined in [Statewide Information Management Manual \(SIMM\) Section 22](#).

Select “Yes” this proposal is a delegated project. Approval of the Project Approval Lifecycle is delegated to the head of the state entity; however, submit an approved [SIMM Section 22 COTS/SaaS Acquisition Form](#) to CDT.

NOTE: If the remaining questions are all marked “No,” this effort will be deemed to not meet the reporting requirements for an IT project and be delegated back to the department.

Will the project require or has the project previously required a Budget Action to be completed?

Projects whose initiation depends upon decisions to be made during the development or enactment of the Governor's Budget, such as approval of a Budget Change Proposal or Budget Revision to increase the agency/state entity's existing IT activities related to the project.

- Projects that involve a new system development or acquisition that is specifically required by legislative mandate or is subject to special legislative review as specified in budget control language or other legislation.
- Projects that have a cost that exceeds the level of the agency/state entity's delegated cost threshold assigned by the CDT and do not meet the criteria of a desktop and mobile computing commodity expenditure (see SAM Sections [4989](#), [4989.1](#), [4989.2](#), and [4989.3](#))

Select "Yes" if the project requires a budget action to be completed.

Is it anticipated that the project will exceed the delegated cost threshold assigned by CDT as identified in [SIMM Section 15A Departmental Project Cost Delegation](#)?

Select "Yes" if the project cost exceeds your delegated cost threshold assigned by CDT as identified on the [Project Approvals and Oversight Staff Assignments](#).

Are there any previously imposed conditions placed on the state entity or this project by the CDT (e.g. Corrective Action Plan)?

Select "Yes" if CDT has imposed conditions on the agency/state entity or project (e.g., Corrective Action Plan) and provide details regarding the conditions.

Is the system specifically mandated by legislation?

Projects that involve a new system development or acquisition that is specifically required by legislative mandate or is subject to special legislative review as specified in budget control language or other legislation.

Select "Yes" if the system is specifically mandated by legislation.

If this effort does not meet the definitions of a reportable project, does your Agency Information Officer request that this project go forward through the CDT's Project Approval Lifecycle process?

Agency-affiliated state entities are not required to submit Stage 1 Business Analyses for Stage 1 Business Analyses that have been approved by the agency as delegated. An Agency Information Officer can request that the project move forward through the Project Approval Lifecycle even if delegated or non-reportable conditions are met. Please consult with your Agency Information Officer to learn more.

STAGE 1 BUSINESS ANALYSIS PREPARATION INSTRUCTIONS

MS Word Forms

To ensure California's compliance with the Americans with Disabilities Act as Amended, the CDT will only support and accept for submission the Stage 1 Business Analysis version 3.0 (MS Word form) starting February 1, 2022.

Stage 1 Business Analysis Version 3.0 Changes

The Stage 1 Business Analysis version 3.0 contains the following changes:

- The form no longer uses tables as a means of organizing content.
- Check boxes are now drop-down fields or narrative areas.
- Sections have been pared down to include only the most relevant information at the proper time in the PAL process.
- Sections that require artifacts to be attached to the word document will now be required to be submitted as attachments to the submission email.
- Headings now allow each section and/or subsection to be collapsed for easier navigation.

Stage 1 Business Analysis Transmittal Requirements

A formal and approved transmittal is required for each Stage/Gate document submitted to the CDT with the appropriate signatures (as applicable). Based on the State Entity's governing body, approval of Stage 1 Business Analyses may depend on the following:

- ✓ Agency-affiliated state entities are required to sign and submit the Project Approval Executive Transmittal to their governing agency for approval. The CDT will not review and approve Stage 1 Business Analyses from agency-affiliated state entities.
- ✓ Agency-affiliated state entities are only required to submit S1BAs determined by the governing agency to be non-delegated pursuant to SAM 4819.37, 4819.37, or 4819.40 criteria. However, agencies will include all approved Stage 1 Business Analyses in the Agency State Entity Portfolio Report as specified in SIMM Section 05A.
- ✓ Non-affiliated state entities (state entities not governed by agencies) are required to sign and submit the Project Approval Executive Transmittal directly to the CDT for review.

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.*

Submit required Stage 1 Business Analysis to the CDT through the CDT Project

Oversight email address at: (ProjectOversight@state.ca.gov).

Questions related to transmittal requirements should be directed to your agency/state entity's CDT Office of Statewide Project Delivery (OSPD) Project Approval Manager; assignments can be found at: <https://cdt.ca.gov/project-approvals-and-oversight-contact/>.

Project Approval Executive Transmittal

The transmittal template (available in SIMM Section 19G) contains the approving agency/state entity executive signatures, with the following components:

1. **State Entity Name:** Enter the state entity name that prepared the Stage 1 Business Analysis. Designate one state entity as owner if multiple state entities have a role in the proposal.
2. **Agency Name:** Enter the agency name that prepared the Stage 1 Business Analysis. Designate one agency as owner if multiple agencies have a role in the proposal. This field is not required for state entities not governed by an agency.
3. **Proposal Name:** Enter the proposal name as determined by the agency/state entity.
4. **Department of Technology Project Number:** If this is a new submission, this field should be left blank. The CDT Project Number will be assigned by the CDT after initial submission. If this is a resubmission, enter the number assigned by the CDT.
5. **Submission Deliverable:** Select the Stage/Gate deliverable(s), as applicable.
6. **Approval Signatures:** The agency/state entity executive approval signatures are required, documenting commitment and involvement at the agency/state entity level. The required signatures include those of the Information Security Officer, Enterprise Architect, Chief Information Officer, Budget Officer, Procurement and Contracting Officer, State Entity Director, AIO*, and the Agency Secretary (or designee)*.

***Exception** – Non-affiliated state entities (state entities not governed by agencies) can sign and submit the Project Approval Executive Transmittal directly to the CDT, the AIO and Agency Secretary signatures are not required.

Stage 1 Business Analysis – General Instructions

1.1 General Information

Agency or State Entity Name: Select the agency/state entity name that prepared and is responsible for the Stage 1 Business Analysis proposal. Designate one

agency or state entity as owner if multiple agencies or state entities have a role in the proposal. The entity selected here or entered in the following question will be used to generate the project number.

If Agency/State entity is not in list, enter here with organization code: Enter the agency/state entity name, along with its [organization code](#), if not included in dropdown list above.

Proposal Name and Acronym: Enter the proposal name as determined by the agency/state entity. The name should not reflect a system or type of IT solution. If an acronym is not provided, the CDT will create one.

Proposal Description: Enter a brief description of the proposal. This description should be concise and focused on the business problems or opportunities as described in Section 1.6 Project Justification. This description should be formatted as follows, “(Agency/state entity) proposes to (brief description of the initiative) in order to (or similar verbiage).” This description is used on the CDT’s public website for the project.

Example: The (agency/state entity), (Business Program), proposes to re-engineer the manual process used to publish the bi-annual publication list of the top 500 taxpayers with tax delinquency liens greater than \$100,000, in order to meet the mandates of Assembly Bill XXXX. The current publication process is labor intensive and produces many errors. The re-engineered process will reduce errors, improve accuracy, efficiency, quality, and time management. The list will include the delinquent business entity’s principal officers, titles, and names, number and status of any occupational/professional licenses held by the taxpayer, and lien amounts.

Proposed Project Execution Start Date: Select the proposed project execution start date for the requested project proposal.

S1BA Version Number: Select the document’s version number based on current status and edits. The version number should reflect any revised submissions to CDT.

1.2 Submittal Information

Contact Information

Contact Name: Enter the full name of the agency/state entity person who will be the primary point-of-contact for control agency questions and comments.

Contact Email: Enter the email address of the contact provided above.

Contact Phone Number: Enter the ten-digit phone number of the contact provided above.

Submission Type: Select the appropriate description for the submission type.

If Withdraw, select reason: If applicable, select the appropriate reason for withdrawal.

If Other, specify reason here: Select the appropriate reason if “Other” is selected.

Sections Changed, if an update or resubmission: If applicable, list all the sections that have been updated since the last submission.

Summary of Changes: If applicable, provide a brief summary of changes made since the last submission.

Project Approval Executive Transmittal: Attach a copy of the signed Project Approval Executive Transmittal for Stage 1 Business Analysis to your email submission. Use the transmittal form located in SIMM 19 Section G.1.

Stage 1 Reportability Assessment: Attach a copy of the Stage 1 Project Reportability Assessment to your email submission. Use the form located in SIMM 19 Section A.2.

1.3 Business Sponsorship

Executive Champion (Sponsor)

An “Executive Champion” maintains a leading and very active role in the project by promoting and marketing the project to stakeholders. An executive champion:

- Champions or “sponsors” the project.
- Provides vision, guidance, and direction to the project.
- Determines and advocates for suitable levels of funding and resources.
- Ensures multi-divisional or multi-agency participation on the project where appropriate.
- Acts as an advocate for the project throughout its lifecycle.
- Monitors project progress, intervenes as needed, and resolves escalated issues.
- Oversees project budget, schedule, and scope.
- Communicates project status to the executive stakeholders, as relevant, and ensures sustained buy-in at all levels.

Title: Enter the title of the Executive Champion.

Name: Enter the full name of the Executive Champion.

Business Program Area: Enter the name of the business program area represented by the Executive Champion (Sponsor).

Business Owner

A “Business Owner” maintains a leading and very active role from the perspective of the government program area that the project enables, supports, and/or enhances.

Business Owners “partner” with technology project leaders to lead projects that serve business needs and to meet objectives (see Section 1.7). A Business Owner:

- Owns the program area(s) that the project empowers, maintains, or improves.
- Defines the expected business objectives and outcomes.
- Develops the business strategy.
- Describes and clarifies business processes and terminology.
- Reviews and approves the business requirements.

Title: Enter the title of the Business Owner.

Name: Enter the full name of the Business Owner.

Business Program Area: Enter the name of the business program area represented by the Business Owner.

Product Owner

The product owner is responsible for maximizing the value of the product by managing the product backlog, or list of work to be done. The product owner is also responsible for making sure that the business and the team have a shared understanding of the project vision, the project goals, and the details of the work to be done, so that the team can plan and build the work items and ultimately accepts the final product.

A Product Owner:

- Owns the lifecycle of a product from idea, through to explore, validate, grow, sustain, and eventually retire.
- Is heavily involved in procurement methodology, design, and management.
- Reports to the Business Owner if available or Executive Champion(s) if not.
- Is the Lead Business Liaison subject matter expert for predictive methodology.

Title: Enter the title of the Product Owner.

Name: Enter the full name of the Product Owner.

Business Program Area: Enter the name of the business program area represented by the Product Owner.

1.4 Stakeholder Assessment

Indicate which of the following are interested and the level of interest in this proposal and/or outcome of the project.

Determine if the project will only have an impact to the department only and choose ‘Yes’ or ‘No’ for the first question.

If ‘No’ is selected above, select the group(s) that may have a vested interest in the outcome or may be impacted by the proposed project. Choose ‘Yes’ or ‘No’ for each

group.

Describe how each group marked ‘Yes’ will be involved in the planning process.

Describe how each of the group(s) identified will be involved in the project’s planning process.

1.5 Business Program

Organization Name: Enter the organization’s name.

Business Program Name: Enter the name of the business program.

Program Background and Context

Provide a brief overview of the agency/state entity’s business program(s) impacted by the proposed project. The business description should be succinct and at the highest level possible to understand the business problem(s) and not contain any business terminology and acronyms unless previously defined.

Note: This section should not provide a description of the agency/state entity’s mission or background. Do not discuss business programs that are not affected by the proposal, how the work is performed, business problems, potential solutions, existing technology, etc.

This narrative should adhere to the following guidelines:

- The program background and context should set the scope of the study; everything that follows in the study must relate to and follow from the business description.
- List multiple business programs separately if they have distinct problems, opportunities, or objectives. Include a description of impacted business program activities and services.
- The business program(s) identified should align with the Business Owner(s) and Key Stakeholder(s) identified in sections 1.3 Business Sponsorship and 1.4 Stakeholder Assessment partners.

How will this proposed project impact the products or services supported by the department?

The impacts should detail how processes and procedures will be changed overall including training and Organizational Change Management.

1.6 Project Justification

Strategic Business Alignment

- **Strategic Plan Last Updated:** Enter the date the agency/state entity’s Strategic Plan was last updated.

- **Strategic Business Goal:** Identify the agency/state entity’s strategic business goal(s) associated with this proposal.
- **Alignment:** Briefly describe how this proposal helps to achieve the agency/state entity’s strategic goals. Describe how the proposal will address problems that impede or opportunities that enhance the achievement of the business goal as stated in the agency/state entity’s Strategic Plan.

Mandate(s): Select one of the following mandate descriptions, if applicable. Mandates may include Executive Orders or proclamations which impact the business program. They may also include new Federal legislation or changes to existing Federal regulations. See SAM Section 4819.37 for additional information on project reporting requirements related to mandates.

- **Bill Number/Code:** Enter the Bill or Code number if applicable.
- **Add the Bill language that includes system-relevant requirements:**
Enter the Bill or Code language that provides relevant information and system requirements to support this project.

Business Driver(s)

A “Business Driver” is a resource, process, or condition that is vital for the continued success and growth of the business program(s) that the proposal will enable, support, and/or enhance. Potential business drivers have been placed into three general categories (i.e., Financial Benefit, Mandate, and Improvement). Check all items that are applicable as business drivers for this proposal:

- **Financial Benefit:** Select “Yes” or “No” to indicate whether this project provides a financial benefit. If “Yes, indicate which type by selecting “Yes” or “No” for each of the following items:
 - **Increased Revenues:** Any addition to cash or other current assets that does not increase any liability or reserve and does not represent the reduction or recovery of expenditure (e.g., reimbursements and/or abatements). Revenues are a type of receipt generally derived from taxes, licenses, fees, or investment earnings. Revenues are deposited into a fund for future appropriation and are not available for expenditure until appropriated (Uniform Codes Manual).

SAM Section 6602 defines revenues as, “Any changes in the amounts of operating income received by state and local agencies as the result of an executive regulation...includes taxes, state and/or federal assistance, fees, licenses, and so forth.”

Select “Yes” if the proposal will result in additional income to the State in the form of increased federal funding, state taxes, licenses, fees, etc.
 - **Cost Savings:** As defined by SAM Section 6602, “Both actual budget reductions and the ‘freeing up’ of staff and/or resources to address other areas of legitimate concern of the agency.”

Select “Yes” if the proposal will result in reduced expenses for the program or IT budget (e.g., reduced program, IT staff, equipment, travel expenses, etc.).

- **Cost Avoidance:** Benefits that occur when future program needs are met at less cost than would otherwise have been required. Such program needs can include new program services, increased program service levels, or replacement of current systems.

Select “Yes” if the proposal will result in the avoidance of a future planned increase in the program or IT budget.

- **Cost Recovery:** The Federal government portion for their share of expenditures for providing Medicaid services, administering the Medicaid program, and certain other human service programs recovered by the State. This also includes costs recovered from the Federal government through the Federal Financial Participation (FFP) under U.S. Code, Title 42, Chapter 7, Subchapter XIX, Section 1396b, which allows states to receive partial reimbursement for activities that meet FFP objectives.

The FFP objectives, among others, may include activities attributable to the design, development, modification, and installation of mechanized claims processes and information retrieval systems.

Select “Yes” if the proposal will result in the agency/state entity’s ability to recover costs through the Federal government due to the type of service or program provided.

- **Improvement:** Select “Yes” or “No” for each of the following Improvement categories.
 - **Better Services to the people of California:** Better services to the people of California may include improvements to quality of life or improving the experience of those interacting with program operations (e.g., replacing paper forms with internet forms or replacing paper listings of information with searchable databases).
 - **Efficiencies to Program Operations:** Efficiencies to program operations may include making improvements to an agency/state entity’s business processes used to run program operations (e.g., automating business processes, workflows, and reporting).
 - **Improved Equity, Diversity, and/or Inclusivity:** Equity, Diversity, and Inclusivity may include upgrades to support unrepresented or under-represented groups in the state of California. It’s a proactive means to avoid or address unnecessary risks that can disrupt the delivery of expected service levels. There may be changes to programs to target groups that have perfectly suitable access but are disproportionately impacted by stuff.
 - **Improved Health and/or Human Safety:** Health and human safety improvements may include upgrades to the physical and/or mental conditions of the people of California, including inpatients, employees, and those in the

community. Health improvements may include reducing the presence or negative impacts of illnesses, injuries, or impairments to the people of California. Human safety improvements may include reducing exposure to or negative impacts from hazards or reducing the risk of harm or injury.

- **Improved Information Security:** Improved information security protects the confidentiality, integrity, availability of business data from those with malicious intentions, and information compliance with state and federal standards.
- **Improved Business Continuity:** Business continuity encompasses a defined set of planning, preparatory, and related activities intended to ensure that an organization's critical business functions will either continue to operate despite serious incidents or disasters that might otherwise have interrupted them or will be recovered to an operational condition within a short period.
- **Improved Technology Recovery:** Improved technology recovery involves a set of policies and procedures to enable the recovery or continuation of vital technology infrastructure and systems following a natural or human-induced disaster, which impedes the agency/state entity's ability to provide business services. Technology recovery focuses on the IT or technology systems supporting critical business functions, as opposed to business continuity, which involves maintaining all essential aspects of a business functioning despite disruptive events.
- **Technology Refresh:** Technology refresh may include the replacement of aging hardware or software that is unreliable or will no longer be supported by the manufacturer.
- **Technology End of Life:** The technology currently in use to support the agency/state is no longer supportable due to aging technology or the lack of skilled resources to support the technology.

Statewide IT Strategic Alignment

- **Statewide IT Strategic Goal:** Identify the statewide IT strategic goal(s) associated with this proposal.
- **Alignment:** Briefly describe how this proposal helps to achieve the state's IT strategic goal(s). Describe how the proposal will address problems that impede or opportunities that enhance the achievement of the Statewide IT Strategic Plan.

1.7 Business Outcomes Desired

Executive Summary of the Business Problem or Opportunity

Provide a brief narrative summary of the business problem or opportunity that is driving changes to the current state environment, processes, etc. This should be a brief description of the overall problem or opportunity. The individual problems or opportunities will be listed in below. This narrative summary should address the following questions:

- How was the problem or opportunity identified (e.g., log/report deficiencies, backorders, assessment of penalties, excessive overtime costs, statutes, or legislation)?
- What created the problem or opportunity?
- What is the magnitude of the problem or opportunity?
- How do the business drivers selected above relate to the business problem or opportunity?
- Why is this proposal important to consider at this time?
- Are there any security and/or privacy issues (e.g., confidentiality, integrity, and availability) that should be considered?
- What are the effects and/or impact of the statutes and/or mandates, if identified in Section 1.6?

Objective ID: Give each objective added to the form a number, continuing from the problem ID number. For example, problem statement 1, objective ID 1 and 2 would become 1.1 and 1.2.

Objective: Identify the objectives for the problem listed above. These requirements are merely intended to provide a guide to the major issues. They are not intended to be specified here at a level that they could be implemented by a developer. Describe how the metric will be tracked through the progression of the project. Examples include but are not limited to existing data, relevant forms, surveys, focus groups, etc. Provide a description of the problem in business terms and ensure that it is aligned with at least one of the business drivers identified above. The statements should not indicate that the completion of a new system will solve the problem.

Metric: Describe the measurement(s) that will be used to confirm the attainment of the business objectives identified. Provide specific, measurable, and realistic means to measure the business problem or opportunity against the objectives. Measurements should be developed with stakeholder involvement. These measurements will be used to collect data before, during, and following an approved project to support the achievement of the objectives as described in the Post Implementation Evaluation Report (PIER).

Baseline: Provide the current magnitude or value for the metric (e.g., the current business program processing time: number of people served, forms processed). For example, if it currently takes 20 minutes to perform the business problem or opportunity, then 20 minutes would be entered. The metric used should align with the objective (e.g., loss of revenue should use money-based objective metrics).

Target Result: List the business objective(s) associated with the problem or opportunity and identify expected short-term and long-term target result that the proposal will address (e.g., what the proposal is seeking to achieve). Identify at least one objective for each individual business problem or opportunity. An ideal objective statement is “SMART” (i.e., “S” Specific, “M” Measurable, “A” Achievable, “R” Realistic, and “T” Time Bound) (see [SIMM 170B, Project Requirements Development Instructions](#), section 2.1, Table 1).

If an objective does not have measurable data, the agency/state entity should at a minimum provide the proposed data source, unit of measurement, and timeframe of when the data will be observable or verified. Identify the timeframe in which the objective will be achieved. Provide additional details as necessary.

It is essential that each target result:

- Relates to a problem or opportunity specified in the problem/opportunity statement.
- Is business based.
- Is stated in quantifiable terms and at a level which decision makers can determine value versus investment.
- Is realistically achievable.
- Is not compounded (i.e., list one desired outcome per line item). Do not combine more than one objective in an objective statement.

TIP: Copy and paste to add Problem Statements as needed. Please number for reference.

TIP: Problem statements should identify WHAT needs to be achieved or solved. Each objective should identify HOW the problem statement can be solved and must have a target result that is specific, measurable, attainable, realistic, and time bound.

Good Examples:

Example 1

Objective ID: 1.1

Objective:

Efficiencies to program operations (business driver): Administrative Services Division (business program) manually processes and matches approximately 2,500 Residential Housing Unit (RHU) purchase orders (POs) annually, which requires over 2,080 hours in overtime by staff (impact).

Reduce average time to reconcile a single PO in minutes. Current average is 20.

Reduce staff time necessary to reconcile the RHU Purchase Orders by 25 percent within 18 months of the completion of the Business Management Review (BMR).

Metric:

Average time to reconcile a single PO in minutes.

Baseline:

20 minutes

Target Result:

15 minutes using the existing PO tracking report.

Example 2

Objective ID: 2.1

Objective:

*Efficiencies to program operations (**business driver**); Customer Support Division (CSD) (**business program**): Staff members manually transfer data from 200 Microsoft Excel (MS Excel) spreadsheets gathered from remote offices into Microsoft Access (MS Access) to develop reports for CSD. The current process relies on heavy manual interactions and duplicative efforts, resulting in excessive staff usage and incomplete and inaccurate data (**impact**).*

After implementation, eliminate the need to manually transfer data from Microsoft (MS) Excel spreadsheets into MS Access database.

Metric:

Number of spreadsheets requiring staff to manually transfer data into a reporting system.

Baseline:

Current: 200.

Target Result:

Number of spreadsheets requiring staff to manually transfer data into a reporting system: 0 Number of errors during manual data transfer into a reporting system: <1

Objective ID: 2.2

Objective:

After system implementation, track the number of spreadsheets requiring manual conversion of data into the reporting system. After implementation, reduce staff computation errors during the manual data transfer from Microsoft (MS) Excel spreadsheets into MS Access database.

Metric:

Number of errors during manual data transfer into a reporting system.

Baseline: >10

Target Result:

After system implementation, track the number of errors during the data conversion into the reporting system. Goal is <1.

Poor Examples:

Poor Example 1

Objective ID: 5

Objective:

Excessive customer wait time at field offices.

Within 18 months of implementation of the system, reduce the field office wait time.

*Time until customer is seen at a window. Anecdotal information from field offices.
Current value: 30 minutes.*

Metric: *Time until customer is seen at a window.*

Baseline: *30 minutes*

Target Result: *Reduced by 50%*

The above example does not follow the SMART objective format. It does not specify reliable data source or a frequency for the data to be captured and reviewed.

Poor Example 2

Objective ID: *1.1*

Objective:

Ensure effective and efficient management of the Program. Decrease data management maintenance costs by 50 percent within 12 months of completion of the replacement system.

Maintenance support contract cost estimate is \$1 million. Count the number of SDNs (invoices) to reach the values.

Metric: *Number and cost of system SDNs (invoices).*

Baseline: *Maintenance support contract cost estimate is \$1 million.*

Target Result: *Pay \$0 for sub-contracts.*

The above example does not identify a problem or an opportunity; this is a high-level goal statement. The description uses an acronym which has not been identified previously. The target result is not equal to the 50% as implied in the objective statement. Invoices are a good data source for measurement; however, the invoice count does not relate to a dollar value. Finally, the description does not address the frequency in which the information would be reviewed.

1.8 Project Management

The Project Management Risk Assessment aids in assessing the maturity of an organization as a whole and their ability to carry out projects. This model will evaluate such elements as:

- Organizational commitment to a well-defined, mature project management process
- Existence of predicated management commitment, functions, and systems
- Competence of participants in any project management endeavor
- Organizational project management environment (e.g., tools, infrastructure) and how well these are integrated

- Measurement metrics in the organization and how well they are used and any applicable past performance
- Organization’s continuous improvement process

Utilizing the instructions in [SIMM Section 45 Appendix B, Project Management Risk Assessment Preparation Instructions](#), complete the Project Management Risk Assessment Template ([SIMM Section 45 Appendix A](#)). Only complete the questions identified as Stage 1 in the “Required Stage” column. This assessment is to be completed by the agency/state entity as part of the Stage 1 Business Analysis and verified by the CDT during the Gate 1 collaborative review meeting.

Project Management Risk Score: Enter numeric value identified after completing the [SIMM Section 45 Appendix A](#).

Project Approval Lifecycle Completion and Project Execution Capacity Assessment

This information identifies how this proposal’s planning dynamics and workload will be supported going forward. Please select an option for the following questions:

Does the proposal development or project execution anticipate sharing resources (state staff, vendors, consultants, or financials) with other priorities within the agency/state entity (projects, PALs, or programmatic/technology workload)?

Does the agency/state entity anticipate this proposal will result in the creation of new business processes or changes to existing business processes?

1.9 Initial Complexity Assessment

Business Complexity Score: In many projects, complexities and unanticipated issues are discovered as work progresses, resulting in missed deadlines, budget overruns, and thwarted management expectations. Project complexity assessments completed at the beginning of a proposal help to minimize a last-minute patchwork of “Band-Aid” solutions that most often result in scope creep, poor product quality, and cause the project team to become overwhelmed by problems and lose project control. Early identification of complexities can also assist in planning, estimating, and staffing decisions, including the level of project oversight required for the project.

Use the [SIMM Section 45 Appendix C, Complexity Assessment Template](#) self-assessment tool to complete the **Business Complexity** section based on the applicable information captured in the Stage 1 Business Analysis. Enter the Business Complexity score in the space provided and attach the completed Appendix C to your email submission. The Complexity Assessment template will be completed with the Technical Complexity during Stage 2 Alternatives Analysis.

Noncompliance Issues: Noncompliance issues are business problems that often affect the security, accessibility, and statutory requirements for implementation of a business program. Select “Yes” or “No” for each of the following issues:

- Programmatic regulations
- HIPAA/CIIS/FTI/PII/PCI
- Security
- ADA
- Other
- Not Applicable

Noncompliance Description: Provide a narrative on how the business process is currently noncompliant.

Additional Assessment Criteria

If there is an existing Privacy Threshold Assessment/Privacy Information Assessment, then include it as an attachment to your email submission.

How many locations and total staff is the project anticipated to affect?

- Number of locations: Total number of offices/locations that the proposal is going to affect.
- Expected Number of Transactions/Business Events (per month): Enter the number of expected transactions or events that the system currently experiences per month.
- Approximate number of internal end-users: Enter the number of internal state staff that will be using the result of this project.
- Approximate number of external end-users: Enter the number of non-staff users for the result of this project.

1.10 Financials

This section will help identify and thereby mitigate potential financial risks related to this proposal. The proposal’s funding or possibility of financial sanctions or penalties if not implemented may contribute to a proposal’s success. Identifying and addressing these factors at the beginning of a proposal’s development allows an opportunity for focused planning and reduces uncertainty as the proposal moves forward.

Planning

Does the agency/state entity anticipate requesting additional resources through a budget action to complete planning through the project approval lifecycle framework?

If Yes is selected, enter the date/budget season that the planning BCP will be submitted.

Will the state incur a financial penalty or sanction if this proposal is not implemented?

Project Implementation Funding

- Has the funding source(s) been identified for project implementation?
If Yes, please provide the Funding Source(s) and dates funds for implementation will be made available.

Availability of secure and reliable funding is essential to successful project planning and risk mitigation. Identify the applicable funding source(s), that has/have been identified for this proposal, and enter a date the funding source(s) will become available, if applicable.

Examples:

General Fund: The state fund into which non-dedicated revenues are deposited and from which the majority of state expenditures are made. (SAM Section 6899)

Special Fund: For legal basis budgeting purposes, funds created by statute, or administratively per Government Code (GC) section 13306, used to budget and account for taxes, licenses, and fees that are restricted by law for particular activities of the government.

Federal Fund: For legal basis budgeting purposes, classification of funds into which money received in trust from the Federal Government will be deposited and expended by a state entity in accordance with State and/or Federal rules and regulations. Agency/state entity must deposit federal grant funds in the Federal Trust Fund or other federal fund in the State Treasury. (GC 13326 – Department of Finance approval, 13338 – Appropriation of federal funds, CS 8.50.)

Reimbursement: A reimbursement is cash or other assets received as repayment for the cost of work or services performed, or for other expenditures made for or on behalf and for the convenience of another governmental unit, fund, or department, or for an individual, firm, or corporation. (SAM Section 6463)

Bond Fund: For legal basis budgeting purposes, funds used to account for the receipt and disbursement of self-liquidating or non-self-liquidating general obligation bond proceeds. Depending on the provisions of the bond act, either the General Fund or a sinking fund pays the principal and interest on the general obligation bonds.
(SAM 14400.)

Other Fund: Fund source not represented by the categories identified. If “Other Fund” is used, specify the funding source.

- Will a budget action be submitted to your Agency/DOF?

If Yes, specify the budget year in which the BCP will be submitted.

- Will you be requesting funds from the Technology Modernization Fund (TMF)?
If Yes, indicate whether you have completed a TMF Application to date.
- Please provide a rough order of magnitude (ROM) estimate as to the total cost of the project: Using your best judgement and experience, select a ROM value for the total cost of this proposed project.