
State of California
Department of Technology
Project Approval Lifecycle
Reporting Exemption Request

Preparation Instructions

Statewide Information Management Manual – Section 19E

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Table of Contents

Overview.....	2
Information Technology Reporting Requirements	2
1.0 Submittal Requirements	3
2.0 PAL-RER Form (Instructions).....	4
3.0 Additional Justification Documentation	7

INTRODUCTION TO THE PROJECT APPROVAL LIFECYCLE REPORTING EXEMPTION REQUEST

Overview

The Project Approval Lifecycle (PAL) is divided into various stages, separated by gates. Each stage consists of a set of prescribed, cross-functional, and parallel activities to develop deliverables used as the inputs for the next gate. 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. The four stages, which document the business analysis, alternatives analysis, procurement analysis and solution analysis, must be approved by the Department of Technology prior to the encumbrance or expenditure of funds, including the use of staff resources, on any IT project beyond the PAL.

These instructions describe how an Agency/state entity may request an exemption from reporting the results of three stages of the PAL [Stage 2 Alternatives Analysis (S2AA), Stage 3 Solution Development and Stage 4 Project Readiness and Approval] to the California Department of Technology (Department of Technology). Each Agency/state entity’s request for exemption will be evaluated on a case-by-case basis. Exempting an Agency/state entity from reporting to the Department of Technology does not eliminate the requirement to prepare the Stage/Gate deliverables. The requirements for PAL Reporting Exemption Requests (PAL-RERs), including the circumstances in which Stage/Gate deliverables must be approved by the Department of Technology, are described in policy contained in State Administrative Manual (SAM) Sections 4819.37 and 4819.38.

A prerequisite to submitting a PAL-RER is that the proposal must have an approved Stage 1 Business Analysis (S1BA) and the Agency/state entity must have an acceptable Technology Recovery Plan and an Agency Information Management Strategy approved by the Department of Technology. Agencies/state entities must provide sufficient information in the PAL-RER and any necessary supporting documentation for the Department of Technology to evaluate the business and fiscal factors associated with the proposal. The documentation provided must enable the Department of Technology to understand and concur with the relative need for, cost of, and benefits to be derived from the proposed IT investment. Specifically, the information must establish that the Agency/state entity has the capability and capacity to successfully approve, plan, and execute the project under its own authority.

Information Technology Reporting Requirements

Projects that meet the following criteria are generally reportable to the Department of Technology and require the approval of a PAL-RER in order for approval authority to be delegated to the Agency/state entity:

- A budget action is required to fund all or part of the IT expenditure.
- The total development cost is above the cost threshold established by the Department of Technology.
- The new system development or acquisition is specifically required by legislative mandate or is subject to specific legislative review, as specified in Budget Act control language or other legislation.
- A significant change in State policy draws into question the assumptions underlying the project.
- Any conditions occur that require reporting to the Department of Technology, as previously imposed by the Department of Technology.

If delegated, the following individuals must approve the Stage/Gate deliverables in lieu of the Department of Technology's approvals:

- Agency Secretary, if the state entity reports to an Agency Secretary
- Agency Information Officer (AIO)
- State Entity's Director or designee (other than the CIO or Budget Officer)
- State Entity's Budget Officer
- State Entity's Information Security Officer (ISO)
- State Entity's Chief Information Officer (CIO)
- State Entity's Enterprise Architect (EA)

The Agency/state entity is responsible for maintaining the PAL's Stage/Gate deliverables to support the Agency/state entity's decisions relative to the project initiative. Documentation in support of internally approved project initiatives should be commensurate with the nature, scope, complexity, risk, and expected cost of the project initiative.

Each request for reporting exemption must be documented using the PAL-RER as defined in these instructions. Each Agency/state entity must transmit its PAL-RER to the Department of Technology, after its governing Agency's approval.

The Department of Technology will review each request placing emphasis on the following elements of the project initiative:

- 1) The current business process which is the subject of this project initiative.
- 2) The problem or opportunity prompting this request.
- 3) The business objectives which will solve the problem or realize the opportunity.
- 4) The probable benefits including the programmatic benefits to be achieved by meeting the objectives (tangible and intangible), revenue generation, savings, and cost avoidances.
- 5) The current operations cost of any existing system or program that this project initiative will replace or modify to support programmatic functions.
- 6) The proposed total project cost (one-time costs) and what these costs represent (i.e., personnel, hardware, software, interagency agreements, contracts, etc.).
- 7) The estimated time required to complete the development/implementation effort in days, months, or years.
- 8) The estimated annual cost of operations as defined in the Financial Analysis Worksheet Package Instructions.
- 9) Each funding source and the amount of funds anticipated to be allocated for this proposed project.

If the reporting exemption is not granted, the Agency/state entity must submit the S2AA and remaining Stage/Gate deliverables to the Department of Technology for approval prior to initiating the project.

Each Agency/state entity must formally submit an electronic copy of its PAL-RER to the Department of Technology per the instructions in SIMM Section 05A.

1.0 Submittal Requirements

All IT proposals for which a reporting exemption is requested must be submitted using the "Project Approval Executive Transmittal" form as detailed in the following instructions.

The Project Approval Executive Transmittal Form, located in SIMM Section 19G, will be used to satisfy the transmittal requirements for the PAL-RER.

- ✓ State entities are required to sign and submit the Project Approval Executive Transmittal to their governing Agency for approval.
- ✓ Agencies are required to sign and submit the Project Approval Executive Transmittal to the Department of Technology.

Exception – State entities that are not governed by Agencies can sign and submit the Project Approval Executive Transmittal directly to the Department of Technology.

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.*

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 name of the state entity that prepared the PAL-RER. Designate one state entity as owner if multiple state entities have a role in the proposal.
2. **Agency Name:** Enter the name of the Agency that prepared the PAL-RER. 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. **Name of Proposal:** Enter the proposal name as determined by the Agency/state entity in the approved S1BA.
4. **Department of Technology Project Number:** Enter the project number assigned by the Department of Technology during the S1BA.
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, State Entity Director, Agency Information Officer and the Agency Secretary.

2.0 PAL-RER Form (Instructions)

1. **Submission Date:** The date the PAL-RER is submitted to the Department of Technology.
2. **Submitting Agency/State Entity:** Enter the name of the Agency/state entity that prepared the PAL-RER and is responsible for the proposal described in the PAL-RER. Designate one Agency as owner if multiple Agencies have a role in the proposal.
3. **Reporting Agency:** Enter the name of the Reporting Agency for the state entity, if any.

4. **Proposal Name:** Enter the official name of the proposal as documented in the approved S1BA.
5. **Department of Technology Project Number:** Enter the project number assigned by the Department of Technology from the approved S1BA.
6. **Contact Information:** Enter the name, phone number, and email address of the primary contact for the proposal.
7. **Attach a copy of the approved S1BA to the back of the PAL-RER.** If any updates have been made post-approval, identify the changes per SIMM Section 19A instructions.
8. **Justification for Exemption:** Provide a concise statement explaining the reason an exemption from reporting is being requested. This justification should elaborate on the Agency/state entity's ability to successfully plan and execute this proposed project within the Agency/state entity's authority.
9. **General Description of the Proposed Project:** Provide a concise statement summarizing the initiative. This item should consist of a concise, non-technical, management-oriented description of the proposed project.
10. **Procurement Strategy:** Provide a concise description of the planned procurement strategy for this proposed project.
11. **Implementation Approach:** In the checkboxes provided, identify the approach(es) to be used to implement the alternative.
 - Identify the type of existing IT system enhancement or new system proposed using the following options (check all that apply):
 - Enhance the current system
 - Develop a new custom solution
 - Purchase a Commercial-off-the-Shelf system (COTS)
 - Purchase or obtain a system from another government agency (Transfer)
 - Subscribe to a Software as a Service (SaaS) System
 - Other, specify in the space provided
 - Identify cloud services to be leveraged using the following options (check all that apply):
 - Software as a Service (SaaS) provided by OTech
 - Software as a Service (SaaS) provided by commercial vendor
 - Platform as a Service (PaaS) provided by OTech
 - Platform as a Service (PaaS) provided by commercial vendor
 - Infrastructure as a Service (IaaS) provided by OTech
 - Infrastructure as a Service (IaaS) provided by commercial vendor
 - No cloud services will be leveraged by this alternative. Provide a description of why cloud services are not being leveraged in the space provided.
 - Identify who will modify the existing system or create the new system using the following options (check all that apply):
 - Agency/state entity IT staff

- A vendor will be contracted
 - Agency/state entity will perform a business/solutions-based procurement to have vendors propose a solution
 - Inter-agency agreement will be established with another governmental agency. Specify Agency name(s).
 - Other, specify in the space provided
- Identify the implementation strategy using the following options:
 - All requirements will be addressed in this proposed project in a single implementation
 - Requirements will be addressed in incremental implementations in this proposed project
 - Some requirements will be addressed in this proposed project. The remaining requirements will be addressed at a later date. Specify the year (in YYYY format) when the remaining requirements will be addressed in area provided.
12. **Date of Current Technology Recovery Plan (TRP):** Enter the date the TRP was last approved by the California Information Security Office.
13. **Date of Current Agency Information Management Strategy (AIMS):** Enter the date the AIMS was last approved.
14. **Location Proposed Project is Referenced in AIMS:** Enter the corresponding AIMS page number(s) to indicate whether the proposed project is identified in the Agency/state entity’s AIMS.
15. **Estimated Cost –**
- Total Proposed Project Cost (One-time):** Enter the IT project costs for the total one-time development and implementation costs as determined in the FAW.
- Average Proposed Operations Cost (Annual Continuing):** Enter the annual continuing (maintenance and operations) costs as determined in the FAW.
16. **Planned Funding Source(s):** Enter the anticipated source of funding for the proposed project. If the proposed project is to be funded from multiple sources, quantify the dollar amount from each source. Examples include: the State General Fund, interagency reimbursements, Federal funds, special funds, grant funds.
- Redirection?:** Select “yes” or “no” to indicate if the funding source is from redirection.
- Augmentation?:** Select “yes” or “no” to indicate if the funding source is from redirection or augmentation. If yes, enter the FY (in YYYY-YY format), as appropriate.
17. **Estimated Cost Savings:** Enter the dollar amount of cost savings to be realized. SAM Section 6602 defines cost savings as “Both actual budget reductions and the ‘freeing up’ of staff and/or resources for reassignment to other areas of legitimate concern of the agency.”

18. **Estimated Cost Avoidance:** Enter the dollar amount of cost avoidance to be realized. Cost avoidance is defined as a benefit that occurs 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.
19. **Estimated Project Start Date:** Enter the project's estimated start date.
20. **Estimated Project End Date:** Enter the project's estimated completion date.
21. **Financial Analysis Worksheets (FAW):** Attach a copy of the FAWs. The FAWs provide a standard format for documenting the projected costs and financial benefits of the current method of operation and the proposed alternative. The worksheets are used to perform cost analyses of the full range of alternatives under consideration. See SIMM Section 19F Financial Analysis Worksheets Preparation Instructions for direction on how to complete the FAWs.

3.0 Additional Justification Documentation

Attach additional documentation as needed to describe the proposal and to justify why an exemption to reporting to the Department of Technology should be considered.