

PROJECT APPROVAL LIFECYCLE (SIMM 19)

Frequently Asked Questions

General

1. Q. How is Project Approval Lifecycle different than the Feasibility Study Report?

- A.** The new Project Approval Lifecycle (PAL) will implement a Stage/Gate Model for Information Technology (IT) project approval that consists of four stages, separated by gates. 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. Each stage consists of a set of activities to develop PAL Stage/Gate deliverable documents (deliverables) that are used as the inputs for the next gate. The new deliverables and instructions provide a more guided approach to proposal development with the use of drop down menus, check boxes and fillable tables to gather requested information. The open narrative sections in the Feasibility Study Report (FSR) are minimized in the Stage 1 Business Analysis and Stage 2 Alternatives Analysis. For proposed projects that are anticipated to be reportable to the Department of Technology, Agencies/state entities business and IT staff will also have the opportunity to collaborate with the Department of Technology at each gate to review and discuss the business problems and/or opportunities to be addressed, identify potential deficiencies, provide guidance and recommendations and come to an agreement on risk mitigation strategies prior to the next stage of the project approval lifecycle. The model will also integrate procurement into the project approval lifecycle, providing for better estimates on the proposed project’s budget and schedule before a project is approved.

2. Q. How will the new Stage/Gate Model improve the process for how projects are approved?

- A.** The Stage/Gate Model is being developed as a structured and guided approach towards helping Agencies/state entities prepare for an IT project. The new process emphasizes planning as a critical step towards project success coupled with an Agencies/state entity’s due diligence in defining the business case before an IT solution is selected. The Stage/Gate Model has integrated components that address organizational readiness, risk identification and mitigation strategies, and opportunities for collaboration with the Department of Technology, Agency/state entities and their respective subject matter experts. The new process will provide tools and opportunities for better cost and schedule baseline estimates as a result of procurement being added to the project approval process. With a more accurate cost and schedule baseline at project approval, Agencies/state entities are anticipated to reduce the number of Special Project Reports and/or budget actions submitted for additional money, time, and/or resources. Ultimately, it allows Agencies/state entities to refine their plans and analysis collaboratively with Department of Technology to

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arrive at more accurate estimates and solid/sound project plans at the time of solution approval (Stage 4). Through better up front planning in the PAL process, Agencies/state entities will save time and money, by allowing resources to focus on project execution activities instead of revising cost, scope, and schedule estimates.

3. Q. What if my Agency/state entity is currently working on a Feasibility Study Report? Will a Stage 1 Business Analysis or Stage 2 Alternatives Analysis need to be completed instead?

- A.** No, the Department of Technology recognizes that Agencies/state entities are currently developing Feasibility Study Reports to be submitted in July 2015 for proposed projects that anticipate the need to submit a related budget action for the Fiscal Year 2016-17. *If a Stage 1 Business Analysis or concept proposal has previously been approved by the Department of Technology, Agencies/state entities must submit a FSR by July 20, 2015.* The FSR must be prepared in accordance with the existing Statewide Information Management Manual (SIMM) Section 20 and as described in the State Administrative Manual (SAM) Sections 4920 through 4942. Additional information regarding FSR submission requirements and pilot participation is available in Technology Letter 14-07.

Revised

4. Q. Will the new project approval process change how projects get funding?

Projects that need new funding and require a budget action will still require an accompanying budget request. *An approved Stage 1 Business Analysis must be submitted timely to the Department of Technology and approved before the Agency/state entity submits a related Budget Change Proposal to the Department of Finance.* The project's corresponding budget request will follow the existing budget process and be submitted to the Department of Finance. The Department of Technology worked in collaboration with the Department of Finance to align the project approval process to the existing budget cycle to eliminate the project risks that currently exist as a result of the challenges related to accurately capturing costs for funding requests. Suggested timelines for submitting project approval lifecycle Stage/Gate deliverables to meet funding needs for a specific fiscal year are located in SIMM 05A. (See http://www.cio.ca.gov/Contact_Us/staff_assignments.asp for assigned Oversight Manager).

New

5. Q. Are the Project Approval Lifecycle Formal Submission Dates in SIMM 05A hard due dates for Stage/Gate deliverable submissions?

- A.** No, the Target Project Funding Dates in SIMM 05A are intended to serve as a guide for Agencies and state entities to plan stage/gate deliverable submittals based on the budget cycle. The immovable deadlines come from the State Budget Cycle – managed by the Department of Finance.

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The SIMM 05A timelines are intended to assist Agencies and state entities plan the workload required for the Project Approval Lifecycle while ensuring that budget cycle milestones are met. Departments can submit deliverables at any time; however Agencies/State entities are highly recommended to submit deliverables no later than the identified dates to allow the appropriate time for deliverable development, analysis, review and Department of Technology approval. Any delays in Stage/Gate deliverable submissions must be made up in subsequent stages in order to meet budget cycle deadlines.

6. Q. What is the purpose of the Preliminary Assessment?

- A.** In the preliminary assessment, Agencies/state entities will answer several yes or no questions in the areas of risk, business value and organizational readiness. The preliminary assessments are completed prior to developing subsequent Stage/Gate deliverables. The preliminary assessment allows the Department of Technology to provide guidance via instructions located in SIMM to the submitting Agency/state entity on the required content for their project approval lifecycle stage/gate deliverable. The answers provided in the preliminary assessment will also be evaluated by the Department of Technology in order to communicate requirements related to additional deliverable content, identify areas to provide guidance, leverage statewide lessons learned for similar projects undertaken by another Agency/state entity, and suggest any risk resolution strategies to be utilized prior to moving on to the next stage. One of the advantages of the preliminary assessment is to help recognize and mitigate project risks early and to introduce the first opportunity for scalability to the PAL.

Stage 1 Business Analysis

7. Q. Will Agencies/state entities be able to submit Stage 1 Business Analysis after the IT Capital Plan is approved and published?

- A.** The PAL supports and encourages Agencies/state entities to submit Stage 1 Business Analyses year round. S1BA's submitted after the most recent IT Capital Plan is approved and published will be instructed to include the S1BA proposal on the following submission of their IT Capital Plan.

8. Q. Why was the Stage 1 Business Analysis revised and what are the benefits we can expect from the revisions?

- A.** The release of Stage 1 Business Analysis provided the initial framework towards better project planning by emphasizing the establishment of a solid business case before selecting an IT solution. Since April 2014, the State Technology Approval Reform (STAR) Project has further developed the Stage/Gate Model by engaging representatives from various Agencies and state entities to serve on the STAR Project's Policy and Procedure Sub-Team. The Policy and Procedure Sub-Team revised the Stage 1 Business Analysis to incorporate organizational

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readiness, business value, business drivers, and risk to help better plan and prepare for project implementation. The revised Stage 1 Business Analysis includes scalability to determine the amount of information that is required for the Department of Technology to review and approve. Additional S1BA changes are based on feedback received from the IT community on past project experiences and S1BA lessons learned from the initial September 2013 release. The feedback the Department of Technology has received on the existing FSR and Stage 1 Business Analysis process was used as inputs to design a policy that is more conducive to meeting stakeholder needs.

9. Q. Do I have to submit a Stage 1 Business Analysis if my project is non-reportable?

- A.** Yes, all Agencies/state entities are required to submit a Stage 1 Business Analysis regardless of whether projects are anticipated to be reportable or non-reportable as outlined in SAM section 4819.34. However, for projects anticipated being non-reportable the amount of S1BA information required to be submitted to the Department of Technology for review and approval will be less than for projects anticipated to be reportable.

10. Q: The Project Approval Executive Transmittal (SIMM 19G) includes language that the Department of Technology may recover costs from a state entity based on their review of my proposal. What are these costs for and how much will this be?

- A.** The Department of Technology will provide oversight throughout the Project Approval Lifecycle process for those proposals that are anticipated to result in a reportable project. More specifically, the Department of Technology must recover the cost of assigning an oversight manager to assist the Agency/state entity's planning team in completing all of the work necessary to progress through the project approval lifecycle. This includes the time required to attend meetings and review each stage/gate deliverable to verify sufficiency of an Agency/state entity's planning artifacts. Ultimately, the oversight manager must determine whether or not the proposal is ready to advance to the next stage of the PAL. The oversight manager will be either a full-time or part-time resource depending on the complexity and magnitude of the proposal. The Department of Technology will establish the rate for the oversight resource annually based on the respective costs the Department of Technology must recover.

Stage 2 Alternatives Analysis

11. Q. What is the purpose of Stage 2 Alternatives Analysis?

- A.** Stage 2 Alternatives Analysis is the second of four stages of the PAL and provides a basis for project management, program and business management, executive management, and state-level control agencies to understand and agree on how the proposal's business objectives will be achieved. Market research is conducted in Stage 2 based on the stated objectives as the means to research viable IT solutions (alternatives) available in the open

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market. Market research provides a process for gathering data on product characteristics, suppliers' capabilities and the business practices that surround them—plus the analysis of that data to define viable solution alternatives and make informed procurement decisions. Stage 2 Alternatives Analysis is used to evaluate alternative solutions to determine which alternative will best meet the business objectives, and propose an appropriate acquisition strategy/plan for procuring services if needed based on the alternative selected. The Stage 2 Alternatives Analysis instructions will help Agencies/state entities meet the Department of Technology Stage 2 Alternatives Analysis documentation requirements for project proposals.

12. Q. Do I have to submit a Stage 2 Alternatives Analysis if my project is non-reportable and have an approved Stage 1 Business Analysis?

- A.** No, for proposals anticipated to be non-reportable and have an approved Stage 1 Business Analysis, the approval authority is delegated to the Agency/state entity's Secretary or Director per State Administrative Manual (SAM) sections 4819.35 and 4819.36. Agencies/state entities undertaking non-reportable projects are still expected to internally employ appropriate project review, approval, and reporting procedures as specified in SAM. If at any stage in the PAL a proposal was initially anticipated to be non-reportable, factors change and it now meets any of the reportability criteria (per SAM 4819.37), the Agency/state entity is required to resubmit a Stage 1 Business Analysis with all sections completed and a Stage 2 Alternatives Analysis with the appropriate level of content completed to the Department of Technology for review and approval.

13. Q. What are Mid-Level Solution Requirements and why are they being included in the Stage 2 Alternatives Analysis?

- A.** Mid-Level solution Requirements describe the characteristics of a solution that will meet the business objectives identified in the Stage 1 Business Analysis. The Department of Technology has developed instructions in SIMM 19B to provide Agencies/state entities guidance on developing and documenting Mid-Level Solution Requirements as a part of the Stage 2 Alternatives Analysis. As part of the future release of the Stage 3 Solution Development, requirements guidelines will be published to provide further guidance on maturing Mid-Level Solution Requirements into Solution Requirements to support the solicitation and will serve as a tool for Agencies/state entities to understand how requirements are progressively elaborated through the project approval lifecycle stage/gate model and bridge business objectives to solution requirements.

14. Q. Why is Market Research being included in Stage 2 Alternatives Analysis?

- A.** Agencies/state entities are required to perform market research to collect information and analyze the capabilities of vendors in the existing market. Market research determines

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whether the business need identified can be met by products or services available in the current marketplace; whether commercial practices regarding customizing, or modifying products or tailoring services are available to meet the business need or objectives of the proposal. Market research is also used to determine how many vendors, if any, can provide solutions to the business problem or opportunity. This can shape the procurement strategy, which helps determine the type and content of the product description or statement of work, develops the support strategy, further develop and/or refine requirements, and identifies evaluation factors used for the solicitation. Market Research is also essential when little or no knowledge exists for the desired IT product, service or solution and allows the Vending industry/community the opportunity to provide current feedback on the existing and innovative products, services or solutions available in the marketplace. In addition, with thorough market research, Agencies/state entities will be in a better position to project more realistic cost estimates and schedules as compared to the current FSR's rough order of magnitude cost and schedule estimates. Market research will reinforce and validate the Agencies/state entities selected alternatives and business, technical and functional objectives, including cost estimates.

15. Q. Am I required to use the Department of Technology's Market Research Guidelines to complete Stage 2 Alternatives Analysis?

A. The Department of Technology developed Market Research Guidelines as a tool for Agencies/state entities to help conduct the vetting of industry input and allow for research on both business and technical requirements. They will assist in identifying research methodologies and serve as a basis to create more robust Market research results and collect more reliable data. Adherence to the Department of Technology's Market Research Guidelines is not required to complete your Stage 2 Alternative Analysis; however, the Department of Technology does require market research to be conducted by Agencies/state entities to determine the suitability of the marketplace for satisfying a business need or technical need and/or requirements, as well as ensuring the alignment of the recommended solution with current and feasible industry offerings. The results of an Agency/state entity's market research is required to be submitted for Department of Technology assessment and review before an Agency/state entity may move on to Stage 3 Solution Development.

16. Q. If a consultant participates in the development of Stage 2, 3 or 4 deliverables, can the same consultant contract as a part of the end product solution?

A. Except in unique circumstances, the answer is no. California Public Contract Code Section 10365.5 states consultants are prohibited from bidding on or being awarded a follow-on contract based on the product of a previous contract by that consultant. Therefore, a consultant that participates in the development of any part of Stage 2, 3 and/or 4 deliverable may not be included in the contract for the end product solution after the proposal is approved

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in Stage 4. Additional information can be found in California Public Contract Code Sections 10365.5, 10430, and State Administrative Manual, Management Memo 04-09.

17. Q. Why is a Financial Analysis Worksheets included with the Stage 2 Alternatives Analysis?

A. The Financial Analysis Worksheets (FAWs), located in SIMM Section 19F, replace the existing Economic Analysis Worksheets (EAWs). Stage 2 Alternatives Analysis is the first opportunity in the project approval lifecycle for the Agency/State Entity to present the cost analysis of the identified alternatives for addressing the business problem/opportunity. The FAW is included in the Stage 2 Alternatives Analysis and compares the current business process/system with the various identified alternatives. This was formerly referred to in the Feasibility Study Report process as the Economic Analysis Worksheet (EAWs, but has been renamed the Financial Analysis Worksheet to (1) clarify the focus of the document and (2) assure the use of the correct analytical process/forms. The FAW is a multi-page document (spreadsheet) that allows for the fiscal analysis that compares the current method of addressing a business problem to various alternative approaches. A key concept of this review is to develop apples-to-apples comparisons of various component cost and revenue impacts. This is done through the review of the average annual cost of multi-year cycles, which allows for cycles of varying time frames to be compared. The FAW brings project cost analysis in line with standard budget analysis and can be refined in later stages of the PAL. Additionally, the FAW format aligns with the current budget process documents.

18. Q. What if a Department doesn't have enough funding to perform requirements elicitation or developing the solicitation activities for Stage 3 Solution Development?

Projects that need new funding and require a budget augmentation will still require an accompanying budget request. The project's corresponding budget request will follow the existing budget process and be submitted to the Department of Finance. See SIMM Section 05A for suggested timelines to submit project approval lifecycle stage/gate deliverables to meet funding needs for a specific fiscal year.

19. Q. If my Agency/state entity uses other funding sources such as federal grants, how does Project Approval Lifecycle impact me?

A. Agencies/state entities must follow the PAL process regardless of funding source. If Agencies/state entities have a specific situation that warrants a discussion to determine how to proceed, please contact your assigned Information Technology Project Oversight Division (ITPOD) Oversight Manager for further details. (See http://www.cio.ca.gov/Contact_Us/staff_assignments.asp for assigned Oversight Manager).

20. Q. May I submit a federal project approval document (Advanced Planning Document) in lieu of a Project Approval Lifecycle stage/gate deliverable if the project is being mandated and/or federally funded?

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- A. No, Agencies/state entities may not submit any other project approval documentation in lieu of PAL Stage/Gate deliverables unless otherwise requested by the Department of Technology. If Agencies/state entities have a specific situation that warrants a discussion to determine how to proceed, please contact your assigned Information Technology Project Oversight Division (ITPOD) Oversight Manager for further details. (See http://www.cio.ca.gov/Contact_Us/staff_assignments.asp for assigned Oversight Manager).

InfoPath

21. Q. Why is InfoPath being used if it is being discontinued by Microsoft?

- A. It was announced in early 2014 that InfoPath was ultimately being retired by Microsoft. The Department of Technology contacted Microsoft directly and discovered that support would continue through 2023 and a migration plan away from InfoPath forms would be provided. With support promised through 2023 and knowing InfoPath is a temporary solution spanning no more than another three years for the STAR Project, InfoPath continues to be the best solution for use until a fully functional automated system is developed. Additionally, Agencies/state entities used InfoPath to submit Stage 1 Business Analyses starting in September 2013. This minimizes the learning curve for stakeholders to learn and adjust to a new tool.

22. Q. When I use the Microsoft InfoPath® form to complete the Stage 1 Business Analysis and Stage 2 Alternatives Analysis, what version of Microsoft Office do I need?

- A. InfoPath® is included as a standard component in the most frequently installed versions of the Microsoft Office® suite, as noted below. Although it is commonly installed on workstations, sometimes InfoPath® is not enabled. If InfoPath® is not visible; you may need to contact your desktop support. They can best inform you on how InfoPath® fits into your organizations' desktop standards and the steps to enable it. For reference, following are the Microsoft versions:

InfoPath® 2003 – Office® 2003 Professional; Professional Enterprise
InfoPath® 2007 – Office® 2007 Ultimate; Professional Plus; Enterprise
InfoPath® 2010 – Office® 2010 Professional Plus; Office 365
InfoPath® 2013 – Office® 2013 Professional Plus; Office 365

23. Q. Can I attach documents within the InfoPath form?

- A. The Stage/Gate forms in InfoPath will have the capability to upload required documents into the actual form. The document format will likely be standardized to PDF. There will be an upload button to upload a specific required document to help capture the critical data needed to approve your project package. Uploading the required documents as attachments to the form will retain the association and relationship between the InfoPath form and the documents that were submitted.