

GUIDELINES FOR PREPARING THE SCHEDULE IV-B FOR INFORMATION TECHNOLOGY PROJECTS

For Fiscal Year 2015-16



July 2014

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Introduction

The Schedule IV-B contains more detailed information on information technology (IT) projects than is included in the D-3A issue narrative submitted with an agency's Legislative Budget Request. Generally, the Schedule IV-B builds on analyses and information collected by the agency during the initial definition and planning stages of a project. A Schedule IV-B must be completed for all projects with a total cost (all years) of \$1 million or more.

Schedule IV-B is not required for requests to:

- Continue existing hardware and software maintenance agreements,
- Renew existing software licensing agreements, or
- Replace desktop units ("refresh") with new technology that is similar to the technology currently in use.
- Contract only for the completion of a business case or feasibility study for the replacement or remediation of an existing IT system or the development of a new IT system.

The components of the Schedule IV-B include:

- I. Cover Sheet and Agency Project Approval
- II. Business Case – Strategic Needs Assessment
- III. Success Criteria
- IV. Benefits Realization and Cost-Benefit Analysis
- V. Major Project Risk Assessment
- VI. Technology Planning
- VII. Project Management Planning

Documentation Requirements

The type and complexity of an IT project determines the level of detail an agency should submit for the following documentation requirements:

- Background and Strategic Needs Assessment
- Baseline Analysis
- Proposed Business Process Requirements
- Functional and Technical Requirements
- Success Criteria
- Benefits Realization
- Cost Benefit Analysis
- Major Project Risk Assessment
- Risk Assessment Summary
- Current Information Technology Environment
- Current Hardware/Software Inventory
- Proposed Solution Description
- Project Management Planning

If an agency has a legislative budget request issue that requires the submission of a Schedule XII and the issue request requires the vendor(s) to develop a new information technology system or enhance/modify an existing system that meets the Schedule IV-B submission criteria, the agency only needs to complete the following Schedule IV-B components:

- I. Cover Sheet for Agency Project Approval
- IV. Baseline Project Budget – CBA Form 2-A
- V. Major Project Risk Assessment
- VI. Technology Planning
- VII. Project Management Planning

Agencies with multi-year projects that will not be completed in FY 2014-15 must submit updated Schedule IV-B documentation with the Legislative Budget Request if original project business objectives, business benefits, cost

estimates, funding model, project scope, implementation approach, or timeline have significantly changed from the information provided in the original Legislative Budget Request. For example, changes in benefits, costs, funding model, or timeline should trigger an update of the Cost-Benefit Analysis portion of the Schedule IV-B documentation (which should reflect ALL years of the project). The updated Schedule IV-B should be provided in MS Word with Track Changes displayed from the original Schedule IV-B submission. ***All multi-year projects must complete the Risk Assessment Component of the Schedule IV-B*** along with any other components that have been updated from the original Feasibility Study that may have previously been submitted. The updated information should be resubmitted with the Legislative Budget Request.

An agency should submit its completed Schedule IV-B with its Legislative Budget Request as provided for in the Fiscal Year 2015-16 Legislative Budget Request Instructions.

The purpose of this document is to provide guidance, tools, and examples for agencies to use in completing each of the Schedule IV-B components.

II. Schedule IV-B Business Case – Strategic Needs Assessment

IT projects must support the agency’s mission, programs, and services and a comprehensive business case provides a broad analysis and plan of the overall project and is essential to facilitate initial buy-in. Agencies must clearly identify the current situation leading to the need for the proposed project and the requirements that must be met by the proposed business solution. Specific goals of a strong business case include:

- Communication of a clear business need.
- Clearly presented rationale and documentation for the state’s investment.
- Clearly defined project scope.
- Demonstration that the agency is capable of implementing and managing the project.
- Framework for the decision-making in the management of the project.
- Documentation of the policy, budget, and functional objectives.
- The following sections explain what information to include in each part of the business case.

A. Background and Strategic Needs Assessment

Purpose: To clearly articulate the business-related need(s) for the proposed project.

1. Business Need

Document the current status of the program or service and describe in detail all areas that need improvement, i.e., current inefficiencies, problems and/or shortfalls. The business need should:

- a. Explain how the program or service is critical to the agency’s core mission and how it is aligned with the state’s policy and budget priorities.
- b. Provide a clear statement of need that describes the conditions that created, or significantly contributed to, the problem or opportunity being addressed by the project. Problems and opportunities should be analyzed in terms of their impact on the agency’s mission and programs.

2. Business Objectives

Clearly state the business objectives for this project - the results that must be achieved from the proposed solution that will prove the project was successful. Objectives measure the responsiveness of the recommended solution in addressing the problem or opportunity. It is essential that each objective relate to a problem or opportunity specified in the problem/opportunity statement and be realistically achievable.

These objectives may directly relate to the performance measures in the agency’s Long Range Program Plan (LRPP), strategic plans, or internal measures currently being tracked by the agency. Describe the measures that will be used to measure the effectiveness of the proposed project.

NOTE: For IT projects with total cost in excess of \$10 million, the business objectives described in this section must be consistent with existing or proposed substantive policy required in s. 216.023(4)(a)10, F.S.

B. Baseline Analysis

Purpose: To establish a basis for understanding the business processes, stakeholder groups, and current technologies that will be affected by the project and the level of business transformation that will be required for the project to be successful.

1. Current Business Process(es)

Describe the current business process(es) involved with supporting or providing the program or service that will be affected by the proposed project. Emphasis should be given to any known problems or challenges that will be addressed by the project. Identify any problems or recommended improvements in the existing process(es) that should be based on feedback from staff currently executing the process and/or other process mapping and analysis methods. Include the following in the description:

- a. Specific performance, operational and/or fiscal issues that need to be addressed to achieve the improvements to the program or service.
- b. Explain why the current process(es) is not desirable and note the drivers of change.
- c. Describe the current performance metrics and performance data requirements.

NOTE: If the agency has completed a workflow analysis with sufficient detail and narrative explanation, this analysis may be submitted in lieu of completing this documentation requirement.

2. Assumptions and Constraints

Identify unique business requirements including any departmental, state, federal, or industry standards that might limit the range of reasonable technical alternatives.

Identify any assumptions and constraints associated with the problem or opportunity being addressed that might impact the outcome of the proposed solution.

C. Proposed Business Process Requirements

Purpose: To establish a basis for understanding what business process requirements the proposed solution must meet in order to select an appropriate solution for the project.

1. Proposed Business Process Requirements

A business process requirement describes and documents what the necessary activity or set of activities are to address a business need or goal, i.e., accept customer payment. A functional requirement describes how the business process requirement shall be accomplished, i.e., accept customer payment via the Web or accept customer payment via the phone.

Provide a complete description of the business process requirements the proposed solution must meet to satisfy the business objectives identified in Section II-A. Identify any anticipated changes or improvements in the business processes described in Section II-B.

Identify any changes to performance measures identified in Section II-B and include any changes in performance measures for the agency program(s), service, and activity(s), and other performance measures used to determine the effectiveness of the proposed project.

2. Business Solution Alternatives

Identify and briefly describe the different business alternatives considered that met the business objectives identified in Section II.A.

3. Rationale for Selection

Describe the criteria that the agency used to compare alternatives and select a solution that best meets the need for the proposed project as described in this section. This description should identify the priorities, benefits, assumptions, and constraints that impacted or may impact the selection of the proposed solution. The rationale should identify any specific criteria that address characteristics and requirements of the customers, users, and stakeholders. If appropriate, identify any best practices from other public or private sector entities that support the selection of the proposed solution.

4. Recommended Business Solution

Describe which of the business alternatives was selected as the recommended business solution. Provide clear and concise reasons explaining why the selected solution best meets the business needs of the agency and is in the best interest of the State.

NOTE: For IT projects with total cost in excess of \$10 million, the project scope described in this section must be consistent with existing or proposed substantive policy required in s. 216.023(4)(a)10, F.S.

D. Functional and Technical Requirements

Purpose: To identify the functional and technical system requirements that must be met by the project.

As previously mentioned, a functional requirement describes how the business process requirement, identified in this section, shall be accomplished. Technical requirements also describe how the business process requirement will be accomplished but from the technical perspective.

Include through file insertion or attachment the functional and technical requirements analyses documentation developed and completed by the agency.

III. Success Criteria

Purpose: To identify the critical results, both outputs and outcomes, that must be realized for the project to be considered a success.

Based upon the identified business objectives and the proposed business process and functional requirements, identify the critical results, both outputs and outcomes, which must be realized in order for the agency to consider the proposed IT project a success.

Success criteria should be easily measurable at the end of the proposed IT project through defined key performance indicators (KPIs) and should be non-negotiable during the procurement phase of the project. Examples could include the elimination of a manual processing unit, decommissioning of duplicative systems or subsystems, or higher quality service metrics.

IV. Schedule IV-B Benefits Realization and Cost Benefit Analysis

A. Benefits Realization Table

Purpose: To calculate and declare the tangible benefits compared to the total investment of resources needed to support the proposed IT project.

A benefit is an advantage or assistance to a program that would not be achievable without the proposed IT project. A tangible benefit results from a program change that has quantifiable positive financial value, such as new or increased revenues, operational efficiencies, cost reductions, new or increased reimbursements, or personnel cost reductions.

Figure 1: Benefits Realization Table

BENEFITS REALIZATION TABLE						
#	Description of Benefit	Tangible or Intangible	Who receives the benefit?	How is the benefit realized?	How will the realization of the benefit be measured?	Realization Date (MM/YY)
1						
2						
3						
4						
5						
6						
7						
8						

Describe each benefit that is expected from implementing the proposed IT project and identify its recipient, how and when it is realized, and how the realization will be measured to include estimates of tangible benefit amounts.

B. Cost Benefit Analysis (CBA)

Purpose: To provide a comprehensive financial prospectus specifying the project’s tangible benefits, funding requirements, and proposed source(s) of funding.

Best practices for IT investment management require an analysis showing a return on investment (ROI) for IT projects. The CBA is the tool used to quantify the financial return the State will realize from the investment in the project. In completing the CBA, the agency will have clearly documented the project’s estimated benefits, funding requirements, and a high-level schedule for when the funding is needed.

The CBA Excel workbook is included in Appendix A on the Florida Fiscal Portal and must be completed and submitted with the agency’s Schedule IV-B.

The following provides an explanation for the completion of the three CBA Forms.

1. The Cost-Benefit Analysis Forms

The inputs and outputs of this analysis are documented in an Excel workbook containing several worksheet forms, which calculate the financial return of the proposed IT project. The first form in the Excel workbook focuses on expected operational cost changes of the existing program and the estimated tangible benefits from the Benefits Realization Table. The second worksheet contains a form for the detailed project costs and the proposed funding sources for the project. These worksheets serve as the input data for the final cost-benefit worksheet, which calculates the level of financial return expected for the project.

The worksheet forms are briefly described in the following table:

Cost Benefit Analysis	
Form	Description of Data Captured
CBA Form 1 - Net Tangible Benefits	<p>Agency Program Cost Elements: Existing program operational costs versus the expected program operational costs resulting from this project. The agency needs to identify the expected changes in operational costs for the program(s) that will be impacted by the proposed project.</p> <p>Tangible Benefits: Estimates for tangible benefits resulting from implementation of the proposed IT project, which correspond to the benefits identified in the Benefits Realization Table. These estimates appear in the year the benefits will be realized.</p>
CBA Form 2 - Project Cost Analysis	<p>Baseline Project Budget: Estimated project costs.</p> <p>Project Funding Sources: Identifies the planned sources of project funds, e.g., General Revenue, Trust Fund, Grants.</p> <p>Characterization of Project Cost Estimate.</p>
CBA Form 3 - Project Investment Summary	<p>Investment Summary Calculations: Summarizes total project costs and net tangible benefits and automatically calculates:</p> <ul style="list-style-type: none"> • Return on Investment • Payback Period • Breakeven Fiscal Year • Net Present Value • Internal Rate of Return

Navigate between worksheets by clicking on the worksheet tabs in the lower left of the worksheet display. Data input is restricted to the **yellow highlighted** areas in all worksheets. Cells in the Excel workbook, except for those with the yellow highlights, are locked and cannot be edited.

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NOTE: Data is input within the yellow shaded cells and automatically carried forward within the workbook to calculate values in the last forms. Most of the cells in the workbook are “locked” to ensure correct calculations.

2. Guidelines for Completing the CBA Forms

Step 1: Open the Excel CBA workbook and go to the first tab, CBA Form 1 - Net Tangible Benefits

Purpose: The purpose of this worksheet is to provide estimates of any tangible benefits and anticipated changes in operational costs over the next five fiscal years as a result of the project.

In the CBA Form 1 worksheet, current program operational costs are used as a baseline for comparison in each fiscal year. The tangible benefits identified within the previously completed Benefits Realization Table will assist in determining the changes to the program or programs that will be recorded in CBA Form 1A.

Figure 2: CBA Form 1A - Net Tangible Benefits

Agency (Operations Only -- No Project Costs)	FY 2015-16						FY 2016-17			FY 2017-18			FY 2018-19			FY 2019-20		
	(a)	(b)	(c) = (a)+(b)	(a)	(b)	(c) = (a) + (b)	(a)	(b)	(c) = (a) + (b)	(a)	(b)	(c) = (a) + (b)	(a)	(b)	(c) = (a) + (b)			
	Existing Program Costs	Operational Cost Change	New Program Costs resulting from Proposed Project	Existing Program Costs	Operational Cost Change	New Program Costs resulting from Proposed Project	Existing Program Costs	Operational Cost Change	New Program Costs resulting from Proposed Project	Existing Program Costs	Operational Cost Change	New Program Costs resulting from Proposed Project	Existing Program Costs	Operational Cost Change	New Program Costs resulting from Proposed Project			
A. Personnel -- Total FTE Costs (Salaries & Benefits)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0			
A.b Total	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00			
A-1.a. State FTEs (Salaries & Benefits)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0			
A-1.b. State FTEs (# FTEs)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00			
A-2.a. OPS FTEs (Salaries)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0			
A-2.b. OPS FTEs (# FTEs)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00			
A-3.a. Staff Augmentation (Contract Cost)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0			
A-3.b. Staff Augmentation (# of Contract FTEs)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00			
B. Data Processing -- Costs	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0			
B-1. Hardware	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0			
B-2. Software	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0			
B-3. Other <i>Specify</i>	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0			
C. External Service Provider -- Costs	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0			
C-1. Consultant Services	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0			
C-2. Maintenance & Support Services	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0			
C-3. Network / Hosting Services	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0			
C-4. Data Communications Services	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0			
C-5. Other <i>Specify</i>	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0			
D. Plant & Facility -- Costs (including PDC services)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0			
E. Others -- Costs	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0			
E-1. Training	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0			
E-2. Travel	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0			
E-3. Other <i>Specify</i>	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0			
Total of Operational Costs (Rows A through E)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0			
F. Additional Tangible Benefits:		\$0			\$0			\$0			\$0			\$0				
F-1. <i>Specify</i>		\$0			\$0			\$0			\$0			\$0				
F-2. <i>Specify</i>		\$0			\$0			\$0			\$0			\$0				
F-3. <i>Specify</i>		\$0			\$0			\$0			\$0			\$0				
Total Net Tangible Benefits:		\$0			\$0			\$0			\$0			\$0				

- Enter the existing program cost data beginning in fiscal year 2015-16. The agency’s existing program costs are recorded in the “(a)” columns (see Figure 2); these are the costs of continuing to do business for each fiscal year *with the current approach*. The agency must estimate the timing of the conclusion of the current operation and the startup of the new operation as well as the costs associated with each when identifying the expected changes in program costs. The Existing Program cost information is used with the Operational Cost Change to calculate the new program costs that would result from implementing the proposed project.
- If there are multiple items comprising the costs for the “Other” rows (B-3, C-5, E-3), simply provide a summary/cumulative total cost of the “Other” in the appropriate year column. List the specific items for “Other” in the yellow “Specify” space.
- Enter any changes in program costs due to the proposed project in Column B. **NOTE: Any anticipated reductions in program staff and operational costs (e.g., the values shown in Rows A through E) should be entered as negative values; conversely, any increases in FTEs or operational costs should be recorded as positive values. Intangible changes are not to be entered in this table.**

For example: If the project is expected to reduce the number of state FTEs required to support the program by two in FY 2015-16, then in 2015-16 the value for change in baseline cost and number of state FTEs will be zero. However, in FY 2015-16 enter (-2) FTEs and a negative dollar value to indicate the salaries and

benefits that will be saved. If these two FTEs are to be permanently deleted from the program, the same (-2) FTEs and negative value for salary and benefits should be carried forward into each subsequent year to reflect the expected reductions from current baseline costs.

- d. Rows A through E reflect the standard program operational cost elements: Personnel, Data Processing, External Service Providers, Plant & Facility (including State Data Center costs), and Other.
- e. List any additional tangible benefits that were identified in the Benefits Realization Table in the yellow “Specify” space, and enter the estimated dollar value in Row F.
- f. CBA Form 1A has locked rows that will calculate the subtotals and total net tangible benefits associated with implementing the project by fiscal year. The totals are linked to CBA Form 3A, and are used in that worksheet.

NOTE: The estimated operational cost changes and any additional tangible benefits should be identified for the five fiscal year period on the CBA Form 1A. If a change in operational costs or benefits is realized during part of a fiscal year, the amount should be based on the months in which the increase/decrease is actually realized and the pro-rated change should be shown in that fiscal year.

Step 2: Go to CBA Form 1B - Characterization of Project Benefit Estimate

Purpose: The purpose of this table is to identify the rigor and confidence associated with estimated tangible changes from the proposed project.

Complete the table to document the rigor and confidence associated with the methodology used to estimate the tangible benefits associated with the proposed project, as discussed in the Benefit Realization Table.

Figure 3: CBA Form 1B - Characterization of Tangible Benefits Estimate

CHARACTERIZATION OF PROJECT BENEFIT ESTIMATE -- CBA Form 1B			
Choose Type		Estimate Confidence	Enter % (+/-)
Detailed/Rigorous	<input type="checkbox"/>	Confidence Level	
Order of Magnitude	<input type="checkbox"/>	Confidence Level	
Placeholder	<input type="checkbox"/>	Confidence Level	

In the Benefit Realization Table the agency discussed how it estimated the anticipated benefits of the project and determined the confidence level of the information provided in this CBA table. In CBA Form 1B, the agency must indicate whether the character of the tangible benefit estimate is:

- **Detailed/rigorous** – Generates an estimate that is accurate within ±10% based on specific, detailed requirements for the system to be built or service to be purchased. This character and confidence level should only be used if the estimate has been quantitatively derived. For example, the project is one which the agency has successfully completed a number of times, and reliable metrics to estimate benefits are available.
- **Order of magnitude** – Generates an estimate that could vary between 10-100 percent based on very high-level requirements for the system or service involved (i.e., dollar estimate accuracy could vary up to ±100%). This character and associated confidence level should be used when the agency or vendor has previous experience with similar projects, and industry standard estimation methodologies are used.
- **Placeholder** – Generates a benefit estimate that may or may not relate to the actual results from the project. This character and associated confidence should be used when the project scope, organization and schedule are not well defined, and the actual benefits may vary by more than 100%.

Indicate the type of estimate and the level of confidence the agency has in the estimated tangible benefits, including any operational changes identified, in CBA Form 1B.

Step 3: Project Cost Analysis - Go to CBA Form 2A – Baseline Project Budget.

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Purpose: To document the estimated resources needed for the project

Figure 4: CBA Form 2A – Baseline Project Budget

Agency Name	Project Name	CBA Form 2A Baseline Project Budget																		
		FY2015-16		FY2016-17		FY2017-18		FY2018-19		FY2019-20		TOTAL								
		\$		\$		\$		\$		\$		\$								
Item Description <small>(remove guidelines and annotate entries here)</small>	Project Cost Element	Appropriation Category	Current & Previous Years Project Related Cost	YR 1 #	YR 1 LBR	YR 1 Base Budget	YR 2 #	YR 2 LBR	YR 2 Base Budget	YR 3 #	YR 3 LBR	YR 3 Base Budget	YR 4 #	YR 4 LBR	YR 4 Base Budget	YR 5 #	YR 5 LBR	YR 5 Base Budget	TOTAL	
Costs for all state employees working on the project	FTE	SAB	\$ -	0.00	\$ -	\$ -	0.00	\$ -	\$ -	0.00	\$ -	\$ -	0.00	\$ -	\$ -	0.00	\$ -	\$ -	\$ -	\$ -
Costs for all OPS employees working on the project	OPS	OPS	\$ -	0.00	\$ -	\$ -	0.00	\$ -	\$ -	0.00	\$ -	\$ -	0.00	\$ -	\$ -	0.00	\$ -	\$ -	\$ -	
Staffing costs for personnel using Time & Expense	Staff Augmentation	Contracted Services	\$ -	0.00	\$ -	\$ -	0.00	\$ -	\$ -	0.00	\$ -	\$ -	0.00	\$ -	\$ -	0.00	\$ -	\$ -	\$ -	
Project management personnel and related deliverables	Project Management	Contracted Services	\$ -	0.00	\$ -	\$ -	0.00	\$ -	\$ -	0.00	\$ -	\$ -	0.00	\$ -	\$ -	0.00	\$ -	\$ -	\$ -	
Project oversight (IT/IT) personnel and related deliverables	Project Oversight	Contracted Services	\$ -	0.00	\$ -	\$ -	0.00	\$ -	\$ -	0.00	\$ -	\$ -	0.00	\$ -	\$ -	0.00	\$ -	\$ -	\$ -	
Staffing costs for all professional services not included in other categories	Consultants/Contractors	Contracted Services	\$ -	0.00	\$ -	\$ -	0.00	\$ -	\$ -	0.00	\$ -	\$ -	0.00	\$ -	\$ -	0.00	\$ -	\$ -	\$ -	
Separate requirements analysis and feasibility study procurements	Project Planning/Analysis	Contracted Services	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
Hardware purchases not included in Primary Data Center services	Hardware	OCO	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
Commercial software purchases and licensing costs	Commercial Software	Contracted Services	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
Professional services with fixed-price costs (i.e. software development, installation, project documentation)	Project Deliverables	Contracted Services	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
All first-time training costs associated with the project	Training	Contracted Services	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
Include the quote received from the POC for project equipment and services. Only include one-time project costs in this row. Recurring project-related POC costs are included in CBA Form 1A.	Data Center Services - One Time Costs	POC Category	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
Other contracted services not included in other categories	Other Services	Contracted Services	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
Include costs for non-POC equipment required by the project and the proposed solution (detail)	Equipment	Expense	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
Include costs associated with leasing space for project personnel	Leased Space	Expense	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
Other project expenses not included in other categories	Other Expenses	Expense	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
Total			\$ -	0.00	\$ -	\$ -	0.00	\$ -	\$ -	0.00	\$ -	\$ -	0.00	\$ -	\$ -	0.00	\$ -	\$ -	\$ -	

The project budget should specify baseline costs expected over the entire project lifecycle, identifying all one-time costs from project initiation to implementation.

Costs entered into each spreadsheet row are mutually exclusive. Insert rows for detail and modify appropriation categories as necessary, but do not remove any of the provided project cost elements. Specified costs should be clearly indicated and logically grouped into appropriate project cost areas and indicate in which fiscal year(s) costs are expected. **Do not include recurring operational costs in this table. Operational costs are included in CBA Form 1A (see Step 1).** Major system enhancements or subsequent project phases planned immediately after an initial implementation or warranty period and not included as standard system maintenance should be considered as one-time project costs and not operational costs.

Use the Item Description column to annotate entries. If necessary, provide additional narrative in a separate document or table. If available, reference vendor quotes that document identified costs.

Step 4: Go to CBA Form 2B – Project Funding Sources

Purpose: To document how the agency plans to fund project expenses.

Figure 5: CBA Form 2B Project Funding Sources

PROJECT FUNDING SOURCES	PROJECT FUNDING SOURCES - CBA Form 2B					TOTAL
	FY 2015-16	FY 2016-17	FY 2017-18	FY 2018-19	FY 2019-20	
General Revenue	\$0	\$0	\$0	\$0	\$0	\$0
Trust Fund	\$0	\$0	\$0	\$0	\$0	\$0
Federal Match <input type="checkbox"/>	\$0	\$0	\$0	\$0	\$0	\$0
Grants <input type="checkbox"/>	\$0	\$0	\$0	\$0	\$0	\$0
Other <input type="checkbox"/> Specify	\$0	\$0	\$0	\$0	\$0	\$0
TOTAL INVESTMENT	\$0	\$0	\$0	\$0	\$0	\$0
CUMULATIVE INVESTMENT	\$0	\$0	\$0	\$0	\$0	\$0

Specify the identified project costs by funding source (e.g., General Revenue, Trust Fund or others) in the Project Funding Sources section below the project cost summary. Include both base budget funding and the requested additional funds. List the specific source of any other revenues in the yellow “Specify” space.

Step 5: Go to CBA Form 2C - Characterization of Project Cost Estimate

Purpose: The purpose of this table is to identify the rigor and confidence of the estimated costs associated with the proposed project.

Figure 6: CBA Form 2C - Characterization of Project Cost Estimate

Characterization of Project Cost Estimate - CBA Form 2C			
Choose Type		Estimate Confidence	Enter % (+/-)
Detailed/Rigorous		Confidence Level	
Order of Magnitude		Confidence Level	
Placeholder		Confidence Level	

Inadequate project requirements and design and the lack of reliable and repeatable metrics adversely impact cost and schedule estimates.

Agencies should avoid using overly optimistic estimates. The penalty for significant under-estimation in terms of project cost overruns or missed deadlines is usually more severe than minor over-estimation.

Complete the table in CBA Form 2C to document the rigor and confidence associated with the methodology used to estimate the level of effort and the costs associated with the proposed project as identified in Form 2A. The agency must indicate whether the character of the project cost estimate is:

- **Detailed/rigorous** – Generates an estimate that is accurate within $\pm 10\%$ based on specific, detailed requirements for the system to be built or service to be purchased. This character and confidence level should only be used if the estimate has been quantitatively derived. For example, the project is one which the agency has successfully completed a number of times, and reliable metrics to estimate benefits are available.
- **Order of magnitude** – Generates an estimate that could vary between 10-100 percent based on very high-level requirements for the system or service involved (i.e., dollar estimate accuracy could vary up to $\pm 100\%$). This character and associated confidence level should be used when the agency or vendor has previous experience with similar projects, and industry standard cost estimation methodologies are used.
- **Placeholder** – Generates a cost estimate that may or may not relate to the actual cost of the project. This character and associated confidence should be used when the project scope, organization and schedule are not well defined, and the actual cost may exceed the estimate by more than 100%.

3. Cost Benefit Analysis Results

Purpose: Summarize project-related financial inflows and outflows to calculate the fiscal return on investment associated with implementing the project.

Upon completion of the worksheets for CBA Form 1A and CBA Form 2A, the values in the CBA Form 3 - Investment Summary are automatically populated. This worksheet summarizes the project’s cost and net benefit information and calculates financial metrics.

Figure 7: CBA Form 3 - Project Investment Summary

COST BENEFIT ANALYSIS -- CBAForm 3A						
	FY 2015-16	FY 2016-17	FY 2017-18	FY 2018-19	FY 2019-20	TOTAL FOR ALL YEARS
Project Cost	\$0	\$0	\$0	\$0	\$0	\$0
Net Tangible Benefits	\$0	\$0	\$0	\$0	\$0	\$0
Return on Investment	\$0	\$0	\$0	\$0	\$0	\$0
Year to Year Change in Program Staffing	0	0	0	0	0	

RETURN ON INVESTMENT ANALYSIS -- CBAForm 3B		
Payback Period (years)	NO PAYBACK	Payback Period is the time required to recover the investment costs of the project.
Breakeven Fiscal Year	NO PAYBACK	Fiscal Year during which the project's investment costs are recovered.
Net Present Value (NPV)	\$0	NPV is the present-day value of the project's benefits less costs over the project's lifecycle.
Internal Rate of Return (IRR)	NO IRR	IRR is the project's rate of return.

Investment Interest Earning Yield -- CBAForm 3C					
Fiscal Year	FY 2015-16	FY 2016-17	FY 2017-18	FY 2018-19	FY 2019-20
Cost of Capital	1.94%	2.07%	3.18%	4.32%	4.85%

CBA Form 3A: Cost Benefit Analysis

The **Project Cost** and **Net Tangible Benefits** values in CBA Form 3A are populated with the data that was entered in CBA Form 1A and CBA Form 2A, respectively.

Return on Investment is the difference between the Net Tangible Benefits and the Project Cost.

Year to Year Changes in Program(s) Staffing is populated from the FTE information entered on CBA Form 1A. This includes the change in FTE for state employees, OPS employees, and contractors used for staff augmentation.

CBA Form 3B: Return on Investment Analysis

CBA Form 3B provides further analysis of the proposed return on investment from the project. The **Payback Period** is the length of time required to recover the cost of an investment. The time in years is calculated when the net cumulative benefits equal the net cumulative costs. All other things being equal, the better investment is typically the one with the shorter payback period. The **Breakeven Fiscal Year** is the fiscal year in which the Payback Period occurs.

Because the payback period ignores any benefits that occur after the payback period and the time value of money, the **Net Present Value (NPV)** and **Internal Rate of Return (IRR)** measures are used to reflect the time value of money.

The NPV is the difference between the present value of cash inflows and the present value of cash outflows, and is used in capital budgeting to analyze the profitability of an investment or project. NPV compares the value of a dollar today to the value of that same dollar in the future, taking inflation and returns into account. Generally speaking, if the NPV of a prospective project is positive, it represents a better investment than if NPV is negative.

The IRR is the discount rate often used in capital budgeting that makes the net present value of all cash flows from a particular project equal to zero. In general, the higher a project's internal rate of return, the more desirable it is to undertake the project. As such, IRR can be used to rank several prospective projects under consideration. Assuming all other factors are equal among the various projects, the project with the highest IRR would probably be considered the best and undertaken first.

CBA Form 3C: Investment Interest Earning Yield

On CBA Form 3C worksheet, 'Cost of Capital' is based on the latest interest rate forecasts obtained from the Office of Economic and Demographic Research, State of Florida Legislature.

V. Schedule IV-B Major Project Risk Assessment

Purpose: To provide an initial high-level assessment of overall risk incurred by the project to enable appropriate risk mitigation and oversight and to improve the likelihood of project success. The risk assessment summary identifies the overall level of risk associated with the project and provides an assessment of the project's alignment with business objectives.

Risk relates to the level of uncertainty in a project. This uncertainty is measured in terms of the likelihood of a particular event to impact the outcome of a project. The Risk Assessment Tool enables the project to assess its overall risk level at the time the legislative budget request is being developed. The results of the agency's risk assessment should be discussed in the agency's narrative in the Risk Management section in the Project Management Planning Component. High levels of risk should be identified, assessed, and mitigated. The risk criteria specified in this section are presented as general guidelines for assessing IT project risk.

The Risk Assessment Tool and Risk Assessment Summary are included in Appendix B on the Florida Fiscal Portal and must be completed and submitted with the agency's Schedule IV-B.

This tool assesses the risk areas that contribute to project success or failure and provides an understanding of how project objectives align with agency business strategy and objectives. The Risk Assessment Tool analyzes the following eight major project risk assessment areas:

- 1) **Strategic Risk** assesses definition and alignment of project scope with agency business objectives.
- 2) **Technology Risk** assesses risks associated with proposed technologies.
- 3) **Change Management Risk** assesses project and business change requirements and agency experience in implementing change.
- 4) **Communication Risk** assesses communication planning and support requirements for the project.
- 5) **Fiscal Risk** assesses the required project investment levels and their alignment with the business objectives and benefits of the project.
- 6) **Project Organization Risk** assesses whether adequate coordination and resources for project organization, project management and executive control exists.
- 7) **Project Management Risk** assesses the agency's experience and ability to manage and control this project.
- 8) **Project Complexity Risk** assesses the overall management and coordination requirements of the project.

Each risk assessment area has a separate worksheet. The questions contained within the eight risk areas should be analyzed and answered in the electronic Risk Assessment Tool (Appendix B) that has been provided as a Microsoft Excel workbook available on the Florida Fiscal Portal.


With the responses from each worksheet, the Risk Assessment Tool will automatically generate an assessment of the project's overall risk so that the agency may identify areas of concern and develop a plan to mitigate significant risks. Areas of high risk should specifically be addressed in the agency's project management plan. The Project Risk Area Summary Table and the Project Risk Summary Chart are automatically populated and created based on the data entered on the Risk Assessment Tool worksheets. The Project Risk Area Summary Table estimates the level of risk for each of the eight risk areas and indicates an overall estimate of risk associated with the project. The Project Risk Summary Chart presents the project's risk and fit with the agency's business strategy in graphical form. The chart provides a method of assessing the IT project as an investment decision. Graphically comparing the business value of the project with the risk of the project provides a value, albeit high level, measure of the value of the project.

NOTE: All multi-year projects must update the Risk Assessment Component of the Schedule IV-B along with any other components that have been changed from the original Feasibility Study.

A. Instructions for Completing the Risk Assessment Tool

In the Risk Assessment worksheets for each line item under the ‘Criteria’ column, fill in the right hand ‘Answer’ column with the appropriate answer representing the agency’s estimate for each ‘Criteria’ question in the table. By clicking on the cell under the ‘Answer’ column, the downward arrow appears as presented in the following screen shot of the Risk Assessment Tool.

8.01	How complex is the proposed solution compared to the current agency systems?	Unknown at this time	Unknown at this time
		More complex	
		Similar complexity	
		Less complex	

By clicking on the downward arrow, , the ‘Values’ column choices are presented in a drop-down box as seen below.

8.01	How complex is the proposed solution compared to the current agency systems?	Unknown at this time	<div style="border: 1px solid black; padding: 2px;"> Unknown at this time More complex Similar complexity Less complex </div>
		More complex	
		Similar complexity	
		Less complex	

For each ‘Criteria’ question, there are several answers given in the ‘Values’ column. The agency can decide which answer matches the criteria. After the answer is selected from the drop-down box, the agency’s response of “Less Complex” appears in the ‘Answer’ column.

8.01	How complex is the proposed solution compared to the current agency systems?	Unknown at this time	Less complex
		More complex	
		Similar complexity	
		Less complex	

Each spreadsheet of the eight risk assessment areas has several ‘Criteria’ questions requiring a response. The above process is repeated for each ‘Criteria’ question.

B. Risk Assessment Summary

After answering the questions for each risk area, the Risk Assessment Tool will automatically estimate the level of risk for each risk area as presented in the following Project Risk Area Summary Table. A value of High Risk, Medium Risk, or Low Risk is automatically calculated as depicted in the following figure:

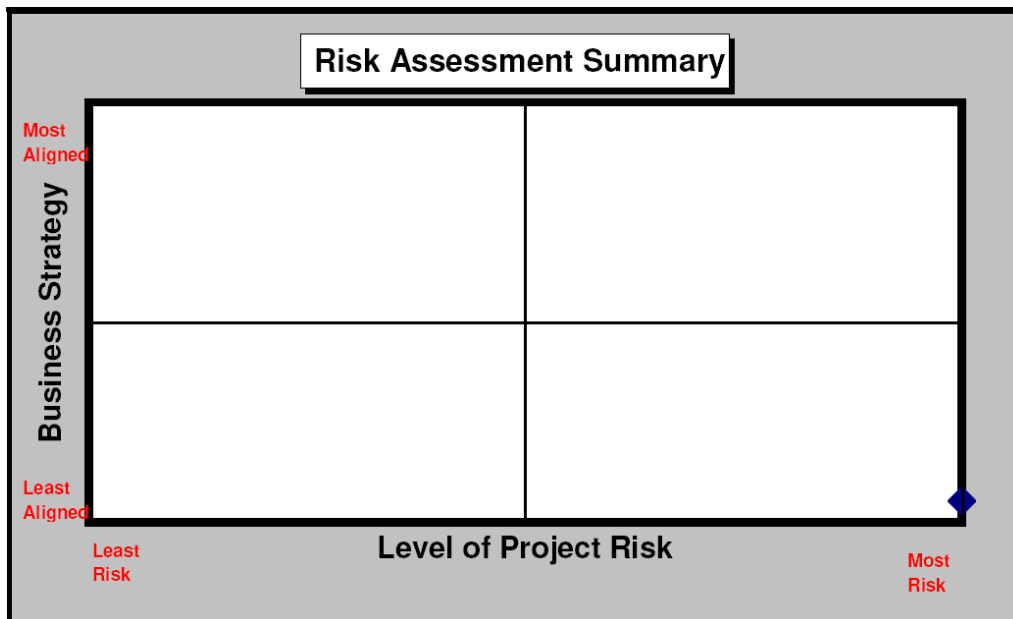
Figure 8: Project Risk Assessment Summary Table

Risk Assessment Areas	Risk Exposure
Strategic Assessment	HIGH
Technology Exposure Assessment	MEDIUM
Organizational Change Management Assessment	MEDIUM
Communication Assessment	HIGH
Fiscal Assessment	HIGH
Project Organization Assessment	HIGH
Project Management Assessment	HIGH
Project Complexity Assessment	HIGH
<i>Overall Project Risk</i>	HIGH

While all pertinent risks should be included in the agency’s risk management process, the agency should be proactive with its Risk Management process for those Risk Assessment Areas indicating ‘HIGH’ risk. At a minimum, the agency should review the questions in these ‘HIGH’ risk areas and address them in the Schedule IV-B Project Management Planning component.

The following Project Risk Assessment Summary chart presents the project’s risk and measures its level of alignment with agency and/or State business strategies. This chart is calculated automatically from data entered by the agency on the Risk Assessment Tool. The level of project risk is taken from the overall project risk in the Project Risk Area Summary Table above. The Business-Strategy fit reflects the project’s alignment with State or agency business strategies and objectives and is calculated from responses in the Risk Assessment Tool. This chart presents a broad view of the project’s overall business value.

Figure 9: Project Risk Assessment Summary



VI. Schedule IV-B Technology Planning

Purpose: To ensure there is close alignment with the business and functional requirements and the selected technology.

This documentation requirement involves mapping the business and functional requirements for a system to the application, data, and infrastructure components of the proposed technologies.

The minimum information to be included in the technology plan includes:

A. Current Information Technology Environment

1. Current System

Briefly describe the agency's existing information technology infrastructure and technical architecture that support the current business processes that will be affected by the proposed project.

a. Description of current system

If an automated or manual information system exists, describe the following characteristics:

- 1) total number of users and user types (e.g., power, casual, data entry)
- 2) number and percent of transactions (online, batch, and concurrent) handled by the current system (if possible, indicate the amount of data that is moved or processed in each transaction type)
- 3) requirements for public access, security, privacy, and confidentiality
- 4) hardware characteristics (e.g., hosts, servers, network devices, storage, archival equipment, etc.)
- 5) software characteristics (GUI, procedural language, object-oriented language, operating system, embedded program, batch program, real-time transaction, etc.)
- 6) existing system or process documentation
- 7) internal and external interfaces
- 8) consistency with the agency's software standards and hardware platforms
- 9) scalability to meet long-term system and network requirements

b. Current system resource requirements

- 1) hardware and software requirements (e.g., CPU, memory, I/O)
- 2) cost/availability of maintenance or service for existing system hardware or software
- 3) staffing requirements, identifying key roles (e.g., system management, data entry, operations, maintenance, and user liaison); include contractors, consultants, and state staff
- 4) summary of the cost to operate the existing system (detailed costs will be entered into the Cost-Benefit Analysis Worksheets)

c. Current system performance

- 1) the ability of the system to meet current and projected workload requirements
- 2) level of user and technical staff satisfaction with the system
- 3) current or anticipated failures of the current system to meet the objectives and functional requirements of an acceptable response to the problem or opportunity
- 4) experienced or anticipated capacity or reliability problems associated with the technical infrastructure or system

2. Information Technology Standards

Identify any agency, statewide, or industry standards and policies that specify service levels and/or performance requirements that have or may affect the project. For example, a service level agreement for an agency mission critical application may specify maximum response time requirements that will require additional capacity of technology resources to maintain documented performance standards.

B. Current Hardware and/or Software Inventory

If applicable, provide a complete inventory of the current hardware and/or software that will be replaced by the proposed IT project. The components of the inventory should include:

- 1) Purchase and warranty expiration dates
- 2) Current performance issues or limitations
- 3) Business purpose of the items to be replaced
- 4) Annual maintenance costs

NOTE: Current customers of the state data center would obtain this information from the data center.

C. Proposed Solution Description

Provide an overview of the technical requirements and features that relate directly to the business requirements. By tracing or mapping the technical requirements to the business process requirements identified in Section II.C., agencies improve the likelihood that the proposed solution will meet the business need without over or under provisioning the service from a cost, capacity, or functional standpoint. Graphic representations may be included, if applicable. Where appropriate, address the following topics relating to the proposed solution:

1. Summary description of proposed system

- 1) system type (e.g., OLTP, data warehouse, document management system, web application, database)
- 2) connectivity requirements (e.g., wired vs. wireless)
- 3) requirements for security, privacy, confidentiality, and public access to comply with applicable federal/state laws, including sections 282.601-282.606, F.S.
- 4) development and procurement approach
- 5) internal and external interfaces
- 6) maturity and life expectancy of the technology
- 7) other system(s) proposed solution must integrate with

2. Resource and summary level funding requirements for proposed solution (if known)

- 1) Anticipated technical platform and hardware requirements
- 2) Required data center services to be provided by the state data center
- 3) Anticipated software requirements
- 4) Anticipated staffing requirements
- 5) Anticipated ongoing operating costs

D. Capacity Planning

(historical and current trends versus projected requirements)

The capacity plan enables an agency to identify and understand the capacity and utilization of each of the component parts of its IT infrastructure as well as recognize how new technology can be used to support the business needs of the agency.

The capacity plan serves as a supporting document in the scope of the budget request. The plan is developed with input from the state data center and should address:

- 1) How the estimates were derived.
- 1) Assumptions and constraints.
- 2) A non-technical, management summary of the issues.
- 3) A service summary with current and forecasted concerns.
- 4) Options and alternatives considered.
- 5) Recommendations for the effort.

Performance and capacity utilization data should be representative of average and peak utilization during normal business operations. Provide narrative and pertinent diagrams to depict project workload requirements for the

proposed project. Describe how project-related technology requirements were estimated and the assumptions underlying significant workload changes.

VII. Schedule IV-B Project Management Planning

Purpose: To require the agency to provide evidence of its thorough project planning and provide the tools the agency will use to carry out and manage the proposed project. The level of detail must be appropriate for the project's scope and complexity.

Include through file insertion or attachment the agency's project management plan and any associated planning tools/documents.

Required project planning components include:

- 1) Project scope – provide the baseline definition of the project's objectives and what the project will deliver.
- 2) Project phasing plan - for projects greater than one fiscal year, provide a project phasing plan that defines, where possible, independent phases/subprojects.
- 3) Baseline schedule – identify the high-level tasks and major milestones for the project to include, where appropriate, procurement, analysis, design, development, configuration, data conversion, testing, training, and implementation.
- 4) Project organization – define in narrative and chart formats the project's governance structure, to include the sponsor, executive steering committee, oversight entities, and project management and implementation teams.
- 5) Quality assurance plan – describe the agency's approach to quality measurement and control. Tools may include a deliverable acceptance plan, phase gate process, project change/contract management plan, status reporting, testing plans, and independent verification & validation (IV&V).
- 6) Risk management – describe the agency's processes for identifying, documenting, and mitigating project issues and risks.
- 7) Implementation plan – describe approach for placing the system into production and retire current system(s). Tools may include a transition plan, knowledge transfer plan, and organizational change management.

NOTE: For IT projects with total cost in excess of \$10 million, the project scope, business objectives, and timelines described in this section must be consistent with existing or proposed substantive policy required in s. 216.023(4)(a)10, F.S.

VIII. Appendices

Number and include all required spreadsheets along with any other tools, diagrams, charts, etc. chosen to accompany and support the narrative data provided by the agency within the Schedule IV-B.