

Appendix I – IT Business Case Preparation Manual

Miami-Dade County IT Investment Review & Business Case Preparation Manual

FY 2014-15



Prepared by
The Information Technology Leadership Council

Miami-Dade County IT Investment Review &
Business Case Preparation Manual
FY 2014-15

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1. Introduction

Most county governments today are faced with growing demands for services while having to adjust to the effects of one of the deepest economic downturns in decades. It is times like these where the appropriate application of technical solutions can make a real difference in terms of cost savings, improved service delivery and increased operational efficiency. Quality information technology (IT) solutions, however, don't just happen. They have to be spawned from clear business needs, thoroughly planned in the context of enterprise IT standards and staff capabilities, and expertly executed.

The mayor and his management team understand and appreciate the value that IT brings to county operational functions. They realize that more output, better quality, lower costs, increased revenue, more satisfied citizens and a more sustainable environment are outcomes that can be achieved through the proper application of IT investments. In short, they accept that IT is not the “problem,” but rather is the “solution” to create more business value by reducing costs and increasing efficiency.

The Information Technology Leadership Council (ITLC) is the county body responsible for oversight of the IT Investment Review and Business Case development process. The IT Investment Review Committee (ITIRC) is the standing committee of the ITLC that is responsible for developing the specific methodology

and templates departments use to document their proposed IT projects. The process has been consistently modified and improved. This year, the ITIRC has elected to use essentially the same process and templates as last year with a few changes designed to make the process easier.

Once again the ITIRC is asking that a business case narrative be developed that addresses the Gartner Five Perspectives of Value¹: Strategic Alignment, Business Process Impact, Technical Architecture, Direct Payback and Aversion to Risk. In addition, the financial questionnaire will ask you to not only document and quantify project costs, but also project benefits. The intent of the financial questionnaire is to identify the total cost of ownership of a project (for at least 5 years) as well as any benefits, tangible and/or intangible, that are to be achieved.

Departments are encouraged to thoroughly document their business cases in the narrative, identify as many project costs over the life of the project as accurately as possible and dedicate time and effort to quantify both direct and indirect benefits. If departments do this, the ITIRC will have an unprecedented amount of information with which to render objective evaluations of projects that will be of value to not only the requesting departments but to the county as a whole.

¹ Apfel, Audrey L., Toolkit: Scoring projects by assessing five perspectives of value, Gartner for IT Leaders, ID: G00171776, 15 October 2009.

The ITIRC recognizes that quantifying project benefits can be a difficult task, but want to encourage departments to continue to try. Last year the assistance of departmental budget analysts was solicited to help prepare the financial worksheets. The Office of Management and Budget has again committed to provide this kind of assistance this year and you are encouraged to contact your budget analyst early in the business case development cycle.

The same is true for the Information Technology Department (ITD). You are encouraged to contact ITD early in the process so that you can obtain accurate figures with respect to ITD costs for any services they might be providing, such as database hosting, SAN space or backups.

The IT Investment Review and Business Case Preparation Manual has been designed to not only describe how to complete the forms, but also to provide guidance on the types of questions that should be asked when thinking about strategic alignment or managing risk, for example.

This year the ITIRC will be sponsoring three (3) IT Investment Review and Business Case Development Workshops: December 23, 2013; January 10, 2014; and January 13, 2014, to acquaint departmental representatives with the process for submitting business cases for capital IT projects. It is critical that this workshop be attended by departmental business, technical and budget staff; together with their Office of Management & Budget liaisons.

As in prior years, departments will be required to enter all capital requests in the Capital Projects Budget Module in the County's Capital Improvement Information System (CIIS). Detailed instructions for CIIS input will be published by OMB in the FY2014-15 Capital Resource Allocation Plan Submission Manual. CIIS project information is at a more aggregated level than that required for the IT Business Cases.

Large construction projects that have IT sub-components will continue to be tracked using current CIIS systems and be independent of the non-construction IT funding requests that go through the ITLC business case/funding process described herein. However, if the technology proposed in such projects deviate from County standards, a review by ITD must be conducted.

It is important to remember that the procedures and methods described in this manual are designed for the sole purpose of helping insure that the IT investments made by the county are successful; that they address clear and important business needs; yield the anticipated benefits, leverage existing enterprise solutions where appropriate, and are delivered at a fully leveraged cost.

Remember, members of the ITLC and the ITIRC are your colleagues. They are all volunteers dedicated to creating value for county internal operations as well as the citizens we serve through the appropriate application of IT solutions. They are

available to help, so do not hesitate to reach out to them for advice if needed.

Respectfully,

Rosie Perez, ITLC Chair

Miami-Dade Transit Department

Christa Erml-

Martinez , ITLC Vice-Chair

Miami-Dade Department of Regulatory and
Economic Resources

2. IT Investment Review Process

The County's IT strategic plan states that "Business needs should drive the implementation of software after well-defined due diligence steps. Effective planning of IT investments identifies the application life-cycle. This cycle can be likewise noted in the County's budget planning process to ensure that replacement or refresh of technology is scheduled before the point of obsolescence. The processes required to put this into place mandate an institutional IT governance model."²

Thus, for this capital funding cycle the IT business case process will be to link the preparation of the IT business cases with the departmental Business Plan and budgeting process. We are calling for a close collaboration among departmental business leaders, departmental IT leaders, OMB budget analysts and ITD technology specialists. The basic process and timeline is shown in Figure 1 on page 9.

The top portion of Figure 1 is the part of the process that takes place within departments.

The capital request process begins with the identification of a business need (1) that can be addressed by an IT solution. This need should already be documented in the department's Business Plan.

The next step (2) is the determination if the request is for capital funding or whether it

should become a part of the operational budget request process. This will be a joint determination of the department's management and their assigned budget analyst. *Projects requiring less than \$50,000 in funding do not need a business case. Such projects should be funded through modifications in departmental operating budgets.*

After the decision is made to submit a business case the department should prepare the Notice of Intent to Submit a Business Case Form. This is not a separate form but simply the first three sections (A, B & C) of the Business case form. **These sections must be submitted by January 15, 2014 to the ITLC Investment Review Committee (ITIRC) Chair, Christa Erml-Martinez.**

In Step 3 the project's technical specifications are reviewed by ITD for compliance with the County's Enterprise Architecture. If the solution is outside the county standards then the requestor can withdraw the request, revise and resubmit to ITD, or justify an exception (using an exception process defined by ITD).

Step 4 is to determine if ITD already provides a solution. If so, then the requestor and ITD work together to develop the solution and the business case. ITD and the department will decide if the solution needs to be a part of the IT capital request process or not.

Formal business cases, once signed off by the department's executive project sponsor (5) are submitted to the ITIRC. The ITIRC

² Miami-Dade County Information Technology Strategic Plan, April 15, 2009, page 58.

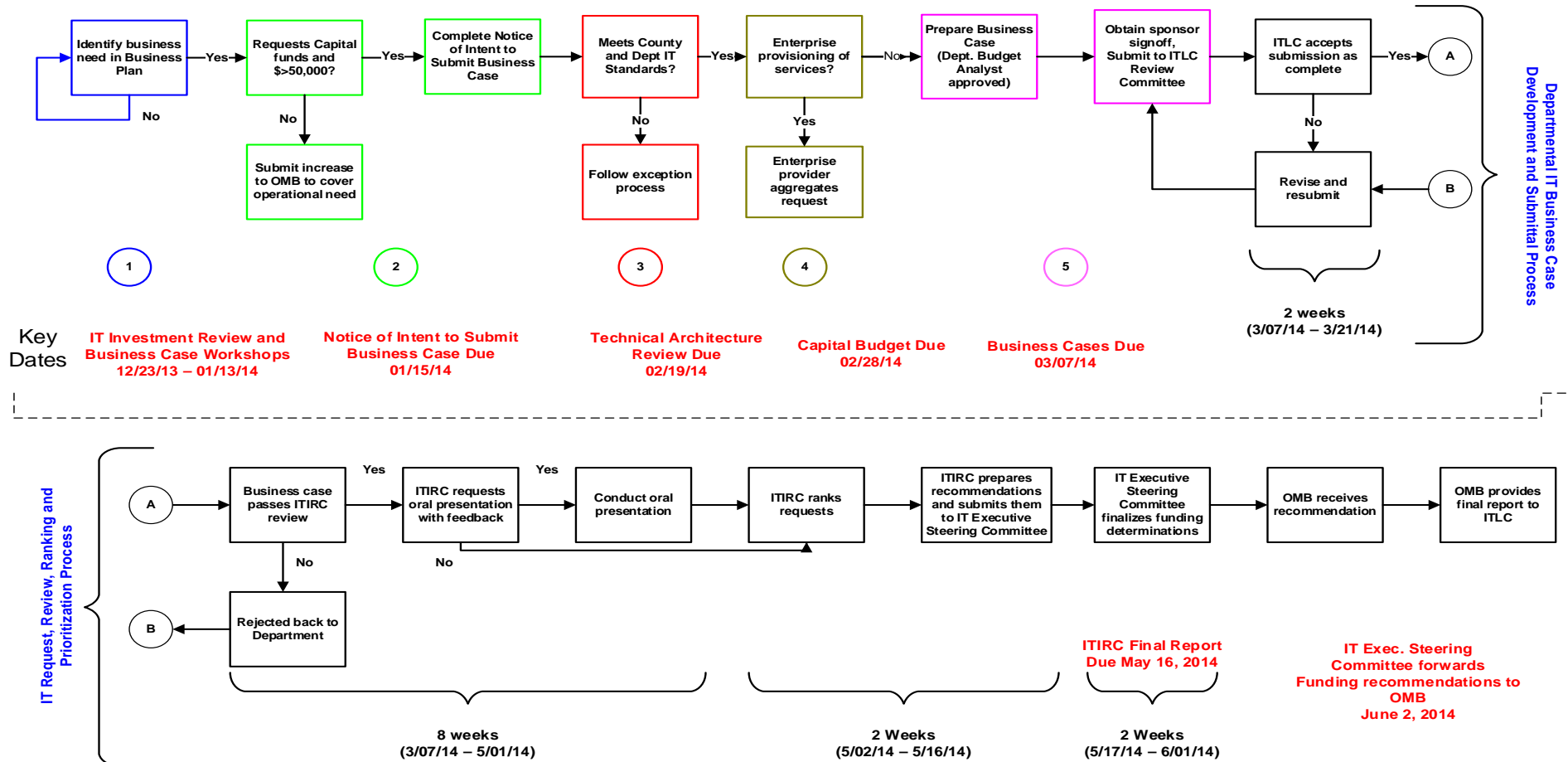
will conduct a cursory review for completeness and then either allow the business case to move to the formal review process or reject it back to the department for revision and resubmission. Complete business cases should be submitted to the ITIRC concurrent with or shortly after the Capital Resource Allocation Plan submission deadline (February 28th).

The bottom half of Figure 1 captures the steps in the formal review process of the ITIRC. Business cases will be read by all members of the ITIRC and if clarification is required, the submitter will be contacted. If the ITIRC deems that an oral presentation is needed the submitter will be contacted. Once the ITIRC has collected what it deems sufficient information about the request, the ITIRC will formally rank each request.

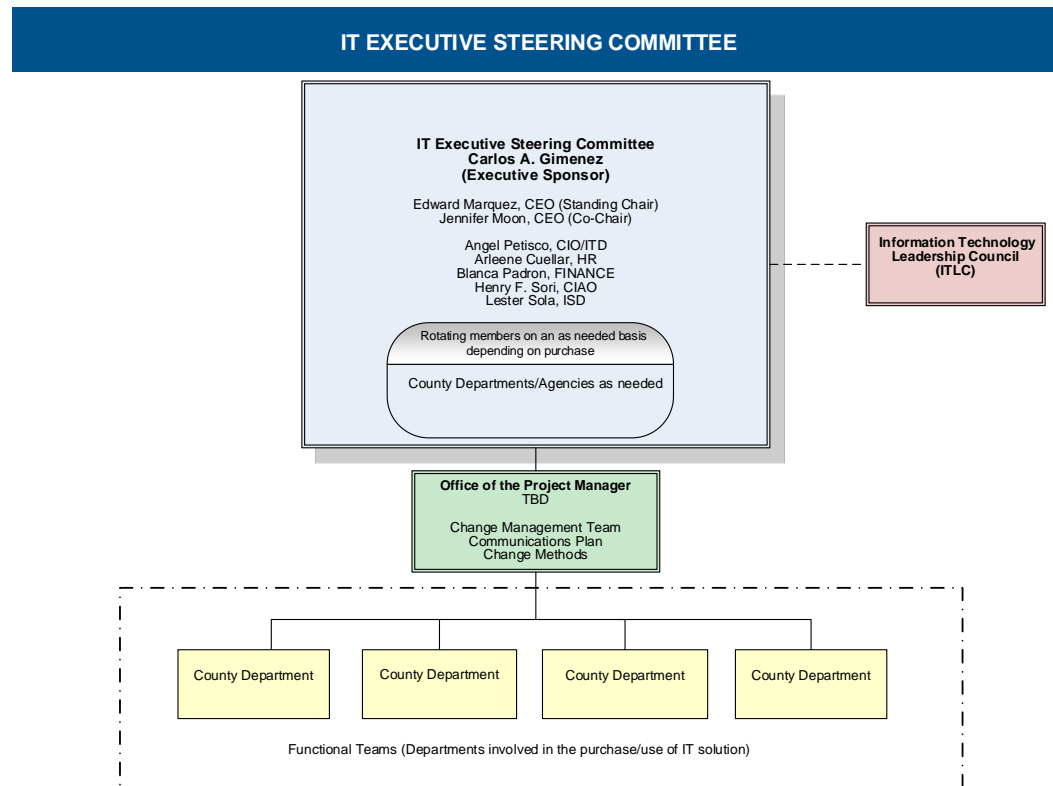
At all times during the review process the full ITLC will be able to observe the process by attending ITIRC deliberation meetings, attending oral presentations, and by reading all business cases and supplemental documents provided to the ITIRC. However, the ITIRC has been delegated the responsibility of ranking submitted projects and their rankings cannot be modified. Once ranked the ITIRC will prepare its recommendations and submit them to the IT Executive Steering Committee. Once the final determination of funding is made by the IT Executive Steering Committee and OMB, the ITLC will be provided the final report on funded capital IT projects.

The structure of the IT Executive Steering Committee is shown in the section 3.

Figure 1. IT Business Case Process Flow and Timeline



3. IT Executive Steering Committee



4. Key Dates

Estimates of how long each phase of the capital request process are noted on Figure 1. OMB requires final recommendations to be provided no later than first week of June, 2014. Based on that requirement, the following suggested key dates (critical due dates are in **red**) are provided for your guidance:

Milestone	Target Dates / Deadline	Actions
Prepare Business Case	Dec – March 6, 2014	Department develops business case and completes cost benefit questionnaire for IT projects greater than \$50K and obtains OMB budget analyst signoff
Departments submit Notice of Intent to Submit IT Business Case	Jan 15, 2014	Complete the first 3 sections of the Business Case Template and send it to the IRC Chair (tom.james@miamidade.gov)
ITD Technical Architecture and Standards Review Due	Feb 19, 2014	All departments should have submitted their projects to ITD for a technical standards review and ITD should have completed all technical reviews by this date.
Obtain sponsor signoff and submit to ITLC IT Investment Review Committee	Feb 28 – March 7, 2014	Completed business cases must be reviewed by Dept. Director and/or sponsor prior to being submitted to ITLC.

Deadline for entering all capital funding requests into CIIS	Feb 28, 2014	If requesting capital funds, departments enter project and funding request into CIIS.
Submit complete Business Case and Benefit Cost Worksheet	COB, Fri, Mar 07, 2014	Electronic versions of all business case documents are to be emailed to the IRC Chair by this date. (e134311@miamidade.gov)
ITLC conducts preliminary review of submissions	Mar 7 – Mar 21, 2014	ITLC Review Committee reviews submissions against completeness checklist.
ITLC IT Investment Review Committee completes comprehensive review and evaluation process	Mar 7 – April 21, 2014	Committee members read all submissions, identify issues for follow up as necessary.
Review Committee requests oral presentations as necessary	Mar 7 – April 25, 2014	Committee will notify department that oral presentation is requested and build schedule.
Review Committee conducts final scoring of all submissions and prepared final report of recommendations	Mar 7 – May 1, 2014	Review Committee completes all project scoring activities and prepares final report with project recommendations.
ITLC forwards project recommendations to IT	May 16, 2014	Recommendations are presented verbally to IT Executive Steering

Executive Steering Com.		Committee by ITLC Chair and ITD Dir.
IT Executive Steering Committee forwards project funding recommendation to OMB Director	June 2, 2014	IT Executive Steering Committee reviews recommendations, makes changes if necessary and forwards funding directive to Director of OMB.
OMB forwards feedback to Chairperson of the ITLC Strategic Planning Standing committee	June/July 2014	Strategic Planning Committee updates IT Strategic Plan with funded project portfolio information.

5. Preparing the Business Case Narrative

“Current economic realities and good business practice require IT to be viewed as a business investment. A diagnostic approach to projects must be carried out at the department, strategic area and enterprise levels within the County. A consistent methodology for determining: business need; business readiness for the technology; funding availability; return on investment (ROI); cost/benefit ratios; total cost of ownership (TCO); public value of the project; resource requirements and availability; and business sponsorship must be addressed. The priority placed on projects should be reflective of the diagnostic results and come as a result of a **well-defined business case review.**”³

Business cases consist of a narrative as well as a Benefit/Cost Worksheet. The business case template is organized into three major sections: Identifying Information, Business Case Components and Additional Descriptive Information. The Identifying Information section collects basic information regarding the project and the submitting department. The Business Case Components section is organized around the evaluation criteria, which are based on the Gartner Five Perspectives of Value: Strategic Alignment, Business Process Impact, Technical Architecture, Project Payback and Risk. Within each of these categories, submitters are asked to address specific and relevant project details. The

last section of the template asks whether the project is a new or sustaining project and whether it was previously funded or not.

Each of the sections of the Business Case Template (narrative) is further described below:

a) Project Identifying Information

1. Project Title – Enter the project title. For continuation projects include the ITLC Reference Number.
2. Project Type – Enter the project type, either Run, Grow or Transform where “run” refers to projects that aim to improve or maintain an existing process, “grow” refers to projects whose primary goals focus on revenue growth and enhanced services, and “transform” refers to projects that propose new business models and new products and/or services.
3. Prepared By (name, phone, email) – Enter contact information for the individual primarily responsible for preparing the business case.
4. Requesting Department – Identify the department submitting the request.
5. Departmental Priority – For departments submitting more than one project, provide this project’s priority among those projects.

³ Miami-Dade County Information Technology Strategic Plan, April 15, 2009, page 57.

6. Project Sponsor – Identify the executive project sponsor and acknowledge that the proposed project is supported by the department director.
7. Departmental Technical Contact – Identify the department's technical contact information.
8. ITD Technical Lead – If the department has engaged ITD for assistance, please identify the primary ITD technical lead.
9. Project FY 2015 Funding Request – Enter the total dollar amount of your FY 14/15 capital budget request for this project.
10. Project 5-Year Total Cost – The total cost of the project over the full term of the project.
11. CIIS Project Number – This number is auto-generated when the project is entered into CIIS. If this number is not available at the time of the original submission of the Business Case to the ITIRC, it may be added later.
12. Date Submitted – Enter the date submitted to the ITLC

b) Strategic Alignment (20%)

General Guidance: Strategic alignment refers to the alignment of the IT investment strategy with the realization of business goals and objectives. In this section the narrative should address how this project came about, what problem it attempts to

solve, its specific goals and objectives and their relationship to the mission of the department, and a description of the proposed solution. Was this project identified in the department's Business Plan or was it conceived mid-year due to new or emerging requirements? Can the investment be leveraged for other departments within your Strategic Area? Can the investment be leveraged to benefit the County as a whole? How well does this project align with the strategic goals and objectives outlined in the County IT Strategic Plan.

1. Background

Provide any pertinent background information regarding your department and the operational realities that provide the backdrop for your business requirements and proposed IT solution.

2. Problem Statement

This part of the business case should describe the reason you are deploying an IT solution. In other words, what business problem are you attempting to solve through the proposed project. Please provide a reference to your department's Business Plan here to be addressed by the proposed project. Please note: The project will or could support other departments within your strategic area.

3. Project Goals/Objectives

State the specific goals/objectives for this project and how they relate to the overall mission of the department.

4. Proposed Solution

Describe in detail the proposed technical solution. Indicate whether it is a

commercial application that you intend to customize to meet your agency's need or a custom programming effort. Explain how the solution addresses the mission of the department and the specific goals and objectives.

c) Business Process Impact (20%)

General Guidance: What is the impact of the solution on operational processes in your organization? Is this impact limited to single departments, multiple departments, or the enterprise? Evaluate the capability of your organization to accommodate change. What business processes will be changed, added, eliminated or streamlined? Is functional staff aware of and support the anticipated business process changes? Describe the project's schedule, staffing requirements and any specific process impacts.

1. Implementation Strategy

Your implementation strategy should be detailed in this section of the business plan. Please indicate how you are going to procure the proposed solution, how long that process might take, whether your project is to be completed in phases, whether it involves building out network, server or other infrastructure, acquisition of resources, on-going maintenance, etc.

2. Project Schedule

Provide a project schedule and include pertinent milestones.

3. Project Staffing Plan

The Staffing Plan should include:

- (1) The level of staff, by position type, and when they are required in the project.

- (2) Identify Project Governance structure; Steering Committee, project team, etc.

- (3) Identify all required departmental staff to be assigned to the project.

- (4) Identify all required ITD staff resources and the duration of their assignment to the project.

- (5) Identify vendor or contractor resources that will be assigned to the project and the duration of their assignment.

- (6) Identify training and/or knowledge transfer efforts required to maintain the solution post-deployment.

4. Specific Process Impacts

Provide details on any specific business processes that will be impacted by the implementation of the proposed solution.

5. Departmental Readiness and Impacts to Other Entities

Indicate the readiness of the department to begin the project in the fiscal year in which it is funded. Note any extended procurement activities that might prevent the department from beginning the project promptly. Please also note impacts to other entities: County departments; citizens; legislative liaisons or municipalities.

d) Technical Architecture (15%)

General Guidance: This refers to such things as the integration, scalability and resilience of the databases, operating systems, applications and networks the department plans to implement. Each business case sponsor must request a technical architecture review in order to

determine the alignment, or lack thereof, with County Standards. ITD staff will use a scoring tool that will assist in deriving an analysis and recommend the score for this section. What, specifically, is the impact on the County infrastructure and ITD readiness to address any additions or upgrades? Please provide a schematic of the proposed system, a technical architecture diagram, which depicts how the holistic solution will operate. This diagram should include desired provisions for disaster recovery. It is expected that all new solutions will be hosted within the ITD enterprise infrastructure unless specifically exempted by the CIO.

1. Description of proposed technology
Please provide a short narrative explaining how the solution will be used in your operations.

2. Alignment with County and Departmental IT Standards
Please request an architectural review by contacting Carmen Suarez, Division Director, Enterprise Architecture, carmens@miamidade.gov.

3. Impact on County Infrastructure
ITD will use their scoring tools to derive the impact on the County's infrastructure of implementing the proposed solution. If ITD needs to upgrade or acquire new infrastructure to accommodate your project, detail that information here. Include all infrastructure requirements such as LAN/WAN, telephones, data retention schedules, SAN storage, server platform, database platform, etc. Include any written assurances that ITD will be able to accommodate your requirements.

4. ITD Readiness

If the proposed solution requires ITD to purchase or upgrade equipment or infrastructure please address what changes need to be made and a statement indicating that ITD can address the changes to accommodate this project.

5. Technical Diagram

Please provide a schematic of the proposed system, a technical architecture diagram, which depicts how the holistic solution will operate. This diagram should include desired provisions for disaster recovery. ITD will review this diagram with departmental staff. If the solution is COTS then it may be desirable to have the vendor partner of the department participate in the architectural review. Any project or initiative for which the business case owner already knows which infrastructures can be leveraged is required to provide a proposed technical architecture diagram with their business case as a supporting document for the technical architecture section. If one does not feel they know enough to create this diagram then they can request an appointment, through Carmen Suarez at ITD, to get help producing this diagram. If solution providers, integrators or any other vendors are needed in order to assure an accurate technical architecture understanding then they should be available during the requested appointment.

e) Project Payback (30%)

General Guidance: Describe the specific quantifiable benefits the project can deliver in terms of cost savings, cost avoidance, improved operational efficiency, software licensing reductions, hardware / software

maintenance reductions, position reduction, revenue generation, etc. Make every attempt to indicate a dollar value for the benefits to be achieved and indicate the period of time over which these benefits will accrue. This data will be input into the sections 4 and 5 of the Benefit Cost Analysis Questionnaire. Favorable scoring will correlate to the shortest payback period within the overall project timeline. See the following table for how payback will be scored:

Payback Period	SCORE
1-2 Years	10
2-3 Years	8
3-4 Years	6
4-5 Years	4
5+ Years	2
No benefits	0

Mandated projects will receive a score of 10.

1. Direct Personnel Benefits

Personnel staffing levels associated with the IT project will be reduced. This should be completed only if your FTE costs are expected to be reduced.

2. Direct Operational Benefits

Savings generated by not expending funds for the cost of running a government operation (paper, electricity, office rentals, etc.)

3. Other Direct Benefits

Benefits (revenue and savings, etc.) not previously listed but which needs to be included to capture the benefits of an IT project

4. Stakeholder Benefits (Indirect)

This includes the "hard cost" value of avoiding expenses ("hidden taxes") related to conducting business with your department. These expenses may be of a personal or business nature. They could be related to transportation, the time expended on or waiting for the manual processing of bureaucratic paperwork such as licenses or applications, taking time off work, mailing, or other similar expenses. As a "rule of thumb," use a value of \$10.00 per hour for citizen time savings and \$.325/mile for travel cost savings.

5. Departmental Personnel FTE Cost Avoidance (Indirect)

This refers to an investment in future personnel associated with the IT project will not have to be made. In addition, if personnel can be directed to other departmental priority tasks they can be counted as a benefit.

6. Social / Environmental Impact (Indirect)

Quantify the estimated annual value of the project to the citizens of Miami-Dade County for "hard cost" value of avoiding expenses ("hidden taxes") related to the lowering of the quality of life due to deteriorating social or ecological nature. Examples would be lowering crime, pollution, etc. As a general rule, these benefits must have solid basis in fact and be well documented.

7. Other Indirect Benefits

Benefits (revenues, savings, etc.) not previously listed but which need to be included to capture the benefits of the project

f) Risk⁴ (15%)

General Guidance: Every project will face challenges that could negatively impact implementation. This part of the Business Case is designed to help you identify the sorts of challenges that represent real risk to the successful completion of the project. Risk is the exposure of the proposed IT investment to failure or underachievement and there are many types of risk. In your narrative, please address those listed below if you believe they are real. Provide examples of how you intend to mitigate any identified risk. Since mandated projects must be done regardless of the level of risk

1. Financial risks

Risk associated with cost overruns, budget constraints, or funding issues

2. Resource constraints

Risks associated with the availability of people, skill limitations, or training requirements.

3. Technical risks

The failure to meet performance requirements, or exposure due to new or untested technologies.

4. Management risks

The impact of inexperienced project managers, project complexity, and the involvement of multiple agencies or many countywide project stakeholders).

5. Operational risks

The failure to meet usability, trainability, and/or maintainability requirements.

6. Political risks

The impact of loss of service to citizens, exposure to liability, security breaches, etc. Other impacts to consider are: legislative changes; regulatory compliance requirements.

7. Organizational Risks

The impact resulting from the project's alignment (or lack thereof) with the overall business strategy, or business related problems that could cause the problem to fail.

8. Timing risks

The lost opportunities due to schedule overruns, scope creep, obsolescence of existing technologies, processes.

9. Facilities/Equipment

Please note if new facilities or equipment are required.

10. Procurement Risk

Risk associated with the procurement process itself.

To help you consider the various types of risk to which your project might be exposed, please refer to ATTACHMENT A - Risk Assessment Questions. If you identify other types of risk not mentioned here, please feel free to address it in your Business Case.

⁴ eGovernment Business Case Development Guide, City of Dayton, Ohio, 3/20/2001

6. Preparing the Benefit Cost Analysis (BCA) Questionnaire

Please review the questionnaire in detail prior to attempting to complete it. The questionnaire is designed to solicit specific cost and benefit information from the prepared based on a thorough analysis of the project. The purpose of the questions is to determine the total project costs over the life of the project and to determine the capital budget request for FY 2014-15. In addition, if direct and indirect benefits can be quantified and included in the questionnaire, then it is possible to compute the project's return on investment (ROI) and payback period.

ROI is a financial accounting tool for determining the value of a particular investment. It is simply a ratio of the net benefits to the total cost of an investment for the same specific period. The formula is $ROI\% = \text{Net Benefit} / \text{Cost} \times 100$ where the Net Benefit = Benefits – Cost. The key to generating a useful ROI value is the identification and quantification of all the benefits and all the costs associated with a particular IT investment.

This is why it is so critical that every attempt is made to capture all of the project's costs and to quantify its benefits.

Completing the BCA Questionnaire will automatically complete a hidden sheet that will be used to calculate the ROI and Payback Period for the project.

7. Cost/Benefit Category Definitions

The following definitions correspond directly to the line items requested in the Cost/Benefit Analysis Questionnaire shown Attachment C.

a) Costs (Direct)

These include real or anticipated expenditures necessary to implement an IT project such as:

1. Hardware Costs (Hardware / Equipment) - Non-recurring expenditure for computers, printers, etc. used in setting up an IT project.
2. Hardware Costs (Recurring) - Recurring expenditures for maintenance contracts for computers, printers, etc.
3. Software Costs (Application and System) - Non-recurring expenditure for software used in setting up an IT project.
4. Software Costs - Recurring expenditures for software license renewals, etc.
5. External Consultant Costs - Expenditure to engage a needed expert to complete an IT project.
6. Facilities Costs - Expenditure needed to engage place of work to complete an IT project.
7. Training Costs - Expenditure needed to train personnel who would use the completed IT project.
8. Travel Costs – Expenditure needed for project-related travel.
9. ITD Staff Costs - Expenditure needed for ITD technical services (programmers / analysts / system administrators / etc.).(See Note A below)
10. ITD Hosting costs - All costs associated with hosting the application at ITD, including data base, virtual servers, data storage, data backup, telecommunications, network ports, etc.
11. Telecommunications costs – Expenditures related to new or modified phone systems to support the project.
12. Network costs – Expenditures related to new or modified local or wide area networks required to support the project.
13. Radio costs – Expenditures related to new or modified radio communications required to support the project.
14. Supplies - Expenditure needed for office supplies (paper, pens, tape, etc.) to complete an IT project.
15. New Project Staffing – Expenditures related to new positions that are hired to work on the project. Please include salary and fringe benefits.

16. Other Costs - Expenditures not previously listed and needs to be included to capture the costs of an IT project.

Please note that a comprehensive schedule of ITD operating cost rates can be found in the OMB Operating Budget Manual

b) Revenue Sources

These are funds that are used to offset costs of the project.

1. Offsetting expenses already in operational budget.
2. Grant funding – indicate amount and granting agency.
3. Interagency or other outside funding

c) Costs (Indirect)

This category of costs include costs that will be expended on the project but are already being incurred - "sunk costs."

1. Department Personnel/FTE Costs - Costs for the number of hours used by County employees, whether operational or technical working directly on an IT project.
2. Other Costs - Expenditures (not directly paid to an external entity) not previously listed and needs to be included to capture the costs of an IT project.

d) Benefits (Direct)

These are tangible dollar savings attributable to the project.

1. Personnel - Personnel staffing levels associated with the IT project will be reduced. This should be completed only if your FTE costs are expected to be reduced.

2. Operational Benefits - Savings generated by not expending funds for the cost of running a government operation (paper, electricity, office rentals, etc.)

3. Other Direct Benefits – Benefits not previously listed that can be quantified and included to capture the benefits of the project.

e) Benefits (Indirect)

These are intangible or strategic benefits that derive from the implementation of the IT projects. In some cases these can be assigned dollar values and submitters are encouraged to quantify where possible.

1. Customer/Stakeholder Benefits - Quantify the estimated annual value of the project to Miami-Dade citizens/customers. This includes the "hard cost" value of avoiding expenses ("hidden taxes") related to conducting business with your agency. These expenses may be of a personal or business nature. They could be related to transportation, the time expended on or waiting for the manual processing of governmental paperwork such as licenses or applications, taking time off work, mailing, or other similar expenses. As a "rule of thumb," use a value of \$10 per hour for citizen

time savings and \$.325 per mile for travel cost savings.

2. Departmental (personnel) Cost Avoidance - An investment in future personnel associated with the IT project will not have to be made. This should be completed only if your operations costs are expected to be reduced.
3. Social/Environmental Impact Benefits - Quantify the estimated annual value of the project to citizens of Miami-Dade County for the "hard cost" value of avoiding expenses ("hidden taxes") related to the lowering of the quality of life due to social or ecological impact. Examples would be lowering of crime, reducing pollution, reducing travel time to obtain government services, etc. As a general rule, these benefits must have solid basis in fact and be well documented.
4. Other benefits - Benefits (revenues, savings, etc.) not previously listed and needs to be included to capture the benefits of an IT project.

8. County Technical Contacts

The following contact information is provided to assist agencies with development of their requests. Departments should work with their primary County (ITD) point of contact and be sure that the supporting IT areas are consulted as needed for a comprehensive view of project needs.

IT Project Portfolio Management	Margaret Brisbane
IT Fiscal Management	Dale Poster-Ellis
IT Enterprise Computing Architecture and Methodologies	Carmen Suarez
IT Enterprise Shared Services	Mariaelena Salazar
ITD Service Catalogue	Eelyn De Vito
IT Security and Compliance	Lars Schmekel
Database	Sue Camner
Servers, Microsoft (Discrete/Virtual)	Gary Lee
Servers, IBM Eclipse (AIX, SUN)	Peter Oelkers
Storage/Backup	Gary Lee
Data Center Operations (Mainframe)	Juan Garcia
Geographic Information Systems	Mary Fuentes
Enterprise Network Access	Jorge Mederos
Network and Wireless (Data Communications)	Eric Gomez
Telecommunications and Voice Comms	John Concepcion
Application	Gary Gray

Middleware and Web Services	
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Technical Tools and BI Reporting	Susy Guzman-Arean
Applications	Margaret Brisbane
Enterprise Resource Planning (ERP)	Joe Conway
Document Management	Chris Crowley
Desktop Virtualization	Adrienne DiPrima

Departments are **ENCOURAGED** to work with ITD in advance of preparing project requests to review feasibility in advance of final submission. This will prevent unnecessary work for departments in preparing budget submissions that are not likely to meet requirements. The Business Case should be used to ensure that all required information is addressed. It is **REQUIRED** that the Project Description be written so that if funded, it can be used in the narrative section of the IT Strategic Plan and the Budget.

ATTACHMENT A – Risk Assessment Questions

Financial Risk

1. Is all other project funding secured?
2. Are expected benefits verifiable?
3. Is there a detailed budget for the project?
4. Is there a contingency plan for budget overruns?
5. Has the cost and value of the project been discussed with the client and the users?
6. What could make the project go over budget?
7. What are the financial risks if the project fails?

Resource Risk

1. Are key personnel identified?
2. Are all project team members trained?
3. Are project team skill requirements clearly defined?
4. Are project team assignments based on resource skill requirements?
5. Does the project team possess the skills necessary to complete the project?
6. Does the project team understand their roles and responsibilities?
7. Is there sufficient manpower to complete the project?
8. Does the project team have the necessary technical resources available? (i.e. Technical staff, systems analyst, network engineers)
9. Are the vendors well established with a strong financial background and good track record?

10. Have managers and directors committed to providing the necessary staff at the right time?
11. Has staff ever implemented such a solution before or has anyone in the County done so?

Technical Risk

1. Have project limitations been discussed with the user?
2. Has the application architecture been developed and documented?
3. Will the project follow a formal methodology?
4. Does the project team understand the methodology?
5. Are all business and technical requirements verified and validated?
6. Is there a mechanism for the project team to provide input to proposed changes in the plan?
7. Is the technology new, unproven, or extremely complex?
8. Are the project team members knowledgeable on the proposed technology environment?
9. Are all the interfaces identified?
10. Will business functional requirements (scope) changes affect the project outcome?
11. Is the organization ready to support the new application?

Project Management Risk

1. Does upper management support the project effort?
2. Have all project stakeholders been identified?
3. Is the project manager experienced?
4. Do the people implementing the project understand project objectives?
5. Will business processes need to be re-engineered?
6. Do you have a plan to ensure that the parameters of the project do not change or expand significantly?

Operational Risk

1. Have potential users been contacted about the usefulness of the project?
2. How confident are you that you are producing a system to meet the end user's needs?
3. Is the user's business environment stable? Will their needs be consistent?
4. Have all technology options been thoroughly investigated and analyzed?
5. Does the project comply with the county's enterprise computing architecture?
6. Will the existing computing environment support the application?
7. Have networking and hardware considerations been addressed?

Political Risk

1. Is the project a response to a legislative mandate? Is it likely to change in the foreseeable future?
2. What is the impact of non-delivery of project objectives for the citizens of the County?
3. What is the potential exposure to news/media coverage for failure to deliver?
4. Calculate potential costs/risks in cases where security breaches cause loss of required privacy, loss of information integrity, or complete loss of data or use of systems.

Organizational Risk

1. Does the project align with the overall business strategy?
2. Does the project support your core businesses?
3. Are the expected outcomes clearly defined?
4. Have all project stakeholders been defined?
5. Does the organization have the commitment necessary to complete and support the project?
6. Has the impact of late delivery been analyzed?
7. Has the impact of cost overruns been analyzed?
8. What business related problems could make this project fail?

Timing

1. Will opportunities be lost if the schedule isn't met?

2. Will timing be affected and the projects lose value if there is change of project scope?
3. Is there an immediate demand due to the possibility of obsolescence of existing technologies, processes, or demands? When and what?
4. Are there legislative mandates that have to be met by a certain date? When and what? What happens if one misses a deadline?
- 9) Project completion date versus sourcing methodology (see #7), and additional timeline considerations:
 - a) Has scope been complete?
 - b) Has ISD been engaged?
 - c) Has market research been completed?
 - d) Are Transit PTP funds involved? If so, then CITT Committee and Board required.

Procurement Risk

Assuming ITLC and budget approval has been obtained.

1. Is there an existing county contract?
2. If the answer to #1 is yes, is the additional allocation/scope consistent with original contract including the terms and conditions?
3. If the answer to #1 and #2 is yes, is the contract department specific and allows for countywide access?
4. If the answer to #1, #2, and #3 is yes, is the requesting department included with an allocation?
5. If the answer to #4 is yes, is additional allocation and time required?
6. If the answer to #5 is yes, will the contract modification require ISD/Mayor/BCC approval?
7. If the answer is no to either #1, #2, or #3, then a contract vehicle will need to be established such as: Bid Waiver, Sole Source, EPP-RFP, RFP, ITB, access another agency's contract.
8. If a new contract is required, the following will need to be considered:

ATTACHMENT B – Business Case Template

A. Project Identifying Information	
*Project Title:	
*Project Type (Run, Grow, Transform):	
*Prepared By (name, phone, email):	
*Requesting Department:	
*Departmental Priority:	
*Project Sponsor:	
*Departmental Technical Contact	
ITD Technical Lead:	
*Project FY 2014-15 Funding Request:	\$
*Project 5-Year Total Cost:	
*Capital Budget Project Number:	
*Date Submitted:	

*Required Fields

Business Case Components	Please refer to the IT Governance Process Manual for descriptions of the Business Case Components
B. Strategic Alignment (20%) B1 – Background Information B2 – Problem Statement B3 – Project Goals/Objectives B4 – Proposed Solution	
C. Business Process Impact (20%) C1 – Implementation Strategy C2 – Project Schedule C3 – Project Staffing C4 – Specific Process Impacts C5 – Departmental Readiness	
Technical Architecture (15%) D1 – Description of proposed technology D2 – Alignment with County and Departmental IT standards D3 – Impact on County Infrastructure	

D4 – ITD Readiness (as appropriate)		
E. Project Payback (30%)		
E1 – Direct Personnel Benefits/Costs		
E2 – Direct Operational Benefits/Costs		
E3 – Other Direct Benefits/ Cost Savings		
E4 – Stakeholder Benefits (Indirect)		
E5 – Departmental Personnel FTE Cost Avoidance (Indirect)		
E6 – Social/Environmental Impact (Indirect)		
E7 – Other Indirect Benefits/Costs		
E8 – Payback Period		
F. Risk Assessment (15%)		
F1 – Financial Risk		
F2 – Resource Risk		
F3 – Technical Risk		
F4 – Project Management Risk		
F5 – Operational Risk		
F6 – Political Risk		
F7 – Organizational Risk		
F8 – Timing Risk		
F9 – Facilities/Equipment		

Additional Descriptive Information		
1. Is this a Sustaining or New Request (S/N)		
2. Was this request submitted last year and not funded? (Y/N)		
If 2 is Yes, what priority did it receive from the ITLC? (1,2,3 or NR)		
If 2 is Yes, describe any significant changes since last year.		

ATTACHMENT C – Benefit Cost Analysis Questionnaire

BENEFIT/COST ANALYSIS QUESTIONNAIRE

Please answer the following questions regarding your proposed project. Departments are **ENCOURAGED** to work with ITD and your departmental budget liaison in advance of preparing project requests to review feasibility in advance of final submission. This will prevent unnecessary work for departments in preparing budget submissions that are not likely to meet requirements. The Business Case and this worksheet should be used to ensure that all required information is addressed. It is **REQUIRED** that the Project Description be written so that if funded, it can be used in the narrative section of the IT Strategic Plan and the Budget.

Department Name:
Project Title:
Project Sponsor:
Project Contact Person:
Contact Person Phone:
Contact Person Email Address:
Department Budget Analyst:
CIIS Project Number

Section 1: DIRECT Cost Questions

	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5
a) Will hardware be purchased for this project? If Yes enter capital costs by year:					
b) Will there be any recurring costs for hardware? If Yes enter recurring costs by year:					
c) Will any software be purchased for this project? If Yes enter capital costs by year:					
d) Will there be any recurring costs for software? If yes enter recurring costs by year:					
e) Will the project require external consultants? If yes enter costs by year:					
f) Will the project require upgrades to/or the acquisition of new facilities? If yes enter costs by year:					
g) Will functional or technical training be required? If yes enter costs for training by year:					
h) Will there be any travel costs? If yes enter costs for travel:					

	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5
i) Will the department contract with ITD for technical support services (programmers/analysts/system admin)? If yes enter costs for ITD SLAs:					
j) Will the application be hosted at ITD? If yes enter costs for all associated costs, e.g. database, virtual servers, data storage, data backup, telecommunications, network ports, etc.:					
k) Will the department use any existing IT staff on this project AND pay them from capital funds? If yes enter internal staffing costs by year:					
l) Will the project require any telecommunications equipment or services not provided by ITD? If yes enter costs by year:					
m) Will the project require any LAN or WAN network equipment or services? If yes enter costs by year:					
n) Will the project require any wireless or radio equipment or services? If yes enter costs by year:					
o) Will the project require any supplies? Is so enter costs by year:					
	YEAR	YEAR	YEAR	YEAR	YEAR

	1	2	3	4	5
r) Will the project require any new positions? If so enter the annual costs of the new positions, including fringe benefits, by year:					
s) Will the project require any OTHER costs not listed above? If yes enter the costs by year:					
Section 2: INDIRECT Cost Questions					
a) Will any departmental staff (IT or operational) being paid from existing operating budgets be assigned to this project? If yes enter salary and benefits by year:					
b) Will any other indirect costs be incurred by the project not listed above? If yes enter costs by year:					
Section 3: Revenue Sources					
a) Will any funding from existing operating budgets be allocated to this project? If yes enter amounts by year:					
b) Has any grant funding been received for this project? If yes enter amounts by year:					
	YEAR	YEAR	YEAR	YEAR	YEAR

	1	2	3	4	5
c) Will any interagency or outside agency funding be allocated to this project? If yes enter amounts by year:					
Section 4: Direct Benefits					
a) Will the project reduce departmental headcount? If so enter estimate of salary and benefits to be eliminated:					
b) Will there be any direct operational benefits such as savings generated by reduced operational expenditures? If yes enter the amount estimated to be saved by year:					
c) Will there be any other direct benefits not listed above? If yes enter amount estimated to be saved by year:					
Section 5: Indirect Benefits					
a) Will the project generate any customer/stakeholder benefits? If yes enter amount estimated to be saved by year:					
	YEAR	YEAR	YEAR	YEAR	YEAR

	1	2	3	4	5
b) Will the project create opportunities for departmental personnel cost avoidance? If yes enter amount of costs avoided by year: c) Will the project result in any social or environmental benefits? If yes enter amount of benefit by year: d) Will the project result in any other indirect benefits not listed above? If so enter the amount of the benefits by year:					
<p>Thank you. This completes the Benefit/Cost Analysis Questionnaire</p>					