

DAS Statewide Interim Policy

SUBJECT: Information Technology Investment Review/Approval **NUMBER:** *to be assigned*

DIVISION: Information Resources Management **EFFECTIVE DATE:** 04-01-2004

APPROVED: *Signature on File*

**INTERIM
POLICY/
PURPOSE:**

It is the policy of the Department of Administrative Services Information Resources Management Division (DAS IRMD) to ensure that state agency information technology investments are justified by sound business cases and linked to agency business plans, that they align with the state enterprise information technology strategies and are leveraged to the maximum extent reasonable for the benefit of the enterprise, and that necessary information about such investments is centrally cataloged for information sharing, reporting, and planning purposes. State agencies are required to seek approval from the State CIO in advance of purchase, and/or report on information technology investments in accordance with the procedures described in this policy.

**INTERIM
POLICY
CONTEXT:**

The Department of Administrative Services (DAS), through the State Chief Information Officer, uses IT investment review and approvals to:

- a) Align agency spending with the Governor's Priorities and initiatives, the Enterprise Information Resources Management (EIRM) Strategy, the Oregon Strategic Plan for Geographic Information Management and other related statewide plans, initiatives, goals and objectives.
- b) Ensure that state agencies link their information technology investments with agency business plans;
- c) Facilitate risk assessment of information technology projects and investments;
- d) Ensure that state agencies justify information technology investments on the basis of sound business cases;
- e) Ensure that state agencies facilitate development and review of information technology performance related to business operations;
- f) Ensure that state agencies thoroughly analyze (and reengineer, if appropriate) agency business processes prior to the automation of those processes through investments in technology.
- g) Ensure that projects are effectively and efficiently run utilizing appropriate system development lifecycle, project management, and quality assurance methodologies.
- h) Identify projects, and ensure that state agencies explore opportunities to partner with others on projects, that can cross agency and program lines to leverage resources; and
- i) Assist in state government-wide planning for common, shared information technology infrastructure.

An agency needs State Chief Information Officer approval to buy (invest in) information technology related goods and services according to the guidelines and procedure outlined below.

DAS Statewide Interim Policy

POLICY NAME: Information Technology Investment Review/Approval **POLICY NUMBER:** *to be assigned*

Governor's Priorities and Initiatives

In response to the current budget crisis and in support of the Governor's priorities to "Restore Confidence and Accountability in Government" and "Make Government Live within its Means", the Governor's initiative on Regulatory Streamlining, and the activities of the Governor's Advisory Committee on Government and Performance and Accountability, the Department of Administrative Services (DAS) and state agencies must do what we can to appropriately control information technology (IT) spending and stretch limited IT dollars.

ORS 184.470-184.477 (IT Portfolio Management)

In August 2001, HB 3372 (IT Portfolio Management) was signed into law. Substantive provisions of the law were included in ORS 184.470-184.477. In short, IT Portfolio Management (i.e. IT Investment Management) is an integrated approach to managing investments that provides for the continuous identification, selection, control, life-cycle management, and evaluation of IT Investments. ORS 184.475 requires DAS, in cooperation with state agencies to conduct and maintain a continuous inventory of each state agency's current and planned investments in information technology, a compilation of information about those assets and the total life cycle cost of those assets. Further, it requires DAS to develop and implement, and requires state agencies to comply with, state government-wide standards, processes and procedures for the required inventory and for the management of the state government-wide information technology portfolio.

AUTHORITY: ORS 184.305, 184.340, 184.473-184,477, 283.140, 283.500, 283-505, 283.510, 291.018, 291.037, 291.038, 291.047, 293.595. Executive Orders: 01-25, 00-02, 99-05, 98-05. Additionally, all acquisitions are subject to Department of Justice legal sufficiency and Department of Administrative Services purchasing rules.

APPLICABILITY: All Executive Branch agencies with the exception of the Oregon University System and K-12 education districts.

ATTACHMENTS: Information Resources Request (IRR) Form
Business Case/Feasibility Statement form

DEFINITIONS: ***IT Investment*** – IT Investments include but are not limited to: information technology and telecommunications-related hardware and software; software license and hardware maintenance renewals; and related services (e.g. personal services and trade services).

The State Computing and Networking Infrastructure (SCNI) - The infrastructure that provides communications, information and network of wide areas, regional, or local networks; network transmission links; wireless and wired network access; personal communications systems; and internetworking of various types of networks of Oregon State government.

Vulnerability assessment - Defined as the systematic examination of the SCNI to: determine the weakness of a system or facility holding information which can be exploited to gain access or violate system integrity; provide data to determine and

DAS Statewide Interim Policy

POLICY NAME: Information Technology Investment Review/Approval **POLICY NUMBER:** *to be assigned*

confirm the adequacy and effectiveness of security measures; or, to identify security deficiencies.

Agency Business Owner – The manager of the program benefiting from the proposed system or work product.

Agency Technology Manager – Agency manager responsible for information technology, systems development, information resources management, or electronic delivery of agency services.

GUIDELINES:

- I. DAS, via this interim policy, hereby delegates to each Agency Director, the responsibility for creating and performing an IT investment review and approval process/procedure for all procurements (IT Investment requests) with a value of less than \$75,000 (see Guideline IV below). The Agency's IT investment review and approval process/procedure must include the consideration of the Interim Policy Context and Purpose elements listed above.
- II. For all information technology-related procurements (investment requests) with a value of \$75,000 or more, State CIO approval is needed via the procedure outlined below.
- III. For all information technology-related projects that meet one or more of the criteria established within the Technology Investment Strategy Development and Quality Assurance Reviews policy, the agency must work with DAS/IRMD to determine the appropriate level of Quality Assurance Review required.
- IV. **Prohibition:** No mainframe, midrange or server hardware (database, application, web, email, file/print) investments; IT security-related hardware, software, or contracted services investments* (Note: "Class Contract Exemption" below); or, non-ESRI geographic information system (GIS) software investments, regardless of dollar amount, are to be made without advance State CIO approval via a DAS/IRMD exception review process.

*** Note: Required Agency Use of IT Security-Related "Class Contract Exemption":**

All solicitations for contracted vulnerability assessment services on the State Computing and Networking Infrastructure (SCNI) will not be publicly noticed. In accordance with PSK Exemption #470, agencies that plan to contract for vulnerability assessment services will:

1. Conduct market research to identify the most qualified premier and dominant consultants in the Cyber Security marketplace that can best meet the State of Oregon's comprehensive vulnerability assessment needs.
2. Apply predefined criteria, as approved by DAS/IRMD, to establish a list of consultants that will be solicited to meet the agency's security needs and align with the State standards to protect SCNI.
3. Once a list of contractors has been established, consultants may only be added to the list if they can demonstrate that they can meet the pre-defined criteria.
4. Send solicitations to only those consultants that are on the established list.
5. Conduct an evaluation and award process consistent with all other applicable administrative rules governing Personal Services Contracts.

State agencies must follow all applicable laws, administrative rules, and policies accept for those

DAS Statewide Interim Policy

POLICY NAME: Information Technology Investment Review/Approval **POLICY NUMBER:** *to be assigned*

rules specifically exempted through this Class Contract Exemption.

* Agencies must obtain State CIO approval prior to solicitation. For more detailed information regarding the Class Contract Exemption, contact the DAS IRMD Cyber Security Program Office at: 503-378-3160.

PROCEDURES:

<u>Step</u>	<u>Responsible Party</u>	<u>Action</u>
1.	Agency	<p>Before a procurement document (e.g., Work Order, PO, Telecommunications Service Order (TSO), ITB, RFP, etc.) is published for purchase of information technology related goods or services <i>in an amount of \$75,000 up to \$125,000</i> prepare an IRR form. This form requires the agency to report on:</p> <ul style="list-style-type: none">• Problem Statement• Agency Analysis• Project Summary• Funding Source• Contract Summary• Goods and Services Summary• Project Cost Summary
2.	Agency	<p>Before a procurement document is published for purchase of information technology related goods or services <i>in an amount equal to or greater than \$125,000</i>, prepare an IRR Form as detailed in step 1 and also include:</p> <ul style="list-style-type: none">• Cost Benefit Analysis• Business Case /Feasibility Statement<ul style="list-style-type: none">○ Prepare and submit Business Case/Feasibility Statement form as provided as a template at the DAS website (http://www.das.state.or.us/DAS/IRMD/docs/doc/Business_Case_form_v1.doc) or○ Prepare and submit a business case statement or feasibility study document that addresses at least the following areas: business need or opportunity description; description of the business case and business drivers; potential solutions including description, information technology implications, feasibility within the current organizational structure, risks, advantages and disadvantages; comparison of viable solutions; recommendation and justification for proposed solution.
3.	Agency Business Owner AND Agency Technology Manager (or designee)	<p>Review the IRR form and accompanying documentation. Indicate approval by signing the form or electronically via e-mail.</p>

DAS Statewide Interim Policy

POLICY NAME: Information Technology Investment Review/Approval **POLICY NUMBER:** *to be assigned*

4. Agency Forward IRR form, accompanying documentation, and approvals to IRMD analyst at:
Department of Administrative Services
Information Resources Management Division
Attn: Administration
1225 Ferry Street SE
Salem, OR 97301
or by e-mail to:
IT_Investment.Review@das.state.or.us
5. IRMD Analyst and State Chief Information Officer (CIO) Review and analyze IRR form and accompanying documentation. Analysis will specifically address the completeness of the agency's business case statement and alignment with the elements listed in the Interim Policy Purpose & Context statements above. Work with DAS and Agency subject matter experts to determine viability and appropriateness of specific business/technology solutions. IRMD Analyst will contact agency for clarification or additional information as needed.

IRMD Analyst will prepare recommendation to State CIO for approval or denial. State CIO will approve or deny the request via signature on the IRR Form.

IRMD Analyst will forward the approved or denied IRR form back to the Agency indicating the additional reporting expectations or the reasons for the denial, as appropriate.
6. Agency Include a copy of the approved IRR with procurement documentation forwarded to the DAS State Procurement Office or to DAS/IRMD Enterprise Network Services with the requisite Telecommunications Service Order (TSO) before proceeding with procurement activity.
7. State Procurement Office (SPO) Analyst and IRMD Analyst SPO Analyst notifies IRMD Analyst when the procurement (IT investment) activity has been concluded/executed (e.g. signed contract).
8. Agency Send project status and completion/lessons learned reports to IRMD (if required as part of the IRR approval process)



PROJECT NAME			
AGENCY		DATE	
DIVISION		DAS CONTROL #	
AGENCY CONTACT		PHONE NUMBER	
PROBLEM STATEMENT <i>(Identify problem, opportunity, or mandate [legislative, Federal, etc.]. Include summary statement of business process(es) and stakeholders affected.)</i>			
AGENCY ANALYSIS <i>(Identify alternatives considered and significant reasons for the alternative chosen. Include summary of agency analysis related to cost/benefit, feasibility, risk assessment, impacts on current environment, and other relevant business factors.)</i>			
PROJECT SUMMARY <i>(Provide summary narrative of the current project. Include summary statement of work, community/stakeholder impact, enterprise implications and opportunities, and alignment with the State of Oregon Enterprise Information Technology Strategy and published enterprise architecture and standards.)</i>			
Does this project conform to program and information technology related statutes, administrative rules, executive orders, and statewide policies? <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Don't Know			
If not, please provide justification: _____			
BUDGET IMPACT <i>(Provide summary narrative of the budget and resource implications of this project, as well as its relevance to the core mission of the agency.)</i>			
FUNDING SOURCE <input type="checkbox"/> General Funds <input type="checkbox"/> Federal Funds <input type="checkbox"/> Lottery Funds <input type="checkbox"/> Other Funds			
If Other Funds, please identify source _____			
CONTRACT SUMMARY <i>(attach statement of work from procurement document)</i>			
<input type="checkbox"/> Personal Services <input type="checkbox"/> Goods <input type="checkbox"/> Trade Services <input type="checkbox"/> PO/CRO/Task Order			
Contract Amount _____ End Date _____ Amendment # _____			
PRODUCT SUMMARY		HOST-BASED SOFTWARE	
<input type="checkbox"/> Microcomputers	<input type="checkbox"/> Minicomputers	<input type="checkbox"/> System	_____
<input type="checkbox"/> Printers	<input type="checkbox"/> File Servers	<input type="checkbox"/> LAN/WAN	_____
<input type="checkbox"/> Terminals	<input type="checkbox"/> Web Servers	<input type="checkbox"/> Development	_____
<input type="checkbox"/> Scanners	<input type="checkbox"/> Modems	<input type="checkbox"/> DBMS	_____
<input type="checkbox"/> Boards	<input type="checkbox"/> _____	<input type="checkbox"/> Application	_____
<input type="checkbox"/> Controllers	<input type="checkbox"/> _____	<input type="checkbox"/> Other	_____



IRR COMPLETION PROCESS

1. At the commencement of an information technology-related project, agency prepares form and any supporting documentation required.
2. Agency obtains Agency Business Owner and Agency Technology Manager signatures or e-mail approvals.
3. Agency sends IRR and any supporting documentation to:

**Department of Administrative Services
 Information Resources Management Division
 Attn: Administration
 1225 Ferry St. SE
 Salem, Oregon 97301**

or by e-mail to: IT_Investment.Review@das.state.or.us

4. DAS will review and provide analysis related to completeness of the business case statement, the Interim Policy Context and Purpose elements listed in the Information Technology Investment Review/Approval interim policy, and potential enterprise applications.
5. If form is complete, IRR and accompanying analysis is forwarded to the State CIO for approval
 OR
 If form is not complete, documentation is returned to Agency with explanation.
6. After documentation is approved, the IRR is returned to the Agency.
7. Agency forwards approved IRR with procurement documents to Dept. of Justice and DAS State Procurement Office or DAS IRMD Enterprise Network Services, if applicable (i.e. to complete a Telecommunications Service Order).
8. After completion of RFI/RFP process, agency forwards an amended IRR form, citing the DAS-assigned control number, as more specific contract data becomes available.

Total Project Cost or Purchase Price:	Agency-Provided Supporting Documentation	Approval required
≥ \$500,000	<ul style="list-style-type: none"> • Conform with Technology Investment Strategy Development and Quality Assurance Reviews policy • Information Resource Request • Cost Benefit Analysis • Business Case/Feasibility Statement 	State CIO
\$125,000 – \$499,999	<ul style="list-style-type: none"> • Information Resource Request • Cost Benefit Analysis • Business Case/Feasibility Statement 	State CIO
\$75,000 – \$124,999	<ul style="list-style-type: none"> • Information Resource Request 	State CIO
< \$75,000	<ul style="list-style-type: none"> • None required unless covered under Policy Guideline IV prohibitions. For requests to purchase items covered under Guideline IV, please contact IRMD for more information. 	No DAS approval required unless the request concerns an investment identified in Policy Guideline IV Prohibitions. For these items, State CIO approval via a DAS/IRMD exception review process is required regardless of dollar amount.



PROJECT NAME			
AGENCY		DATE	
DIVISION			
AGENCY CONTACT		PHONE NUMBER	
<hr/> Agency Business Owner		<hr/> Agency Technology Manager	
<hr/> date		<hr/> date	

1. OPPORTUNITY/NEED

1.1 DESCRIPTION OF THE OPPORTUNITY/NEED *(Describe the opportunity that exists or the need that must be addressed, irrespective of a solution. Define the opportunity or need, not a technical or business architecture solution.)*

Enter text here

1.2 SOURCE OF THE OPPORTUNITY/NEED *(Describe how the opportunity or need became known to the agency.)*

Enter text here

1.3 ADDITIONAL BACKGROUND *(Relevant information that will provide context for the agency's understanding of the opportunity or need.)*

Enter text here

2. BUSINESS CASE

2.1 DESCRIPTION OF THE BUSINESS CASE *(Define the business case for this opportunity or need. How does the opportunity or need relate to the agency's mission, strategies, goals, and objectives in the short, medium, and long term.)*

Enter text here

2.2 BUSINESS DRIVERS *(Describe the factors that are driving the business need including: legal or organizational mandate; business continuation; efficiency/effectiveness; service expansion/improvement; cost savings/income generation; enabler of technology, services, or processes; strategic initiative.)*

Enter text here



2.3 BUSINESS CASE ASSUMPTIONS *(List any assumptions being made that directly impact the definition or, and/or the drivers of the business case.)*

Enter text here

2.4 BUSINESS CASE BENCHMARKING *(Provide benchmarks that establish a standard by which the defined business case can be measured, compared, and judged. Benchmarks should involve comparisons to past events/performance, similar organizations, and industry trends/best practices.)*

Enter text here

3. POTENTIAL SOLUTIONS APPROACHES *(Repeat section 3.1 for each identified solution approach.)*

3.1 SOLUTION APPROACH [#1 – Approach Name]

3.1.1 DESCRIPTION OF THE SOLUTION APPROACH *(Describe a viable solution approach that could be taken to exploit the opportunity or to meet the need. Define a general tactical plan, not a specific technical or business architecture solution. Tactics utilized could include: IT project, IT maintenance request, business process improvement initiative, reorganization, policy, procedures, employee development/training. A solution approach is made up of one or more of these tactics.)*

Enter text here

3.1.2 BUSINESS ARCHITECTURE IMPLICATIONS *(Describe the effects and magnitude of the solution approach to existing business architecture. Impacts may include: modify/optimize existing processes and procedures; eliminate existing processes and procedures; introduce new processes and procedures; integrate processes and procedures; perform analysis, develop plan or strategy; interrupt service; modify organizational structure.)*

Enter text here

3.1.3 POLICY IMPLICATIONS *(Identify the policy implications for this solution approach and their likelihood of each activity. These activities can include: analyze/evaluate statute; modify statute; define new administrative rule; analyze/evaluate existing administrative rule; modify existing administrative rule; delete existing administrative rule; define new agency policy; analyze/evaluate existing agency policy; modify existing agency policy; delete existing agency policy.)*

Enter text here

3.1.4 INFORMATION TECHNOLOGY IMPLICATIONS *(Identify the information technology implications for this solution approach and the likelihood of each activity. These activities can include: modify/enhance existing software/application systems; eliminate/replace*



existing software/application systems; develop new application software/systems; integrate software/application systems; modify/enhance existing hardware/equipment; eliminate/replace existing hardware/equipment; purchase new hardware/equipment; integrate new hardware/equipment; relocate existing hardware/equipment; perform analysis, develop plan or strategy; modify transaction volumes; modify established service level agreements.)

Enter text here

3.1.5 ORGANIZATIONAL FEASIBILITY *(Identify the feasibility for this solution as it relates to the agency's ability to deliver specific work or a type of work. Consider the skills and experience available to implement this approach, as well as the agency's track record.)*

Enter text here

3.1.6 RISK *(Assign a risk rating for this solution as High (worst), Medium, or Low (best). Justify the rating. Risks pertain to the threat of potential events or circumstances that could jeopardize success, as well as potential impacts of the solution approach on both internal and external stakeholders. Consider the likelihood of success for this solution approach, and what is at stake if something goes wrong or is not handled effectively.)*

Enter text here

3.1.7 ADVANTAGES/DISADVANTAGES *(List any advantages and disadvantages specific to this solution approach.)*

Enter text here

3.1.8 SOLUTION APPROACH ASSUMPTIONS *(Identify any general assumptions being made that pertain to the definition of and/or justification of this solution approach.)*

Enter text here

3.1.9 SOLUTION APPROACH BENCHMARKING (Optional) *(Provide benchmarks that establish a standard by which this solution approach can be measured, compared, and judged.)*

Enter text here

3.2 COMPARISON OF POTENTIAL SOLUTION APPROACHES *(Summarize the significant differences between all of the potential solution approaches identified in section 3.1.)*

Enter text here



4. RECOMMENDATION

4.1 RECOMMENDED ACTIONS *(Present a recommendation based on the information presented in this document. Identify the best solution approach from the viable alternatives, including next step(s). Clearly define decisions that need to be made.)*

Enter text here

4.2 JUSTIFIABLE TARGETS

4.2.1 JUSTIFIABLE BUDGET *(If recommending further action be taken, identify the budget that seems to be justifiable based on the business case. For mandated initiatives, list any predefined spending limits and/or budgets.)*

Enter text here

4.2.2 DESIRED TIMELINE *(If recommending further action be taken, define the desired and/or required milestone dates based on what is known at this time. For mandated initiatives, list any predefined due dates.)*

Enter text here